

SB 1543-6  
(LC 271)  
2/16/26 (HE/ps)

Requested by Senator GORSEK

**PROPOSED AMENDMENTS TO  
SENATE BILL 1543**

1 On page 1 of the printed bill, line 2, delete “184.612, 184.649, 184.661,”.

2 In line 3, delete “367.030,”.

3 Delete lines 5 through 25 and delete pages 2 through 10 and insert:

4 **“SECTION 1. Highway debt financing management policy. (1) In**  
5 **consultation with the State Treasurer, the Oregon Transportation**  
6 **Commission shall develop a debt financing management policy for all**  
7 **forms of debt financing issued to finance highway projects, including,**  
8 **but not limited to, bonds and other forms of financing based on debt**  
9 **or future repayment.**

10 **“(2) The policy must be used by the commission and the State**  
11 **Treasurer to guide decision-making related to debt financing. The**  
12 **commission may update the policy as necessary. In developing and**  
13 **updating the policy, in addition to consulting with the State Treasurer,**  
14 **the commission shall consult with the chairpersons and vice chair-**  
15 **persons of the committees and interim committees of the Legislative**  
16 **Assembly related to transportation.**

17 **“(3) The debt financing management policy developed under this**  
18 **section must address relevant financial issues, including, but not lim-**  
19 **ited to:**

20 **“(a) Limits on cumulative amounts of debt for the highway system**  
21 **from all state and federal sources;**

1       “(b) Eligibility of highway projects for proceeds from debt financ-  
2 ing;

3       “(c) Allocation and use of proceeds;

4       “(d) Terms of debt service and methods of repayment;

5       “(e) Management of the State Highway Fund; and

6       “(f) Mitigation of risks from different forms of debt financing.

7       “(4) The debt financing management policy must limit annual debt  
8 service for highway projects to a set percentage of estimated annual  
9 state transportation resources to the State Highway Fund. The com-  
10 mission shall set this limit at a level that protects the Department of  
11 Transportation in a future budget period from being required to make  
12 debt service payments of a size that other portions of the department’s  
13 budget during that period must be reduced. This subsection does not  
14 apply to debt service anticipated to be paid from federal grant moneys.

15       “(5) No later than January 31 of each odd-number year, the com-  
16 mission shall review and update the debt financing management policy  
17 and submit a report to the standing or interim committees of the  
18 Legislative Assembly related to transportation, in the manner provided  
19 in ORS 192.245, on the policy and any changes to the policy.

20       “SECTION 2. Requesting issuance of bonds. (1) Before the Depart-  
21 ment of Transportation may request the State Treasurer to issue  
22 bonds, the department must first submit the proposed request to the  
23 Oregon Transportation Commission for review. In conducting the re-  
24 view, the commission shall provide notice and the opportunity for  
25 public comment on whether the commission should approve the re-  
26 quest. After reviewing the request, the commission may approve,  
27 modify or deny the request in accordance with the debt financing  
28 management policy adopted under section 1 of this 2026 Act. The de-  
29 partment may not make a bond request to the State Treasurer, and  
30 the State Treasurer may not act on a bonding request, unless the re-

1   quest is first approved by the commission.

2       “(2) If the proposed request is for issuance of bonds that will  
3   produce at least \$10 million in net proceeds, the department shall  
4   create a report on the proposed debt. The department shall submit the  
5   report to the commission at the time the department submits the  
6   proposed request for review. Additionally, the department shall submit  
7   the report to the committees or interim committees of the Legislative  
8   Assembly related to transportation. The report must include at least  
9   the following information, provided as good faith estimates and subject  
10  to change based on market conditions at the time of issuance:

11       “(a) A preliminary full debt repayment schedule;

12       “(b) An accounting of the preliminary total cost of the debt, in-  
13   cluding all financing-related costs;

14       “(c) A preliminary description of how bond proceeds will be used  
15   and how the debt is to be secured;

16       “(d) A description of the specific revenues that will be used to pay  
17   debt service, an estimate of the total annual amounts of those reve-  
18   nues and the share of those revenues currently dedicated to debt ser-  
19   vice; and

20       “(e) An analysis of opportunity costs, including next-best uses of  
21   moneys and projected impacts of the proposed bonds on future funding  
22   for other projects, for at least two biennia after the current biennium.

23       “(3) The commission may not approve a proposed bonding request,  
24   and the State Treasurer may not act on a bonding request, if the de-  
25   partment is not in compliance with subsection (2) of this section.

26       “(4) The provisions of this section do not apply to any other appli-  
27   cable refunding authority to refund outstanding indebtedness of the  
28   state issued by the State Treasurer on behalf of the Department of  
29   Transportation or the issuance of:

30       “(a) Refunding bonds under ORS 286A.025, 367.030 or 367.615;

1       “(b) Refunding revenue bonds under ORS 367.105 or 367.615; or

2       “(c) Grant anticipation revenue bonds to refund outstanding grant  
3       **anticipation revenue bonds under ORS 367.176.**

4       “**SECTION 3.** ORS 367.025 is amended to read:

5       “367.025. (1) If the Department of Transportation determines that it is  
6       necessary or desirable to issue infrastructure bonds to provide moneys for  
7       the Oregon Transportation Infrastructure Fund, the department shall ask the  
8       State Treasurer to issue infrastructure bonds, **subject to section 2 of this**  
9       **2026 Act.**

10      “(2) Infrastructure bonds shall be issued as provided in ORS chapter 286A.

11      “**SECTION 4.** ORS 367.163 is amended to read:

12      “367.163. The State Treasurer, at the request of the Department of  
13      Transportation **and subject to section 2 of this 2026 Act**, may issue grant  
14      anticipation revenue bonds for the purposes of:

15      “(1) Financing highway improvement projects including highway im-  
16      provement projects already under way or scheduled;

17      “(2) Financing the restoration, reconstruction or renovation of highway  
18      improvements in Oregon;

19      “(3) Financing transportation projects;

20      “(4) Paying the costs of issuance of the revenue bonds including, but not  
21      limited to, the costs and fees of paying agents, trustees and remarketing  
22      agents;

23      “(5) Paying the costs of credit enhancements; or

24      “(6) Financing the Interstate 5 bridge replacement project.

25      “**SECTION 5.** ORS 367.555 is amended to read:

26      “367.555. (1) **Subject to section 2 of this 2026 Act**, The Department of  
27      Transportation may request the State Treasurer to issue general obligation  
28      bonds of the State of Oregon used to provide funds to defray the costs of  
29      building and maintaining permanent roads, including the costs of location,  
30      relocation, improvement, construction and reconstruction of state highways

1 and bridges and those portions of a tollway project, as defined in ORS  
2 383.003, that constitute building or maintaining permanent roads.

3 “(2) The principal amount of any bonds issued under this section is sub-  
4 ject to the provisions of ORS 286A.035.

5 **“SECTION 6.** ORS 367.615 is amended to read:

6 “367.615. (1) **Subject to section 2 of this 2026 Act,** The Department of  
7 Transportation may request the State Treasurer to issue and sell revenue  
8 bonds known as Highway User Tax Bonds as provided in this section.

9 “(2) Bonds issued under this section do not constitute a debt or general  
10 obligation of this state or any political subdivision of this state but are se-  
11 cured and payable from moneys described under ORS 367.605. A holder of  
12 bonds issued under this section may not compel the exercise of the ad  
13 valorem taxing power of the state to pay the bond debt service on the bonds.

14 “(3) This state shall provide for the continued assessment, levy, collection  
15 and deposit into the highway fund of moneys described under ORS 367.605  
16 in amounts sufficient to pay, when due, the annual bond debt service and  
17 other amounts necessary to meet requirements established by indenture un-  
18 der ORS 367.640.

19 “(4) This state may not in any way impair obligations of any agreement  
20 between this state and the holders of bonds issued under this section.

21 “(5) The authority granted by this section is continuing and the depart-  
22 ment reserves the right to request the State Treasurer to issue additional  
23 bonds under this section subject to the following:

24 “(a) Additional bonds must be secured equally and ratably by the pledge  
25 and appropriation of moneys described under ORS 367.605 unless the State  
26 Treasurer, as permitted by law and the contracts with owners of outstanding  
27 Highway User Tax Bonds, issues additional bonds in different series and se-  
28 cures each series by a lien on and pledge of moneys described under ORS  
29 367.605 that is superior to or subordinate to the lien of the pledge securing  
30 any other series of Highway User Tax Bonds.

1       “(b) The State Treasurer may only issue additional bonds under this sec-  
2       tion if sufficient moneys described under ORS 367.605 may be pledged to pay  
3       the annual bond debt service for all outstanding bonds issued under this  
4       section as well as for the additional bonds.

5       “(6) Proceeds from the sale of bonds under this section are declared to  
6       be for the purpose of building and maintaining permanent public roads and  
7       may be used:

8       “(a) To finance the cost of state highway, county road and city street  
9       projects in this state.

10       “(b) To pay the cost of issuing the bonds.

11       “(c) For loans to cities and counties as provided under ORS 367.035 or  
12       367.655.

13       “(d) To pay the bond debt service of the bonds.

14       “(e) To pay the costs of the State Treasurer and the department to ad-  
15       minister and maintain the bonds and the Highway User Tax Bond program,  
16       including the cost of consultants, advisors, attorneys or other professional  
17       service providers appointed, retained or approved by the treasurer or the  
18       department.

19       “(f) To pay capitalized interest, principal or premium, if any, of the bonds.

20       “(g) For rebates or penalties due to the United States in connection with  
21       the bonds.

22       “(7) The State Treasurer, at the request of the department, may issue  
23       Highway User Tax Bonds as capital appreciation bonds, auction rate bonds,  
24       variable rate bonds, deep discount bonds or deferred interest bonds.

25       “(8) The State Treasurer or the Director of Transportation, if so directed  
26       by the treasurer, may obtain credit enhancement or an agreement for ex-  
27       change of interest rates to provide additional security or liquidity for the  
28       bonds or to provide funding, in lieu of cash, for all or a portion of a bond  
29       debt service reserve account established with respect to the bonds.

30       “**SECTION 7.** ORS 367.812 is amended to read:

1 “367.812. (1) In addition to any authority to issue and sell bonds and other  
2 similar obligations, this section establishes continuing authority for the  
3 State Treasurer to issue and sell bonds and other similar obligations, at the  
4 request of the Department of Transportation, in a manner consistent with  
5 this section. To finance any transportation project in whole or in part, the  
6 department may request that the State Treasurer issue revenue bonds on  
7 behalf of the department, **subject to section 2 of this 2026 Act**. Revenue  
8 bonds authorized under this section shall be issued in accordance with the  
9 applicable provisions of ORS chapter 286A. The bonds shall be secured by a  
10 pledge of, and a lien on, and shall be payable only from moneys in the State  
11 Transportation Enterprise Fund established by ORS 367.810 and any other  
12 revenues specifically pledged to repayment of the bonds. Such a pledge by  
13 the department of its revenues creates a lien that is valid and binding from  
14 the time the pledge is made as provided in ORS 286A.102. Revenue bonds is-  
15 sued pursuant to this section are not general obligations of the state and are  
16 not secured by or payable from any funds or assets of the state other than  
17 the moneys and revenues specifically pledged to the repayment of such rev-  
18 enue bonds.

19 “(2) Moneys received from the issuance of revenue bonds or other debt  
20 obligations, including any investment earnings thereon, may be expended:

21 “(a) For the purpose of financing the costs of the transportation project  
22 for which the bonds are issued;

23 “(b) To pay the costs and other administrative expenses of the bonds;

24 “(c) To pay the costs of credit enhancement or to fund any reserves de-  
25 termined to be necessary or advantageous in connection with the revenue  
26 bonds; and

27 “(d) To reimburse the department for any costs related to carrying out the  
28 purposes of the program established under ORS 367.804.

29 “(3) Any transportation project may be financed in whole or in part with:

30 “(a) The proceeds of grant anticipation revenue bonds authorized by 23

1 U.S.C. 122 and applicable state law.

2 “(b) Grants, loans, loan guarantees, lines of credit, revolving lines of  
3 credit or other financing arrangements available pursuant to the Transpor-  
4 tation Infrastructure Finance and Innovation Act under 23 U.S.C. 181 et seq.,  
5 or any other applicable federal law.

6 “(c) Infrastructure loans or assistance from the Oregon Transportation  
7 Infrastructure Fund established by ORS 367.015.

8 “(4) As security for the payment of financing described in subsection (3)  
9 of this section, the revenues from the project may be pledged, but no such  
10 pledge of revenues constitutes in any manner or to any extent a general ob-  
11 ligation of the state. Any financing described in subsection (3) of this section  
12 may be structured on a senior, parity or subordinate basis to any other fi-  
13 nancing.

14 **“SECTION 8.** ORS 383.200 is amended to read:

15 “383.200. (1) In accordance with the applicable provisions of ORS chapter  
16 **286A and subject to section 2 of this 2026 Act**, the State Treasurer, at the  
17 request of the Department of Transportation, may issue and sell revenue  
18 bonds known as tollway project revenue bonds for the purpose of financing  
19 tollway projects authorized by the Oregon Transportation Commission or the  
20 Department of Transportation, provided that such bonds do not constitute a  
21 debt or general obligation of the department or of this state or any of its  
22 political subdivisions, but shall be payable solely from the revenues,  
23 amounts, funds and accounts described in ORS 383.009, 383.205 and 383.235.

24 “(2) The proceeds of bonds issued under this section may be used by the  
25 department or loaned or granted to a private entity or a local government,  
26 as defined in ORS 174.116, for the purposes of:

27 “(a) Financing any portion of the costs related to the purposes described  
28 in ORS 383.009 (2);

29 “(b) Funding any required reserves;

30 “(c) Paying costs of issuing the bonds; and



1 “(d) Reimbursing the department for any eligible costs associated with the  
2 establishment, oversight, operation and maintenance of a tollway or a  
3 tollway project.

4 “(3) The bonds authorized by this section may be issued as taxable bonds  
5 or as tax-exempt bonds under the income tax laws of the United States.

6 “(4) Notwithstanding the status of the bonds for federal income tax pur-  
7 poses, interest paid to the owners of the bonds shall be exempt from personal  
8 income taxes imposed by this state.

9 “(5) Subject to the limitations under ORS 383.004 and 383.009, when issu-  
10 ing bonds under this section, the department and the State Treasurer may  
11 make covenants with bondholders regarding the imposition and regulation  
12 of tolls to meet the department’s obligations under the terms of any  
13 indenture prepared under ORS 383.225, any loan agreement and any grant  
14 agreement, including without limitation:

15 “(a) Financial covenants, debt service requirements, reserve requirements  
16 and any other funding requirements;

17 “(b) The use of the amounts required to be deposited in the Toll Program  
18 Fund; and

19 “(c) The issuance of additional bonds.

20 “(6) The state may not in any way impair obligations of any agreement  
21 between the state and holders of tollway project revenue bonds issued under  
22 this section.

23 “(7) The department, with the approval of the State Treasurer, may des-  
24 ignate the extent to which a series of tollway project revenue bonds au-  
25 thorized under this section is secured and payable:

26 “(a) On a parity of lien or on a subordinate basis to existing or future  
27 Highway User Tax Bonds issued under ORS 367.615, but only if sufficient  
28 moneys described under ORS 367.605 may be pledged to:

29 “(A) First, pay the annual bond debt service of all Highway User Tax  
30 Bonds issued pursuant to ORS 367.615 and 367.620; and

1 “(B) Second, pay the annual bond debt service for all tollway project  
2 revenue bonds issued under this subsection; or

3 “(b) From additional revenue sources as permitted under ORS 383.205.

4 “(8) A holder of tollway project revenue bonds issued under this section  
5 may not compel the payment of federal transportation funds to the depart-  
6 ment.

7 “(9) This section is supplemental and in addition to any other authority  
8 in ORS chapters 286A, 366 and 367 for the issuance of bonds by the State  
9 Treasurer at the request of the department.

10 **“SECTION 9.** ORS 391.140 is amended to read:

11 “391.140. (1) In accordance with ORS chapter 286A, the State Treasurer,  
12 at the request of the Director of Transportation **and subject to section 2**  
13 **of this 2026 Act**, shall issue revenue bonds from time to time in an aggregate  
14 amount not to exceed:

15 “(a) The principal sum of \$115 million;

16 “(b) The costs incurred in connection with the issuance of the bonds and  
17 other administrative expenses of the State Treasurer in connection with the  
18 issuance of the bonds; and

19 “(c) The amount of any reserves determined to be necessary or advanta-  
20 geous in connection with the revenue bonds.

21 “(2) The Director of Transportation shall submit to the State Treasurer  
22 from time to time written requests to issue the revenue bonds in amounts  
23 sufficient to provide in a timely fashion the moneys required to fund the  
24 obligations of the Department of Transportation under any written agree-  
25 ments or commitments entered into under ORS 391.120 (2) for the purpose  
26 of financing the state share of the costs of the Westside corridor light rail  
27 project identified in ORS 391.120 (2)(a).

28 “(3) Moneys received from the issuance of revenue bonds, including any  
29 investment earnings thereon, may be expended only for the purpose of fi-  
30 nancing the costs of development, acquisition and construction of the

1 Westside corridor light rail project identified in ORS 391.120 (2)(a), and to  
2 pay the costs of issuing the bonds and other administrative expenses of the  
3 State Treasurer in carrying out the provisions of ORS 391.120 and this sec-  
4 tion, including the funding of any reserves determined to be necessary or  
5 advantageous in connection with the revenue bonds.

6 “(4) Notwithstanding ORS 286A.100, 286A.102 and 286A.120 or any other  
7 provision of law, revenue bonds issued under this section, regardless of  
8 whether issued in one or more issues, shall be secured equally and ratably  
9 by the pledge of moneys described in this subsection and ORS 391.130. The  
10 bonds shall be secured by a pledge of, and a lien on, and shall be secured  
11 and payable only from, moneys on deposit from time to time in the Regional  
12 Light Rail Extension Construction Fund established by ORS 391.120. The  
13 revenue bonds shall not be a general obligation of this state, and shall not  
14 be secured by or payable from any funds or assets of this state other than  
15 the moneys on deposit from time to time in the Regional Light Rail Extension  
16 Construction Fund.

17 “(5) The moneys in the Regional Light Rail Extension Bond Account shall  
18 be used and applied by the Director of Transportation to pay when due the  
19 principal of and interest on any revenue bonds issued under this section.

20 “(6) The interest on all revenue bonds issued under this section and on  
21 any refunding bonds issued pursuant to ORS chapter 286A is exempt from  
22 personal income taxation imposed by this state under ORS chapter 316.

23 “(7) The proceeds derived from the issuance and sale of the revenue bonds,  
24 including any proceeds required to fund any reserves determined to be nec-  
25 essary or advantageous in connection with the revenue bonds, shall be de-  
26 posited in a special, segregated subaccount of the Regional Light Rail  
27 Extension Construction Fund. The moneys on deposit from time to time in  
28 the subaccount, including any investment earnings thereon, shall be dis-  
29 bursed as needed for the purposes described in subsection (3) of this section  
30 upon the written request of the Director of Transportation.

**“SECTION 10. The section captions used in this 2026 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2026 Act.**

**“SECTION 11. This 2026 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2026 Act takes effect on its passage.”.**

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