

# House Bill 4036

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Joint Committee on Transportation for Representative Caddy McKeown and Senator Lee Beyer)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Modifies, adds and repeals laws relating to transportation.  
Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to transportation; creating new provisions; amending ORS 166.260, 166.262, 166.360, 166.370,  
3 184.642, 184.657, 184.675, 184.751, 184.758, 184.761, 184.766, 293.701, 319.020, 319.330, 320.400,  
4 323.455, 323.457, 541.561, 541.659, 803.102, 803.210, 803.591, 807.072, 810.180, 824.022, 824.026,  
5 824.060, 824.088, 824.990 and 824.992 and section 7, chapter 700, Oregon Laws 2015; repealing  
6 ORS 184.631, 391.800, 391.802, 391.810, 391.815, 391.820, 391.830, 824.068 and 824.104 and sections  
7 6 and 8, chapter 700, Oregon Laws 2015, and sections 2 and 3, chapter 24, Oregon Laws 2018;  
8 prescribing an effective date; and providing for revenue raising that requires approval by a  
9 three-fifths majority.

10 **Be It Enacted by the People of the State of Oregon:**

## IN GENERAL

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12  
13  
14 **SECTION 1.** ORS 810.180 is amended to read:

15 810.180. (1) As used in this section:

16 (a) "Designated speed" means the speed that is designated by a road authority as the maximum  
17 permissible speed for a highway and that may be different from the statutory speed for the highway.

18 (b) "Statutory speed" means the speed that is established as a speed limit under ORS 811.111,  
19 or is established as the speed the exceeding of which is prima facie evidence of violation of the basic  
20 speed rule under ORS 811.105.

21 (2)(a) A designated speed established under this section is a speed limit if the highway for which  
22 the speed is designated is subject to a statutory speed limit under ORS 811.111 that is in addition  
23 to the speed limit established under ORS 811.111 (1)(b).

24 (b) A speed greater than a designated speed established under this section is prima facie evi-  
25 dence of violation of the basic speed rule if the designated speed is established for a highway on  
26 which there is no speed limit other than the limit established under ORS 811.111 (1)(b).

27 (3) The Department of Transportation may establish by rule designated speeds on any specified  
28 section of interstate highway if the department determines that speed limits established under ORS  
29 811.111 (1) are greater or less than is reasonable or safe under the conditions that exist with respect  
30 to that section of the interstate highway. Designated speeds established under this subsection are  
31 subject to all of the following:

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.  
New sections are in **boldfaced** type.

1 (a) The department may not establish a designated speed under this subsection of more than:

2 (A) Sixty-five miles per hour for vehicles described in ORS 811.111 (1)(b); and

3 (B) Seventy miles per hour for all other vehicles.

4 (b) If the department establishes designated speeds under this subsection that are greater than  
5 65 miles per hour, the designated speed for vehicles described in ORS 811.111 (1)(b) must be at least  
6 five miles per hour lower than the designated speed for all other vehicles on the specified section  
7 of interstate highway.

8 (c) The department may establish a designated speed under this subsection only if an engineer-  
9 ing and traffic investigation indicates that the statutory speed for the interstate highway is greater  
10 or less than is reasonable or safe under conditions the department finds to exist.

11 (d) A designated speed established under this subsection is effective when appropriate signs  
12 giving notice of the designated speed are posted on the section of interstate highway where the  
13 designated speed is imposed.

14 (4)(a) The department may establish, pursuant to a process established by rule, a designated  
15 speed on a state highway outside of a city. The authority granted under this subsection includes,  
16 but is not limited to, the authority to establish different designated speeds for different kinds or  
17 classes of vehicles as the department determines reasonable and safe. A designated speed established  
18 under this subsection for any kind or class of vehicles may not exceed the speed limit for the high-  
19 way for that kind or class of vehicles as established in ORS 811.111 or, if there is no speed limit for  
20 the highway other than the limit established in ORS 811.111 (1)(b), may not exceed 55 miles per hour.

21 (b) The department may establish a designated speed under this subsection only if an engineer-  
22 ing and traffic investigation indicates that the statutory speed for the highway is greater or less  
23 than is reasonable or safe under conditions the department finds to exist.

24 (c) A designated speed established under this subsection is effective when appropriate signs  
25 giving notice of the designated speed are posted on the portion of highway where the designated  
26 speed is imposed.

27 (5) After a written request is received from a road authority for a highway other than a highway  
28 described in subsection (3) or (4) of this section, the department, pursuant to a process established  
29 by rule, may establish a designated speed for the highway. The authority granted under this sub-  
30 section includes, but is not limited to, the authority to establish different designated speeds for dif-  
31 ferent kinds or classes of vehicles as the department determines reasonable and safe. The authority  
32 granted under this subsection is subject to all of the following:

33 (a) The written request from the road authority must state a recommended designated speed.

34 (b) The department may establish a designated speed under this subsection only if an engineer-  
35 ing and traffic investigation indicates that the statutory speed for the highway is greater or less  
36 than is reasonable or safe under conditions the department finds to exist.

37 (c) The department may not make a final decision to establish a designated speed under this  
38 subsection without providing the affected road authorities with notice and opportunity for a hearing.

39 (d) A road authority may file a written objection to a designated speed that is proposed by the  
40 department under this subsection and that affects the road authority.

41 (e) A designated speed established under this subsection is effective when appropriate signs  
42 giving notice of the designated speed are posted on the portion of the highway where the designated  
43 speed is imposed. The expense of erecting any sign under this subsection shall be borne by the road  
44 authority having jurisdiction over the portion of the highway where the designated speed is imposed.

45 (f) The department, pursuant to a process established by rule, may delegate its authority under

1 this subsection with respect to highways that are low volume or unpaved to a [city or] county with  
 2 jurisdiction over the highway. The department shall delegate authority under this paragraph only  
 3 if it determines that the [city or] county will exercise the authority according to criteria adopted  
 4 by the department.

5 **(g) The department, pursuant to a process established by rule, may delegate its authority**  
 6 **under this subsection to a city with jurisdiction over the highway. The department shall**  
 7 **delegate authority under this paragraph only if it determines that the city will exercise the**  
 8 **authority according to criteria adopted by the department.**

9 (6) The department may override the speed limit established for ocean shores under ORS 811.111  
 10 (1)(c) and establish a designated speed of less than 25 miles per hour on any specified section of  
 11 ocean shore if the department determines that the speed limit established under ORS 811.111 (1)(c)  
 12 is greater than is reasonable or safe under the conditions that exist with respect to that part of the  
 13 ocean shore. The authority granted under this subsection is subject to all of the following:

14 (a) The department may make the determination required under this subsection only on the basis  
 15 of an investigation.

16 (b) A designated speed established under this subsection is effective when posted upon appro-  
 17 priate fixed or variable signs on the portion of ocean shore where the designated speed is imposed.

18 (7) A road authority may adopt a designated speed to regulate the speed of vehicles in parks  
 19 under the jurisdiction of the road authority. A road authority regulating the speed of vehicles under  
 20 this subsection shall post and maintain signs at all park entrances to give notice of any designated  
 21 speed.

22 (8) A road authority may establish by ordinance or order a temporary designated speed for  
 23 highways in its jurisdiction that is lower than the statutory speed. A temporary designated speed  
 24 may be established under this subsection if, in the judgment of the road authority, the temporary  
 25 designated speed is necessary to protect any portion of the highway from being unduly damaged, or  
 26 to protect the safety of the public and workers when temporary conditions such as construction or  
 27 maintenance activities constitute a danger. The following apply to the authority granted under this  
 28 subsection:

29 (a) Statutory speeds may be overridden by a temporary designated speed only:

30 (A) For a specific period of time for all vehicles; or

31 (B) For a specified period of time for a specific kind or class of vehicle that is causing identified  
 32 damage to highways.

33 (b) This subsection may not be used to establish a permanent designated speed.

34 (c) The authority granted by this subsection may be exercised only if the ordinance or order that  
 35 imposes the temporary designated speed:

36 (A) Specifies the hazard, damage or other condition requiring the temporary designated speed;  
 37 and

38 (B) Is effective only for a specified time that corresponds to the hazard, damage or other con-  
 39 dition specified.

40 (d) A temporary designated speed imposed under this subsection must be imposed by a proper  
 41 written ordinance or order. A sign giving notice of the temporary designated speed must be posted  
 42 at each end of the portion of highway where the temporary designated speed is imposed and at such  
 43 other places on the highway as may be necessary to inform the public. The temporary designated  
 44 speed shall be effective when signs giving notice of the temporary designated speed are posted.

45 (9) A road authority may establish an emergency speed on any highway under the jurisdiction

1 of the road authority that is different from the existing speed on the highway. The authority granted  
2 under this subsection is subject to all of the following:

3 (a) A speed established under this subsection is effective when appropriate signs giving notice  
4 thereof are posted upon the highway or portion of highway where the emergency speed is imposed.  
5 All signs posted under this subsection must comply with ORS 810.200.

6 (b) The expense of posting any sign under this subsection shall be borne by the road authority  
7 having jurisdiction over the highway or portion of highway where the emergency speed is imposed.

8 (c) A speed established under this subsection may be effective for not more than 120 days.

9 (10) A road authority may establish by ordinance a designated speed for a highway under the  
10 jurisdiction of the road authority that is five miles per hour lower than the statutory speed. The  
11 following apply to the authority granted under this subsection:

12 (a) The highway is located in a residence district.

13 (b) The statutory speed may be overridden by a designated speed only if:

14 (A) The road authority determines that the highway has an average volume of fewer than 2,000  
15 motor vehicles per day, more than 85 percent of which are traveling less than 30 miles per hour;  
16 and

17 (B) There is a traffic control device on the highway that indicates the presence of pedestrians  
18 or bicyclists.

19 (c) The road authority shall post a sign giving notice of the designated speed at each end of the  
20 portion of highway where the designated speed is imposed and at such other places on the highway  
21 as may be necessary to inform the public. The designated speed shall be effective when signs giving  
22 notice of the designated speed are posted.

23 (11) A city may establish by ordinance a designated speed for a highway under the jurisdiction  
24 of the city that is five miles per hour lower than the statutory speed. The following apply to the  
25 authority granted under this subsection:

26 (a) The highway is located in a residence district.

27 (b) The highway is not an arterial highway.

28 (c) The city shall post a sign giving notice of the designated speed at each end of the portion  
29 of highway where the designated speed is imposed and at such other places on the highway as may  
30 be necessary to inform the public. The designated speed shall be effective when signs giving notice  
31 of the designated speed are posted.

32 (12) Notwithstanding ORS 801.430, as used in subsection (11) of this section, "residence  
33 district" includes territory not comprising a business district that is contiguous to a highway and  
34 has access to dwellings provided by alleys.

35 **SECTION 2.** ORS 166.360 is amended to read:

36 166.360. As used in ORS 166.360 to 166.380, unless the context requires otherwise:

37 (1) "Capitol building" means the Capitol, the State Office Building, the State Library Building,  
38 the Labor and Industries Building, the State Transportation Building, the Agriculture Building or  
39 the Public Service Building and includes any new buildings which may be constructed on the same  
40 grounds as an addition to the group of buildings listed in this subsection.

41 (2) "Court facility" means a courthouse or that portion of any other building occupied by a  
42 circuit court, the Court of Appeals, the Supreme Court or the Oregon Tax Court or occupied by  
43 personnel related to the operations of those courts, or in which activities related to the operations  
44 of those courts take place.

45 (3) "Judge" means a judge of a circuit court, the Court of Appeals, the Supreme Court, the

1 Oregon Tax Court, a municipal court, a probate court or a juvenile court or a justice of the peace.

2 (4) "Judicial district" means a circuit court district established under ORS 3.012 or a justice of  
3 the peace district established under ORS 51.020.

4 (5) "Juvenile court" has the meaning given that term in ORS 419A.004.

5 (6) "Loaded firearm" means:

6 (a) A breech-loading firearm in which there is an unexpended cartridge or shell in or attached  
7 to the firearm including but not limited to, in a chamber, magazine or clip which is attached to the  
8 firearm.

9 (b) A muzzle-loading firearm which is capped or primed and has a powder charge and ball, shot  
10 or projectile in the barrel or cylinder.

11 (7) "Local court facility" means the portion of a building in which a justice court, a municipal  
12 court, a probate court or a juvenile court conducts business, during the hours in which the court  
13 operates.

14 (8) "Probate court" has the meaning given that term in ORS 111.005.

15 (9) "Public building" means:

16 (a) A hospital, a capitol building, a public or private school, as defined in ORS 339.315, a college  
17 or university, a city hall or the residence of any state official elected by the state at large, and the  
18 grounds adjacent to each such building[.];

19 **(b) The passenger terminal of a commercial service airport that has at least 1 million**  
20 **passenger boardings per year; or**

21 (c) [*The term also includes*] That portion of any other building occupied by an agency of the  
22 state or a municipal corporation, as defined in ORS 297.405, other than a court facility.

23 (10) "Weapon" means:

24 (a) A firearm;

25 (b) Any dirk, dagger, ice pick, slingshot, metal knuckles or any similar instrument or a knife,  
26 other than an ordinary pocketknife with a blade less than four inches in length, the use of which  
27 could inflict injury upon a person or property;

28 (c) Mace, tear gas, pepper mace or any similar deleterious agent as defined in ORS 163.211;

29 (d) An electrical stun gun or any similar instrument;

30 (e) A tear gas weapon as defined in ORS 163.211;

31 (f) A club, bat, baton, billy club, bludgeon, knobkerrie, nunchaku, nightstick, truncheon or any  
32 similar instrument, the use of which could inflict injury upon a person or property; or

33 (g) A dangerous or deadly weapon as those terms are defined in ORS 161.015.

34 **SECTION 3.** ORS 166.370 is amended to read:

35 166.370. (1) Any person who intentionally possesses a loaded or unloaded firearm or any other  
36 instrument used as a dangerous weapon, while in or on a public building, shall upon conviction be  
37 guilty of a Class C felony.

38 (2)(a) Except as otherwise provided in paragraph (b) of this subsection, a person who inten-  
39 tionally possesses:

40 (A) A firearm in a court facility is guilty, upon conviction, of a Class C felony. A person who  
41 intentionally possesses a firearm in a court facility shall surrender the firearm to a law enforcement  
42 officer.

43 (B) A weapon, other than a firearm, in a court facility may be required to surrender the weapon  
44 to a law enforcement officer or to immediately remove it from the court facility. A person who fails  
45 to comply with this subparagraph is guilty, upon conviction, of a Class C felony.

1 (C) A firearm in a local court facility is guilty, upon conviction, of a Class C felony if, prior to  
 2 the offense, the presiding judge of the local court facility entered an order prohibiting firearms in  
 3 the area in which the court conducts business and during the hours in which the court operates.

4 (b) The presiding judge of a judicial district or a municipal court may enter an order permitting  
 5 the possession of specified weapons in a court facility.

6 (c) Within a shared court facility, the presiding judge of a municipal court or justice of the  
 7 peace district may not enter an order concerning the possession of weapons in the court facility that  
 8 is in conflict with an order entered by the presiding judge of the circuit court.

9 (3) Subsection (1) of this section does not apply to:

10 (a) A police officer or reserve officer, as those terms are defined in ORS 181A.355.

11 (b) A parole and probation officer, as defined in ORS 181A.355, while the parole and probation  
 12 officer is acting within the scope of employment.

13 (c) A federal officer, as defined in ORS 133.005, or a certified reserve officer or corrections of-  
 14 ficer, as those terms are defined in ORS 181A.355, while the federal officer, certified reserve officer  
 15 or corrections officer is acting within the scope of employment.

16 (d) A person summoned by an officer described in paragraph (a), (b) or (c) of this subsection to  
 17 assist in making an arrest or preserving the peace, while the summoned person is engaged in as-  
 18 sisting the officer.

19 (e) An honorably retired law enforcement officer.

20 (f) An active or reserve member of the military forces of this state or the United States, when  
 21 engaged in the performance of duty.

22 (g) A person who is licensed under ORS 166.291 and 166.292 to carry a concealed handgun.

23 (h) A person who is authorized by the officer or agency that controls the public building to  
 24 possess a firearm or dangerous weapon in that public building.

25 (i) An employee of the United States Department of Agriculture, acting within the scope of em-  
 26 ployment, who possesses a firearm in the course of the lawful taking of wildlife.

27 (j) Possession of a firearm on school property if the firearm:

28 (A) Is possessed by a person who is not otherwise prohibited from possessing the firearm; and

29 (B) Is unloaded and locked in a motor vehicle.

30 **(k) A person who possesses a firearm in the passenger terminal of a commercial service**  
 31 **airport that has at least 1 million passenger boardings per year, if the firearm is unloaded**  
 32 **and in a locked hard-sided container for the purposes of transporting the firearm as checked**  
 33 **baggage in accordance with federal law.**

34 (4)(a) The exceptions listed in subsection (3)(d) to [(j)] **(k)** of this section constitute affirmative  
 35 defenses to a charge of violating subsection (1) of this section.

36 (b) A person may not use the affirmative defense described in subsection (3)(e) of this section  
 37 if the person has been convicted of an offense that would make the person ineligible to obtain a  
 38 concealed handgun license under ORS 166.291 and 166.292.

39 **(c) Notwithstanding paragraph (a) of this subsection, the exception listed in subsection**  
 40 **(3)(a) of this section applies to the possession of a firearm within the passenger terminal of**  
 41 **a commercial service airport that has at least 1 million passenger boardings per year only**  
 42 **if:**

43 **(A) The person is performing official duties; or**

44 **(B) The firearm is completely concealed from view.**

45 **(d) Notwithstanding paragraph (a) of this subsection, the exceptions listed in subsection**

1 **(3)(b) to (e) and (g) to (j) of this section apply to the possession of a firearm within the pas-**  
 2 **senger terminal of a commercial service airport that has at least 1 million passenger**  
 3 **boardings per year only if:**

4 **(A) The firearm is completely concealed from view; and**

5 **(B) The concealed possession is lawful under ORS 166.250 and 166.260.**

6 (5)(a) Any person who knowingly, or with reckless disregard for the safety of another, discharges  
 7 or attempts to discharge a firearm at a place that the person knows is a school shall upon con-  
 8 viction be guilty of a Class C felony.

9 (b) Paragraph (a) of this subsection does not apply to the discharge of a firearm:

10 (A) As part of a program approved by a school in the school by an individual who is partic-  
 11 ipating in the program;

12 (B) By a law enforcement officer acting in the officer's official capacity; or

13 (C) By an employee of the United States Department of Agriculture, acting within the scope of  
 14 employment, in the course of the lawful taking of wildlife.

15 (6) Any weapon carried in violation of this section is subject to the forfeiture provisions of ORS  
 16 166.279.

17 (7) Notwithstanding the fact that a person's conduct in a single criminal episode constitutes a  
 18 violation of both subsections (1) and (5) of this section, the district attorney may charge the person  
 19 with only one of the offenses.

20 (8) As used in this section, "dangerous weapon" means a dangerous weapon as that term is de-  
 21 fined in ORS 161.015.

22 **SECTION 4.** ORS 166.260 is amended to read:

23 166.260. (1) ORS 166.250 does not apply to or affect:

24 (a) A parole and probation officer, police officer or reserve officer, as those terms are defined  
 25 in ORS 181A.355.

26 (b) A federal officer, as defined in ORS 133.005, or a certified reserve officer or corrections of-  
 27 ficer, as those terms are defined in ORS 181A.355, while the federal officer, certified reserve officer  
 28 or corrections officer is acting within the scope of employment.

29 (c) An honorably retired law enforcement officer, unless the person who is a retired law  
 30 enforcement officer has been convicted of an offense that would make the person ineligible to obtain  
 31 a concealed handgun license under ORS 166.291 and 166.292.

32 (d) Any person summoned by an officer described in paragraph (a) or (b) of this subsection to  
 33 assist in making arrests or preserving the peace, while the summoned person is engaged in assisting  
 34 the officer.

35 (e) The possession or transportation by any merchant of unloaded firearms as merchandise.

36 (f) Active or reserve members of:

37 (A) The Army, Navy, Air Force, Coast Guard or Marine Corps of the United States, or of the  
 38 National Guard, when on duty;

39 (B) The commissioned corps of the National Oceanic and Atmospheric Administration; or

40 (C) The Public Health Service of the United States Department of Health and Human Services,  
 41 when detailed by proper authority for duty with the Army or Navy of the United States.

42 (g) Organizations which are by law authorized to purchase or receive weapons described in ORS  
 43 166.250 from the United States, or from this state.

44 (h) Duly authorized military or civil organizations while parading, or the members thereof when  
 45 going to and from the places of meeting of their organization.

1 (i) A person who is licensed under ORS 166.291 and 166.292 to carry a concealed handgun.

2 (2) It is an affirmative defense to a charge of violating ORS 166.250 (1)(c)(C) that the person has  
3 been granted relief from the disability under ORS 166.274.

4 (3) Except for persons who are otherwise prohibited from possessing a firearm under ORS  
5 166.250 (1)(c) or 166.270, ORS 166.250 does not apply to or affect:

6 (a) Members of any club or organization, for the purpose of practicing shooting at targets upon  
7 the established target ranges, whether public or private, while such members are using any of the  
8 firearms referred to in ORS 166.250 upon such target ranges, or while going to and from such  
9 ranges.

10 (b) Licensed hunters or fishermen while engaged in hunting or fishing, or while going to or re-  
11 turning from a hunting or fishing expedition.

12 (c) **A person who possesses a firearm in the passenger terminal of a commercial service**  
13 **airport that has at least 1 million passenger boardings per year, if the firearm is unloaded**  
14 **and in a locked hard-sided container for the purposes of transporting the firearm as checked**  
15 **baggage in accordance with federal law.**

16 (4) The exceptions listed in subsection (1)(d) to (i) of this section constitute affirmative defenses  
17 to a charge of violating ORS 166.250.

18 **SECTION 5.** ORS 166.262 is amended to read:

19 166.262. (1) **Except as provided in subsection (2) of this section,** a peace officer may not ar-  
20 rest or charge a person for violating ORS 166.250 (1)(a) or (b) or 166.370 (1) if the person has in the  
21 person’s immediate possession:

22 [(1)] (a) A valid license to carry a firearm as provided in ORS 166.291 and 166.292;

23 [(2)] (b) Proof that the person is a law enforcement officer; or

24 [(3)] (c) Proof that the person is an honorably retired law enforcement officer, unless the person  
25 has been convicted of an offense that would make the person ineligible to obtain a concealed  
26 handgun license under ORS 166.291 and 166.292.

27 (2) **This section does not apply if the peace officer is arresting or charging a person for**  
28 **violating ORS 166.370 (1) by unlawfully possessing a firearm in the passenger terminal of a**  
29 **commercial service airport that has at least 1 million passenger boardings per year.**

30 **SECTION 6.** Section 7 of this 2020 Act is added to and made a part of ORS chapter 757.

31 **SECTION 7.** (1) **As used in this section:**

32 (a) **“Electric company” has the meaning given that term in ORS 757.600.**

33 (b) **“Natural gas utility” means a natural gas utility regulated by the Public Utility**  
34 **Commission under ORS chapter 757.**

35 (2) **The commission may allow an electric company or natural gas utility to recover costs**  
36 **from all customers for prudent investments or expenses in infrastructure measures that**  
37 **support the adoption of alternative forms of transportation vehicles if the investments are**  
38 **consistent with and meet the requirements of subsection (3) of this section. An investment**  
39 **by an electric company may include infrastructure behind the customer meter.**

40 (3) **An investment in infrastructure measures that support the adoption of alternative**  
41 **forms of transportation vehicles is a utility service and a benefit to utility ratepayers if:**

42 (a) **The infrastructure measures will support the adoption of alternative vehicles that are**  
43 **powered by electricity or compressed natural gas; and**

44 (b) **The investment can be reasonably anticipated to:**

45 (A) **Cost-effectively reduce transportation sector greenhouse gas emissions over time;**



1 **and**

2 **(B) Benefit the electric or natural gas utility system. Benefits may include, but need not**  
 3 **be limited to:**

4 **(i) Distribution or transmission management benefits;**

5 **(ii) System efficiencies or other economic values inuring to the benefit of ratepayers over**  
 6 **the long term;**

7 **(iii) Revenues to utilities from electric vehicle charging to offset utilities' fixed costs that**  
 8 **may otherwise be charged to customers; or**

9 **(iv) Increased ratepayer access to long term utility service.**

10 **SECTION 8.** ORS 184.657 is amended to read:

11 184.657. (1) The Oregon Transportation Commission shall develop a set of uniform standards, in  
 12 coordination with counties and cities, for the consistent description and reporting of the condition  
 13 of the transportation infrastructure owned by the state, counties and cities. The infrastructure de-  
 14 scribed must include pavement and bridges.

15 (2) By February 1 of each odd-numbered year, every city and county shall submit a report cov-  
 16 ering the condition of its transportation infrastructure.

17 (3) The commission shall periodically review the condition of the transportation infrastructure  
 18 owned by the state and the reports submitted under this section. The commission shall post the re-  
 19 ports and the commission's review of the reports on the website described in ORS 184.661.

20 (4) Notwithstanding ORS 366.762 to 366.768 or 366.785 to 366.820, any city or county failing to  
 21 file a report under this section may not receive any payments from the State Highway Fund until  
 22 the report is filed.

23 (5) Not later than [*April*] **June** 1 of each odd-numbered year, the commission shall submit a re-  
 24 port about the state of the transportation infrastructure of Oregon, including the transportation  
 25 infrastructure of cities and counties, to:

26 (a) The Legislative Assembly in the manner provided by ORS 192.245; and

27 (b) The Joint Committee on Transportation established under ORS 171.858.

28 **SECTION 9.** ORS 824.022 is amended to read:

29 824.022. (1) ORS 824.020 to 824.042, 824.050 to 824.110 and 824.200 to 824.256 apply to:

30 (a) The transportation of passengers and property.

31 (b) The receiving, delivering, switching, storing, elevation and transfer in transit, ventilation,  
 32 refrigeration [*or icing,*] and handling of such property, and all charges connected therewith.

33 (c) All railroad, terminal, car, tank line, freight and freight line companies.

34 (d) All associations of persons, whether incorporated or otherwise, that do business as common  
 35 or for hire carriers upon or over any line of railroad within this state.

36 (e) Any common or for hire carrier engaged in the transportation of passengers or property  
 37 wholly by rail or partly by rail and partly by water.

38 (2) ORS 824.020 to 824.042 do not apply to logging or other private railroads not doing business  
 39 as common carriers.

40 (3) ORS 824.020 to 824.042 and 824.050 to 824.110 do not apply to corporations, companies, in-  
 41 dividuals, associations of individuals and their lessees, trustees or receivers that:

42 (a) Are primarily involved in a business enterprise other than rail transportation;

43 (b) Conduct rail operations 50 percent or more of which are for the purpose of providing trans-  
 44 portation to the primary business enterprise;

45 (c) Operate on less than 10 miles of track; and

(d) Provide for hire rail transportation service to no more than five persons.

**SECTION 10.** ORS 824.026 is amended to read:

824.026. (1) The Department of Transportation shall employ at least three full-time railroad inspectors to assist the department as the department may prescribe in:

(a) Inquiring into any neglect or violation of and enforcing any law of this state or any law or ordinance of any municipality thereof relating to railroad safety;

(b) Inquiring into any neglect or violation of and enforcing any rule, regulation, requirement, order, term or condition issued by the department relating to railroad safety; and

(c) Conducting any investigative, surveillance and enforcement activities that the department is authorized to conduct under federal law in connection with any federal law, rule, regulation, order or standard relating to railroad safety.

(2) A railroad inspector may [*stop and detain*] **inspect** any train and the contents thereof that the railroad inspector reasonably believes is being operated in violation of any law, ordinance, rule, regulation, requirement, order, standard, term or condition referred to in subsection (1) of this section.

**SECTION 11.** ORS 824.060 is amended to read:

824.060. (1) Every locomotive [*and caboose*] of every railroad operating in this state shall be equipped with a first aid kit.

**(2) All locomotives shall be equipped with fire extinguishers meeting the following requirements:**

**(a) Each locomotive shall have at least one portable fire extinguisher.**

**(b) Fire extinguishers may be of a foam, dry chemical or carbon dioxide type.**

**(c) The fire extinguishers in each locomotive shall provide a minimum capacity of one and one-quarter gallons or five pounds. More than one fire extinguisher may be used to comply with the minimum capacity requirement under this paragraph.**

**(d) Fire extinguishers shall be placed in readily accessible locations.**

**(e) Fire extinguishers shall be maintained in working order.**

**(3) A railroad may apply for a temporary exemption from the provisions of subsection (2) of this section. The Department of Transportation will consider the application of the railroad for a temporary exemption when accompanied by a full statement of the conditions existing and the reasons for the exemption. Any exemption so granted will be limited to a stated period of time.**

**SECTION 12.** ORS 824.088 is amended to read:

824.088. (1) Each railroad that gives notice to the United States Department of Transportation of an incident that occurs during the course of transporting hazardous materials as defined by federal regulations shall also give notice of the incident to the Director of the Office of Emergency Management.

(2) As soon as reasonably practicable, each railroad shall notify the director by telephone or similar means of communication of any derailment or fire involving or affecting hazardous material.

(3) To facilitate expedited and accurate notice to the director under this section, each train transporting hazardous materials in this state shall be equipped with at least two radio transmitter-receivers in good working order. In addition, [*18 months after October 4, 1977,*] trains over 2,000 feet in length that are transporting hazardous materials shall be equipped with a radio handset in good working order capable of communicating with the radio transmitter-receivers. If the equipment required under this section does not function while the train is en route, the train may

1 proceed to the next point of crew change where the equipment shall be replaced or repaired.

2 **SECTION 13.** ORS 824.992 is amended to read:

3 824.992. (1) Violation of ORS 824.062 is a Class D violation.

4 (2) Violation of ORS 824.064 is a Class A misdemeanor.

5 (3) Violation of ORS 824.082 (1), 824.084 or 824.088 by a railroad is a Class A violation.

6 (4) Violation of ORS 824.082 (2) is a Class A violation.

7 (5) As used in subsection (3) of this section, "railroad" means a railroad as defined by ORS  
8 824.020 and 824.022.

9 (6) Subject to ORS 153.022, violation of [*ORS 824.104 (1)*] **ORS 824.060 (2)**, 824.106 or 824.108  
10 or any rule promulgated pursuant thereto is a Class A violation.

11 (7) A person is subject to the penalties under subsection (8) of this section if the person know-  
12 ingly:

13 (a) Transports by railroad any hazardous waste listed under ORS 466.005 or rules adopted  
14 thereunder to a facility that does not have appropriate authority to receive the waste under ORS  
15 466.005 to 466.385 and 466.992.

16 (b) Disposes of any hazardous waste listed under ORS 466.005 or rules adopted thereunder  
17 without appropriate authority under ORS 466.005 to 466.385 and 466.992.

18 (c) Materially violates any terms of permit or authority issued to the person under ORS 466.005  
19 to 466.385 and 466.992 in the transporting or disposing of hazardous waste.

20 (d) Makes any false material statement or representation in any application, label, manifest, re-  
21 cord, report, permit or other document filed, maintained or used for purposes of compliance with  
22 requirements under ORS 824.050 to 824.110 for the safe transportation of hazardous wastes.

23 (e) Violates any rules adopted by the Department of Transportation concerning the transporta-  
24 tion of hazardous wastes.

25 (8) Subject to ORS 153.022, violation of subsection (7) of this section is a Class B misdemeanor.  
26 Each day's violation is a separate offense.

27 (9) Violation of ORS 824.300 or 824.302 is a Class D violation.

28 (10) Violation of ORS 824.304 is a Class A violation.

29 (11) Violation of ORS 824.306 by any railroad company or officer or agent thereof, or any other  
30 person is a Class D violation. Each day's violation is a separate offense.

31 **SECTION 14.** ORS 803.102 is amended to read:

32 803.102. (1) As used in this section:

33 (a) "Transferee" means any person to whom ownership of a motor vehicle is transferred by  
34 purchase, gift or any other means other than by creation of a security interest and any person who,  
35 as an agent, signs an odometer disclosure statement for the transferee.

36 (b) "Transferor" means any person who transfers ownership of a motor vehicle by sale, gift or  
37 any means other than by creation of a security interest and any person who, as an agent, signs an  
38 odometer disclosure statement for the transferor.

39 (2) Except as otherwise provided in this section, upon transfer of any interest in a motor vehicle,  
40 an odometer disclosure statement shall be made by the transferor to the transferee. The disclosure  
41 shall be in a form that complies with the provisions of ORS 803.120 and shall contain the information  
42 required under ORS 803.122.

43 (3) If a transfer requiring a disclosure statement involves a leased vehicle, the lessor shall notify  
44 the lessee that the lessee is required to provide odometer disclosure. The lessee shall furnish the  
45 lessor with a form that complies with the requirements of ORS 803.120 and shall provide the infor-

1 mation required by ORS 803.122 except that for purposes of the required information, the lessee  
 2 shall be considered the transferor, the lessor shall be considered the transferee and the date shall  
 3 be the date of the disclosure statement.

4 (4) Where an interest in a vehicle is transferred by operation of law, the Department of Trans-  
 5 portation shall determine by rule whether an odometer disclosure statement is required and if so,  
 6 who is required to provide it.

7 (5) The odometer disclosure requirements of this section do not apply upon transfer of an in-  
 8 terest where the transfer is due solely to the creation, release or assignment of a security interest,  
 9 or upon transfer of an interest in any of the following:

10 (a) A vehicle with a gross vehicle weight rating of more than 16,000 pounds.

11 (b) A vehicle that is not self-propelled.

12 (c) A vehicle that is at least [10] 20 years old.

13 (d) A vehicle that is sold directly by the manufacturer to any agency of the United States in  
 14 conformity with contractual specifications.

15 (e) A vehicle that is exempted from the requirement by rules of the department.

16 (6) A person may provide an odometer reading to the department, in the manner prescribed by  
 17 the department by rule, for a vehicle that is [10] 20 years old or older.

18 **SECTION 15.** ORS 803.591 is amended to read:

19 803.591. (1) As used in this section and ORS 803.593:

20 (a) “Diesel engine” has the meaning given that term in ORS 468A.795.

21 (b) “Heavy-duty truck” has the meaning given that term in ORS 468A.795.

22 (c) “Medium-duty truck” has the meaning given that term in ORS 468A.795.

23 (d) “Public body” has the meaning given that term in ORS 174.109.

24 (2) On and after January 1, 2025, the Department of Transportation may not issue a certificate  
 25 of title for the following motor vehicles if the **registered** address [of the owner] of the motor vehicle  
 26 is located within Multnomah, Clackamas or Washington County:

27 (a) A medium-duty truck powered by a model year 2009 or older diesel engine.

28 (b) A heavy-duty truck powered by a model year 2006 or older diesel engine.

29 (3) The department may not issue registration or renewal of registration on and after the fol-  
 30 lowing dates for the following motor vehicles if the **registered** address [of the owner] of the motor  
 31 vehicle is located within Multnomah, Clackamas or Washington County:

32 (a) January 1, 2023, for a medium-duty truck or a heavy-duty truck if the motor vehicle is pow-  
 33 ered by a model year 1996 or older diesel engine.

34 (b) January 1, 2029, for:

35 (A) A medium-duty truck powered by a model year 2009 or older diesel engine.

36 (B) A heavy-duty truck powered by a model year 2009 or older diesel engine owned by a public  
 37 body.

38 (C) A heavy-duty truck powered by a model year 2006 or older diesel engine owned by a person  
 39 other than a public body.

40 (4) Notwithstanding subsections (2) and (3) of this section, the department may issue a certificate  
 41 of title, issue registration or issue renewal of registration for a motor vehicle described in sub-  
 42 section (2) or (3) of this section after a date described in subsection (2) or (3) of this section if:

43 (a) The diesel engine that powers the motor vehicle has been retrofitted with approved retrofit  
 44 technology pursuant to rules adopted by the Environmental Quality Commission under ORS  
 45 468A.810; and

- 1 (b) Proof of certification of the retrofit has been issued under ORS 468A.810.  
 2 (5) The following motor vehicles are exempt from the requirements of this section:  
 3 (a) Motor vehicles registered as farm vehicles under the provisions of ORS 805.300.  
 4 (b) Farm tractors.  
 5 (c) Implements of husbandry.  
 6 (d) Motor vehicles used exclusively as training vehicles.  
 7 (e) Publicly and privately owned emergency vehicles.  
 8 (f) Ambulances.  
 9 (g) Campers.  
 10 (h) Motor homes.  
 11 (i) Recreational vehicles.  
 12 (j) Heavy-duty trucks operated for 5,000 miles or fewer on highways of this state during one  
 13 calendar year.  
 14 (k) Carriers with a fleet size of five or fewer heavy-duty trucks.  
 15 (L) Antique vehicles.  
 16 (m) Motor trucks, as defined in ORS 801.355, used primarily to transport logs.  
 17 (6)(a) In order for registration to continue to be valid for a motor vehicle that is owned by a  
 18 public body and subject to subsection (3) of this section, the public body shall, in a manner deter-  
 19 mined by the department by rule, submit proof to the department that the motor vehicle complies  
 20 with subsection (3) of this section. Proof of compliance must be on a form supplied by the depart-  
 21 ment and must include such information as the department may require. Proof of compliance for a  
 22 motor vehicle owned by a public body is valid until the ownership of the vehicle changes.  
 23 (b) The department shall provide notice to a public body of the requirement under this sub-  
 24 section to submit proof of compliance with subsection (3) of this section. The notice shall be issued  
 25 to the public body no later than one year prior to the date that the proof of compliance must be  
 26 submitted to the department.  
 27 (7) The department may adopt rules as necessary to administer this section.  
 28 **SECTION 16.** ORS 803.210 is amended to read:  
 29 803.210. (1) The Department of Transportation shall not issue title for a vehicle described in  
 30 subsection (2) of this section unless:  
 31 (a) An inspection of the vehicle identification number or numbers of the vehicle is performed in  
 32 accordance with ORS 803.212; and  
 33 (b) The fee established under ORS 803.215 is paid to the department for the inspection.  
 34 (2) Except as provided in subsection (3) of this section, the requirements of this section apply  
 35 to all of the following:  
 36 (a) A vehicle from another jurisdiction.  
 37 (b) Any assembled or reconstructed vehicle.  
 38 (c) Any vehicle if the certificate of title has been or is required to be submitted to the depart-  
 39 ment, or a person is required to report to the department, under ORS 819.010, 819.012, 819.014 or  
 40 819.030.  
 41 (d) Any vehicle if the department has received notice that the vehicle has been or will be  
 42 wrecked, dismantled, disassembled or substantially altered under ORS 819.010 or 822.135.  
 43 (e) Replicas.  
 44 (f) Other than a racing activity vehicle as defined in ORS 801.404, any vehicle the department  
 45 has reason to believe was not certified by the original manufacturer as conforming to federal vehicle

1 standards.

2 (3) The requirements of this section do not apply to the following vehicles if the person shown  
 3 as the owner on an out-of-state title for the vehicle applies for an Oregon title in that person's name:

4 (a) A rental truck, rental truck tractor or rental trailer that is registered in Oregon under an  
 5 interstate agreement that provides that a portion of the owner's fleet is to be registered in each  
 6 state in which the fleet operates.

7 (b) A trailer or semitrailer that has permanent registration.

8 **(4) The requirement to submit a vehicle inspection number or numbers of the vehicle**  
 9 **under subsection (1) of this section does not apply to park model recreational vehicles, as**  
 10 **defined in ORS 803.036.**

11 **SECTION 17.** ORS 807.072 is amended to read:

12 807.072. (1) The Department of Transportation, by rule, may waive any examination, test or  
 13 demonstration required under ORS 807.065 (1)(b) or 807.070 (2) or (3) if the department receives  
 14 satisfactory proof that the person required to take the examination, test or demonstration has  
 15 passed an examination, test or demonstration approved by the department that:

16 (a) Is given in conjunction with a traffic safety education course certified by the department  
 17 under ORS 336.802;

18 (b) Is given in conjunction with a motorcycle rider education course established under ORS  
 19 802.320;

20 (c) Is given in conjunction with a course conducted by a commercial driver training school  
 21 certified by the department under ORS 822.515; or

22 (d) Is given in conjunction with an application for a special limited vision condition learner's  
 23 permit under ORS 807.359.

24 (2) The department, by rule, may waive the actual demonstration required under ORS 807.070  
 25 (3) for a person who is applying for a commercial driver license or a Class C license if the person  
 26 holds a valid out-of-state license or applies for an Oregon license within one year of the expiration  
 27 of a valid out-of-state license. A demonstration may be waived under this subsection only if the  
 28 person has applied for the same driving privileges as those granted under the person's out-of-state  
 29 license or for privileges granted by a lower class of license.

30 (3) The department may waive the actual demonstration required under ORS 807.070 for a per-  
 31 son who is applying for a commercial driver license, an endorsement related to a commercial driver  
 32 license or the removal of a restriction from a commercial driver license:

33 (a) If the person has been certified, as defined by rule, under ORS 807.080 or a similar statute  
 34 of another jurisdiction as competent to safely exercise the driving privileges granted by a Class A  
 35 commercial driver license, a Class B commercial driver license or a Class C commercial driver li-  
 36 cense; or

37 (b) Under circumstances, established by the department by rule, that establish the person's  
 38 ability to drive without an actual demonstration.

39 (4) The department may issue a Class A farm endorsement without requiring additional tests to  
 40 a person who has a Class C driver license if a farm employer or a self-employed farmer certifies to  
 41 the department that the person is experienced in driving a vehicle that may be driven only by per-  
 42 sons who have a Class A commercial driver license and the person's two-part driving record does  
 43 not show either a traffic accident within two years of the date of application for the endorsement  
 44 or a conviction for one of the following traffic crimes within five years of the date of application for  
 45 the endorsement:

1 (a) Reckless driving, as defined in ORS 811.140.

2 (b) Driving while under the influence of intoxicants, as defined in ORS 813.010.

3 (c) Failure to perform the duties of a driver involved in a collision, as described in ORS 811.700  
4 or 811.705.

5 (d) Criminal driving while suspended or revoked, as defined in ORS 811.182.

6 (e) Fleeing or attempting to elude a police officer, as defined in ORS 811.540.

7 (5) The department may issue a Class B farm endorsement without requiring additional tests to  
8 a person who has a Class C driver license if a farm employer or a self-employed farmer certifies to  
9 the department that the person is experienced in driving a vehicle that may be driven only by per-  
10 sons who have a Class B commercial driver license and the person's two-part driving record does  
11 not show either a conviction for a traffic crime specified in subsection (4) of this section within five  
12 years of the date of application for the endorsement or a traffic accident within two years of the  
13 date of application for the endorsement.

14 (6) The department by rule may establish other circumstances under which a farm endorsement  
15 may be issued without an actual demonstration. The authority granted by this subsection includes,  
16 but is not limited to, authority to adopt rules specifying circumstances under which the endorsement  
17 may be granted to a person despite the appearance of traffic accidents on the person's record.

18 (7) The department by rule may waive the test required under ORS 807.070 (2) for a person who  
19 applies for a motorcycle endorsement if the person:

20 (a) Holds a valid out-of-state driver license that authorizes the person to operate a motorcycle;  
21 or

22 (b) Applies for a motorcycle endorsement within one year after the expiration date of a valid  
23 out-of-state driver license that authorizes the person to operate a motorcycle.

24 (8) The department by rule may waive the actual demonstration required under ORS 807.070 (3)  
25 for a person who is applying for a restricted motorcycle endorsement that only authorizes the person  
26 to operate a motorcycle with more than two wheels.

27 **(9) The department by rule may waive the test or demonstration required under ORS**  
28 **807.070 for a person who applies for a Class C driver license if the person holds a valid out-**  
29 **of-state driver license that authorizes the person to operate a motor vehicle.**

30 **SECTION 18.** ORS 320.400 is amended to read:

31 320.400. As used in ORS 320.400 to 320.490 and 803.203:

32 (1)(a) "Bicycle" means:

33 (A) A vehicle that is designed to be operated on the ground on wheels **for the transportation**  
34 **of humans** and is propelled exclusively by human power; or

35 (B) An electric assisted bicycle as defined in ORS 801.258.

36 (b) "Bicycle" does not include:

37 (A) Carts;

38 (B) Durable medical equipment;

39 (C) In-line skates;

40 (D) Roller skates;

41 (E) Skateboards;

42 (F) Stand-up scooters;

43 (G) Strollers designed for the transportation of children;

44 (H) Trailer cycles or other bicycle attachments; or

45 (I) Wagons.

1 (2)(a) "Retail sales price" means the total price paid at retail for a taxable vehicle, exclusive  
 2 of the amount of any excise, privilege or use tax, to a seller by a purchaser of the taxable vehicle.

3 (b) "Retail sales price" does not include the retail value of:

4 (A) Modifications to a taxable vehicle that are necessary for a person with a disability to enter  
 5 or drive or to otherwise operate or use the vehicle.

6 (B) Customized industrial modifications to the chassis of a truck that has a gross vehicle weight  
 7 rating of at least 10,000 pounds and not more than 26,000 pounds.

8 (3) "Seller" means:

9 (a) With respect to the privilege tax imposed under ORS 320.405 and the use tax imposed under  
 10 ORS 320.410, a vehicle dealer.

11 (b) With respect to the excise tax imposed under ORS 320.415, a person engaged in whole or in  
 12 part in the business of selling bicycles.

13 (4) "Taxable bicycle" means a new bicycle that has a retail sales price of \$200 or more.

14 (5) "Taxable motor vehicle" means a vehicle that:

15 (a) Has a gross vehicle weight rating of 26,000 pounds or less;

16 (b)(A) If equipped with an odometer, has 7,500 miles or less on the odometer; or

17 (B) If not equipped with an odometer, has a manufacturer's certificate of origin or a  
 18 manufacturer's statement of origin; and

19 (c) Is:

20 (A) A vehicle as defined in ORS 744.850, other than an all-terrain vehicle or a trailer;

21 (B) A camper as defined in ORS 801.180;

22 (C) A commercial bus as defined in ORS 801.200;

23 (D) A commercial motor vehicle as defined in ORS 801.208;

24 (E) A commercial vehicle as defined in ORS 801.210;

25 (F) A fixed load vehicle as defined in ORS 801.285;

26 (G) A moped as defined in ORS 801.345;

27 (H) A motor home as defined in ORS 801.350;

28 (I) A motor truck as defined in ORS 801.355;

29 (J) A tank vehicle as defined in ORS 801.522;

30 (K) A trailer as defined in ORS 801.560 that is required to be registered in this state;

31 (L) A truck tractor as defined in ORS 801.575; or

32 (M) A worker transport bus as defined in ORS 801.610.

33 (6) "Taxable vehicle" means a taxable bicycle or a taxable motor vehicle.

34 (7) "Transportation project taxes" means the privilege tax imposed under ORS 320.405, the use  
 35 tax imposed under ORS 320.410 and the excise tax imposed under ORS 320.415.

36 (8)(a) "Vehicle dealer" means:

37 (A) A person engaged in business in this state that is required to obtain a vehicle dealer cer-  
 38 tificate under ORS 822.005; and

39 (B) A person engaged in business in another state that would be subject to ORS 822.005 if the  
 40 person engaged in business in this state.

41 (b) Notwithstanding paragraph (a) of this subsection, a person is not a vehicle dealer for pur-  
 42 poses of ORS 320.400 to 320.490 and 803.203 to the extent the person:

43 (A) Conducts an event that lasts less than seven consecutive days, for which the public is  
 44 charged admission and at which otherwise taxable motor vehicles are sold at auction; or

45 (B) Sells an otherwise taxable motor vehicle at auction at an event described in this paragraph.



1        **SECTION 19.** The amendments to ORS 320.400 by section 18 of this 2020 Act apply to  
 2 taxable bicycles sold before, on or after the effective date of this 2020 Act.

3        **SECTION 20.** ORS 319.020, as amended by section 4, chapter 700, Oregon Laws 2015, and sec-  
 4 tion 41, chapter 750, Oregon Laws 2017, is amended to read:

5        319.020. (1) Subject to subsections (2) to (4) of this section, in addition to the taxes otherwise  
 6 provided for by law, every dealer engaging in the dealer's own name, or in the name of others, in  
 7 the first sale, use or distribution of motor vehicle fuel or aircraft fuel or withdrawal of motor vehicle  
 8 fuel or aircraft fuel for sale, use or distribution within areas in this state within which the state  
 9 lacks the power to tax the sale, use or distribution of motor vehicle fuel or aircraft fuel, shall:

10        (a) Not later than the 25th day of each calendar month, render a statement to the Department  
 11 of Transportation of all motor vehicle fuel or aircraft fuel sold, used, distributed or so withdrawn  
 12 by the dealer in the State of Oregon as well as all such fuel sold, used or distributed in this state  
 13 by a purchaser thereof upon which sale, use or distribution the dealer has assumed liability for the  
 14 applicable license tax during the preceding calendar month. The dealer shall render the statement  
 15 to the department in the manner provided by the department by rule.

16        (b) Except as provided in ORS 319.270, pay a license tax computed on the basis of 34 cents per  
 17 gallon on the first sale, use or distribution of such motor vehicle fuel or aircraft fuel so sold, used,  
 18 distributed or withdrawn as shown by such statement in the manner and within the time provided  
 19 in ORS 319.010 to 319.430.

20        (2) When aircraft fuel is sold, used or distributed by a dealer, the license tax shall be computed  
 21 on the basis of *[nine]* **13 cents** per gallon of fuel so sold, used or distributed, except that when air-  
 22 craft fuel usable in aircraft operated by turbine engines (turbo-prop or jet) is sold, used or distrib-  
 23 uted, the tax rate shall be *[one cent]* **five cents** per gallon.

24        (3) In lieu of claiming refund of the tax paid on motor vehicle fuel consumed by such dealer in  
 25 nonhighway use as provided in ORS 319.280, 319.290 and 319.320, or of any prior erroneous payment  
 26 of license tax made to the state by such dealer, the dealer may show such motor vehicle fuel as a  
 27 credit or deduction on the monthly statement and payment of tax.

28        (4) The license tax computed on the basis of the sale, use, distribution or withdrawal of motor  
 29 vehicle or aircraft fuel may not be imposed wherever such tax is prohibited by the Constitution or  
 30 laws of the United States with respect to such tax.

31        **SECTION 21.** ORS 319.330, as amended by section 5, chapter 700, Oregon Laws 2015, is  
 32 amended to read:

33        319.330. (1) Whenever any statement and invoices are presented to the Department of Trans-  
 34 portation showing that motor vehicle fuel or aircraft fuel has been purchased and used in operating  
 35 aircraft engines and upon which the full tax for motor vehicle fuel has been paid, the department  
 36 shall refund the tax paid, but only after deducting from the tax paid *[nine]* **13 cents** for each gallon  
 37 of such fuel so purchased and used, except that when such fuel is used in operating aircraft turbine  
 38 engines (turbo-prop or jet) the deduction shall be *[one cent]* **five cents** for each gallon. No deduction  
 39 provided under this subsection shall be made on claims presented by the United States or on claims  
 40 presented where a satisfactory showing has been made to the department that such aircraft fuel has  
 41 been used solely in aircraft operations from a point within the State of Oregon directly to a point  
 42 not within any state of the United States. The amount so deducted shall be paid on warrant of the  
 43 Oregon Department of Administrative Services to the State Treasurer, who shall credit the amount  
 44 to the State Aviation Account for the purpose of carrying out the provisions of the state aviation  
 45 law. Moneys credited to the account under this section are continuously appropriated to the Oregon

1 Department of Aviation.

2 (2) If satisfactory evidence is presented to the Department of Transportation showing that air-  
 3 craft fuel upon which the tax has been paid has been purchased and used solely in aircraft oper-  
 4 ations from a point within the State of Oregon directly to a point not within any state of the United  
 5 States, the department shall refund the tax paid.

6 **SECTION 22. (1) The amendments to ORS 319.020 by section 20 of this 2020 Act apply to**  
 7 **aircraft fuel sold, used or distributed on or after January 1, 2022.**

8 **(2) The amendments to ORS 319.330 by section 21 of this 2020 Act apply to fuel purchased**  
 9 **and used in operating aircraft engines on or after January 1, 2022.**

10 **SECTION 23.** Section 7, chapter 700, Oregon Laws 2015, as amended by section 80a, chapter  
 11 750, Oregon Laws 2017, section 1, chapter 485, Oregon Laws 2019, and section 26, chapter 491,  
 12 Oregon Laws 2019, is amended to read:

13 **Sec. 7.** (1) The following amounts shall be distributed in the manner prescribed in this section:

14 (a) Any amount of tax on aircraft fuel usable in aircraft operated by turbine engines that is  
 15 computed on a basis in excess of one cent per gallon and any amount of tax on all other aircraft fuel  
 16 that is computed on a basis in excess of nine cents per gallon, under ORS 319.020 (2); and

17 (b) Any amount of tax on aircraft fuel usable in aircraft operated by turbine engines in excess  
 18 of one cent per gallon and any amount of tax on all other aircraft fuel in excess of nine cents per  
 19 gallon, that is deducted before the refunding of tax under ORS 319.330 (1).

20 (2)(a) Applications for distributions under [*subsections (5) and (6)*] **subsection (5)** of this section  
 21 may not be approved unless the applicant demonstrates a commitment to contribute at least five  
 22 percent of the costs of the project to which the application relates. The Oregon Department of  
 23 Aviation shall adopt rules for purposes of this paragraph.

24 (b) The department may adopt rules that:

25 (A) Set higher minimum contribution commitment requirements; or

26 (B) Establish maximum grant amounts.

27 (3)(a) The State Aviation Board shall establish a review committee composed of one member  
 28 from each of the area commissions on transportation chartered by the Oregon Transportation Com-  
 29 mission.

30 (b) The review committee shall meet as necessary to review applications for distributions of  
 31 amounts pursuant to this section. In reviewing applications, the review committee shall consider:

32 (A) Whether a proposed project:

33 (i) Reduces transportation costs for Oregon businesses or improves access to jobs and sources  
 34 of labor in this state;

35 (ii) Results in an economic benefit to this state;

36 (iii) Connects elements of Oregon's aviation system in a way that will measurably improve  
 37 utilization and efficiency of the system;

38 (iv) Is ready for construction or implementation; and

39 (v) Has a useful life expectancy that offers maximum benefit to this state; and

40 (B) How much of the cost of the proposed project can be borne by the applicant from sources  
 41 other than Oregon Department of Aviation funds or the Connect Oregon Fund.

42 (c) The review committee shall recommend applications to the State Aviation Board for ap-  
 43 proval.

44 (4)(a) Five percent of the amounts described in subsection (1) of this section are appropriated  
 45 to the Oregon Department of Aviation for the costs of the department and the State Aviation Board

1 in administering this section.

2 (b) The remaining 95 percent of the amounts described in subsection (1) of this section shall be  
 3 distributed pursuant to subsections (5) *[to (7)]* **and (6)** of this section.

4 (5) *[Fifty]* **Seventy-five** percent of the amounts described in subsection (4)(b) of this section shall  
 5 be prioritized in the following order and distributed for the following purposes:

6 (a) First, to assist airports in Oregon with match requirements for Federal Aviation Adminis-  
 7 tration Airport Improvement Program grants.

8 (b) Second, to make grants for emergency preparedness and infrastructure projects, in accord-  
 9 ance with the Oregon Resilience Plan or the Oregon Aviation Plan.

10 (c) Third, to make grants for:

11 (A) Services critical or essential to aviation, including, but not limited to, fuel, sewer, water and  
 12 weather equipment;

13 (B) Aviation-related business development, including, but not limited to, hangars, parking for  
 14 business aircraft and related facilities; *[or]* **and**

15 (C) Airport development for local economic benefit, including, but not limited to, signs and  
 16 marketing.

17 **(d)(A) Fourth, to assist commercial air service to rural Oregon.**

18 **(B) The Oregon Department of Aviation may adopt a definition of “rural Oregon” for**  
 19 **purposes of this paragraph.**

20 *[(6) Twenty-five percent of the amounts described in subsection (4)(b) of this section shall be dis-*  
 21 *tributed for the purpose of assisting commercial air service to rural Oregon.]*

22 *[(7)]* **(6)** Twenty-five percent of the amounts described in subsection (4)(b) of this section shall  
 23 be distributed to state-owned airports for the purposes of:

24 (a) Safety improvements recommended by the State Aviation Board and local community air-  
 25 ports.

26 (b) Infrastructure projects at public use airports.

27 *[(8)(a)]* **(7)(a) Not later than September 15 of each year, the State Aviation Board shall**  
 28 **submit the reports described in paragraph (b) of this subsection, in the manner provided in**  
 29 **ORS 192.245, to the interim committees, as applicable, of the Legislative Assembly related**  
 30 **to air transportation.**

31 **(b)** *[The State Aviation Board shall submit reports, in the manner provided in ORS 192.245 and*  
 32 *paragraph (b) of this subsection, that]* **The reports required under this subsection shall** describe  
 33 in detail the projects for which applications have been submitted and approved, the airports affected,  
 34 the names of the applicants and the persons who will perform the work proposed in the applications,  
 35 the progress of projects for which applications have been approved and any other information the  
 36 board considers necessary for a comprehensive analysis of the implementation of this section.

37 *[(b) The reports described in paragraph (a) of this subsection shall be submitted:]*

38 *[(A) Not later than February 10 of each year to the committees of the Legislative Assembly related*  
 39 *to air transportation; and]*

40 *[(B) Not later than September 30 of each year to the interim committees of the Legislative Assembly*  
 41 *related to air transportation.]*

42 **SECTION 24. The amendments to section 7, chapter 700, Oregon Laws 2015, by section**  
 43 **23 of this 2020 Act apply to applications for distributions submitted on or after the effective**  
 44 **date of this 2020 Act.**

45 **SECTION 24a. Sections 6 and 8, chapter 700, Oregon Laws 2015, are repealed.**

**CONFORMING AMENDMENTS**

**SECTION 25.** ORS 824.990 is amended to read:

824.990. (1) In addition to all other penalties provided by law:

(a) Every person who violates or who procures, aids or abets in the violation of ORS 824.060 (1), 824.084, 824.088, 824.304 (1) or 824.306 (1) or any order, rule or decision of the Department of Transportation shall incur a civil penalty of not more than \$1,000 for every such violation.

(b) Every person who violates or who procures, aids or abets in the violation of any order, rule or decision of the department promulgated pursuant to ORS 824.052 (1), 824.056 (1), [824.068,] 824.082 (1) or 824.208 shall incur a civil penalty of not more than \$1,000 for every such violation.

(2) Each such violation shall be a separate offense and in case of a continuing violation every day's continuance is a separate violation. Every act of commission or omission that procures, aids or abets in the violation is a violation under subsection (1) of this section and subject to the penalty provided in subsection (1) of this section.

(3) Civil penalties imposed under subsection (1) of this section shall be imposed in the manner provided in ORS 183.745.

(4) The department may reduce any penalty provided for in subsection (1) of this section on such terms as the department considers proper if:

(a) The defendant admits the violations alleged in the notice and makes timely request for reduction of the penalty; or

(b) The defendant submits to the department a written request for reduction of the penalty within 15 days from the date the penalty order is served.

**REPEALS GENERALLY**

**SECTION 26.** ORS 184.631, 824.068 and 824.104 and sections 2 and 3, chapter 24, Oregon Laws 2018, are repealed.

**REPEAL OF ELDERLY AND DISABLED TRANSPORTATION FUND**

**SECTION 27.** ORS 391.800, 391.802, 391.810, 391.815, 391.820 and 391.830 are repealed.

**SECTION 28.** No later than July 1, 2021, the Department of Transportation shall transfer from the Elderly and Disabled Special Transportation Fund established under ORS 391.800 to the Statewide Transportation Improvement Fund established under ORS 184.751 any amounts remaining in the Elderly and Disabled Special Transportation Fund.

**PUBLIC TRANSPORTATION SERVICE PROVIDERS**

**SECTION 29.** ORS 184.751 is amended to read:

184.751. (1) The Statewide Transportation Improvement Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Statewide Transportation Improvement Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the Department of Transportation to finance investments and improvements *[in]* **or to maintain existing** public transportation services, except that the moneys may not be used for light rail capital expenses but may be used for light rail operation expenses.

(2) The Statewide Transportation Improvement Fund consists of:

(a) All moneys received from the tax imposed under ORS 320.550;

(b) Moneys appropriated or otherwise transferred to the fund by the Legislative Assembly;

[and]

**(c) Moneys transferred to the fund under ORS 184.642, 323.455 or 323.457 (1)(d) and (2)(b);**

**(d) Distribution repayments, if any; and**

[(c)] (e) Other moneys deposited in the fund from any source.

**(3) Unless approved by the department, the moneys in the Statewide Transportation Improvement Fund may not be used to supplant local and regional agency moneys currently directed to public transportation service providers.**

**SECTION 30.** ORS 184.758 is amended to read:

184.758. (1) The Oregon Transportation Commission shall distribute the moneys in the Statewide Transportation Improvement Fund established under ORS 184.751 *[as follows:]* **to the Department of Transportation to pay for:**

**(a) Program administration; and**

**(b) Projects of statewide significance that support the transit network and manage the operation of public transportation services.**

**(2) The moneys described in subsection (1) of this section that remain after the allocation of moneys described in subsection (1) of this section shall be allocated as follows:**

(a) Conditioned upon the commission's approval of a public transportation improvement plan, 90 percent to qualified entities;

(b) Five percent to public transportation service providers based on a competitive grant program adopted by the commission by rule;

(c) Four percent to public transportation service providers to provide funding assistance to cover the costs of improving public transportation services between two or more communities; and

(d) One percent to the Department of Transportation *[to pay the department's administrative costs and expenses associated with carrying out the provisions of ORS 184.752 to 184.766 and]* to establish a statewide public transportation technical resource center, the purpose of which is to assist public transportation service providers in rural areas with technical assistance, training, transportation planning and information technology.

**(3) A portion of the percentage distributions under subsection (2)(a) of this section shall be dedicated to transit services for older adults and individuals with disabilities. Each biennium the commission shall first distribute the moneys transferred to the fund under ORS 184.751 as needed to maintain funding that benefits older adults and individuals with disabilities in the amount distributed during the 2019-2021 biennium. However, this amount shall be adjusted upwards or downwards by the commission biennially based on the rate of growth or decline of the Statewide Transportation Improvement Fund. The percentage distributions under subsection (2)(a) of this section shall be distributed as follows:**

**(a) Each transportation district and mass transit district shall receive that share of the moneys as the population of the counties in which the district is situated, determined under ORS 190.510 to 190.610 last preceding apportionment of the moneys, bears to the total population of this state. However, if two or more districts are situated in a single county, distribution of moneys under this subsection shall be determined as though only the mass transit district is located in that county or, if there are two or more transportation districts in the county, as though only the transportation district with the highest population is lo-**

1 cated in that county.

2 (b) Each county in which no part of a mass transit district or transportation district is  
 3 located shall receive that share of the moneys as its population, determined under ORS  
 4 190.510 to 190.610 last preceding apportionment of the moneys, bears to the total population  
 5 of this state.

6 (c) Each federally recognized Indian tribe shall receive that share of the moneys as the  
 7 population of the tribe residing in Oregon, determined by the commission by rule, bears to  
 8 the total population of this state.

9 (4) Each qualified entity under subsection (3) of this section shall receive an annual  
 10 amount of no less than \$67,700. However, this amount shall be adjusted upwards or down-  
 11 wards by the commission biennially based on the rate of growth or decline of the Statewide  
 12 Transportation Improvement Fund.

13 [(2)] (5) For purposes of the percentage distributions under subsection [(1)(a)] (2)(a) of this sec-  
 14 tion:

15 (a) Each distribution must be in such shares that the amount of tax paid, as required under ORS  
 16 320.550, in the area of each qualified entity bears to the total amount of the tax paid statewide,  
 17 provided that each qualified entity receives an annual amount of [at least \$100,000] no less than  
 18 \$100,000. However, this amount shall be adjusted upwards or downwards by the commission  
 19 biennially based on the rate of growth or decline of the Statewide Transportation Improve-  
 20 ment Fund.

21 (b) If more than one mass transit district or transportation district is located within a single  
 22 county, the commission shall distribute the moneys to the larger district.

23 [(3)] (6) The commission shall adopt by rule:

24 (a) A competitive grant program, by which a public transportation service provider may apply  
 25 for a percentage distribution under subsection [(1)(b)] (2)(b) of this section, and the terms and con-  
 26 ditions of grants.

27 (b) A competitive grant program, by which a public transportation service provider may apply  
 28 for a percentage distribution under subsection [(1)(c)] (2)(c) of this section, and the terms and con-  
 29 ditions of grants.

30 (c) A process to review and approve a public transportation improvement plan submitted under  
 31 subsection [(4)] (7) of this section.

32 (d) Procedures for appealing a rejection of a public transportation improvement plan submitted  
 33 under subsection [(4)] (7) of this section.

34 (e) Any other provisions or procedures that are necessary for the commission to carry out the  
 35 provisions of ORS 184.758 to 184.766.

36 [(4)] (7) To be eligible to receive a percentage distribution under subsection [(1)(a)] (2)(a) of this  
 37 section, a qualified entity shall prepare and submit a public transportation improvement plan to the  
 38 commission. The commission must approve the plan submitted by the qualified entity before the  
 39 commission may make a percentage distribution to the qualified entity.

40 [(5)] (8) At a minimum, a public transportation improvement plan submitted under this section  
 41 must include:

42 (a) For each proposed project, the amount of moneys from the percentage distribution that would  
 43 be allocated to the project to fund the following:

44 (A) Increased frequency of bus service schedules in communities with a high percentage of  
 45 low-income households;

1 (B) Procurement of buses that are powered by natural gas or electricity for use in areas with  
 2 a population of 200,000 or more;

3 (C) Implementation of programs to reduce fares for public transportation in communities with  
 4 a high percentage of low-income households;

5 (D) Expansion of bus routes and bus services to reach communities with a high percentage of  
 6 low-income households;

7 (E) Improvement in the frequency and reliability of service connections between communities  
 8 inside and outside of the qualified entity's service area;

9 (F) Coordination between public transportation service providers to reduce fragmentation in the  
 10 provision of transportation services; *[and]*

11 (G) Implementation of programs to provide student transit services for students in grades 9  
 12 through 12; **and**

13 **(H) Services for older adults and people with disabilities;**

14 (b) For the current fiscal year, a summary of any plans and project proposals approved by an  
 15 advisory committee under ORS 184.761; and

16 (c) If a qualified entity was a recipient of a percentage distribution in the preceding fiscal year,  
 17 the amount of moneys received from the distribution that were allocated to a project for the pur-  
 18 poses described under paragraph (a) of this subsection.

19 *[(6)]* **(9)** If practicable, as determined by the commission by rule each qualified entity shall spend  
 20 at least one percent of the amount received each year under subsection *[(1)(a)]* **(2)(a)** of this section  
 21 to implement programs to provide student transit services for students in grades 9 through 12.

22 *[(7)]* **(10)** After the commission makes a distribution under subsection *[(1)]* **(2)** of this section,  
 23 qualified entities may enter into intergovernmental agreements under ORS chapter 190 to combine  
 24 the moneys received for public transportation improvements.

25 *[(8)]* **(11)** If the commission rejects a public transportation improvement plan or a grant appli-  
 26 cation submitted under this section, the commission shall notify the entity or provider in writing  
 27 and state the reasons for the rejection.

28 *[(9)]* **(12)** The Department of Transportation shall make all grant applications submitted under  
 29 this section available to the public.

30 **SECTION 31.** ORS 184.761 is amended to read:

31 184.761. (1) The governing body of each qualified entity shall appoint an advisory committee to  
 32 advise and assist the governing body in prioritizing plans or projects to be funded from the moneys  
 33 received from a percentage distribution under ORS 184.758 to public transportation service provid-  
 34 ers that provide services within the jurisdiction of the qualified entity.

35 (2) Before receiving funding for a project under ORS 184.758 **(2)(a)**, a public transportation  
 36 service provider that provides services *[within the jurisdiction of a qualified entity]* shall submit a  
 37 plan or project proposal to the governing body of the qualified entity and receive the advisory  
 38 committee's approval of the plan or project proposal. The plans or project proposals submitted under  
 39 this subsection must describe how the funds would be used. **Client-only projects, as defined by the**  
 40 **Oregon Transportation Commission by rule, may be eligible for consideration if the project**  
 41 **is part of a planned and coordinated community transportation program.**

42 (3) An advisory committee appointed under this section shall review every plan or project pro-  
 43 posal required under subsection (2) of this section and may propose any changes to the policies or  
 44 practices of the governing body **relating to the distribution of funding under ORS 184.758 (2)(a)**  
 45 **and** that the advisory committee considers necessary to ensure that:

1 (a) A public transportation service provider that has received funding under ORS 184.758 (2)(a)  
 2 has applied the moneys received in accordance with and for the purposes described in the provider's  
 3 plan or project proposal; and

4 (b) A plan or project proposal submitted by a public transportation service provider does not  
 5 fragment the provision of public transportation services.

6 (4) The Oregon Transportation Commission shall adopt by rule:

7 (a) Requirements for the composition of an advisory committee appointed under this section;

8 (b) Criteria that must be included in a plan or project proposal required under subsection (2)  
 9 of this section; and

10 (c) A process by which an advisory committee shall review and approve a plan or project pro-  
 11 posal.

12 (5) Notwithstanding subsection (1) of this section, the governing bodies of two or more qualified  
 13 entities may appoint advisory committee members to a joint advisory committee under conditions  
 14 determined by the commission by rule.

15 **SECTION 32.** ORS 184.766 is amended to read:

16 184.766. (1) Every qualified entity that receives a percentage distribution under ORS 184.758  
 17 shall submit the following to the Department of Transportation:

18 [(1)] (a) No later than 60 days after the end of the fiscal year, a report on any actions taken  
 19 by a public transportation service provider located within the area of a qualified entity to mitigate  
 20 the impact of the tax imposed under ORS 320.550 on passengers who reside in low-income commu-  
 21 nities;

22 [(2)] (b) No later than 30 days after adoption, the annual budget for the upcoming fiscal year;  
 23 and

24 [(3)] (c) No later than 30 days after receipt of the final results of any audits of the qualified  
 25 entity or of a public transportation service provider located within the area of the qualified entity  
 26 as required by a local, state or federal oversight agency for purposes of statewide reporting, the  
 27 final results including, but not limited to:

28 [(a)] (A) The state financial report required under ORS 291.040;

29 [(b)] (B) The results of any comprehensive review completed by the Federal Transit Adminis-  
 30 tration or the department; [and]

31 [(c)] (C) Any information submitted by the qualified entity as a part of the requirements of a  
 32 statewide audit in accordance with the federal Single Audit Act of 1984 (31 U.S.C. 7501 to 7507), as  
 33 amended by the Single Audit Act Amendments of 1996 (P.L. 104-156)[.]; and

34 (D) **Any quarterly reports that detail project progress, outcomes achieved and the ex-**  
 35 **penditure of funds described under ORS 184.758 (2)(a).**

36 (2) **The Oregon Transportation Commission shall establish rules concerning the making**  
 37 **of agreements for the distributions made to qualified entities under ORS 184.758. Each**  
 38 **agreement must include a condition that requires a qualified entity to repay, in full, distrib-**  
 39 **utions paid to the qualified entity, if the commission determines that the recipient has failed**  
 40 **meet to any terms or conditions of the agreement.**

41 **SECTION 33.** **The amendments to ORS 184.766 by section 32 of this 2020 Act apply to**  
 42 **distributions made on or after the effective date of this 2020 Act.**

43  
 44 **CONFORMING AMENDMENTS FOR PUBLIC TRANSPORTATION SERVICE PROVIDERS**  
 45



**SECTION 34.** ORS 184.642 is amended to read:

184.642. (1) The Department of Transportation Operating Fund is established in the State Treasury separate and distinct from the General Fund and separate and distinct from the State Highway Fund. Except as otherwise provided in subsection (3)(e) of this section, moneys in the Department of Transportation Operating Fund are continuously appropriated to the Department of Transportation to pay expenses of the department that are incurred in the performance of functions the department is statutorily required or authorized to perform and that may not constitutionally be paid from revenues described in section 3a, Article IX of the Oregon Constitution.

(2) The operating fund shall consist of the following:

(a) Taxes paid on motor vehicle fuels or on the use of fuel in a motor vehicle for which a person is entitled to a refund under a provision described in this paragraph but for which no refund is claimed, in amounts determined under ORS 184.643. This paragraph applies to refund entitlements described in ORS 319.280 (1)(a) and (e), 319.320 (1)(a) and 319.831 (1)(b).

(b) Fees collected under ORS 822.700 for issuance or renewal of:

- (A) Dismantler certificates;
- (B) Vehicle dealer certificates;
- (C) Show licenses;
- (D) Vehicle transporter certificates;
- (E) Driver training instructor certificates;
- (F) Commercial driver training school certificates; and
- (G) Vehicle appraiser certificates.

(c) Late fees collected under ORS 822.700.

(d) Fees collected under ORS 822.705.

(e) Moneys from civil penalties imposed under ORS 822.009.

(f) Fees collected under ORS 807.410 for identification cards.

(g) Fees collected by the department for issuance of permits to engage in activities described in ORS 374.302 to 374.334 that are not directly connected to the construction, reconstruction, improvement, repair, maintenance, operation and use of a public highway, road, street or roadside rest area.

(h) Fees collected under ORS 835.017 for services provided to the Oregon Department of Aviation.

(i) Interest and other earnings on moneys in the operating fund.

(3) Moneys in the Department of Transportation Operating Fund established by subsections (1) and (2) of this section may be spent only as follows:

(a) Taxes described in subsection (2)(a) of this section may be used only for payment of expenses of the Department of Transportation that:

(A) May not constitutionally be paid from revenues described in section 3a, Article IX of the Oregon Constitution;

(B) Are incurred in the performance of functions the department is statutorily required or authorized to perform; and

(C) Are not payable from moneys described in paragraphs (b) to (e) of this subsection.

(b) Fees collected under subsection (2)(b) of this section may be used only to carry out the regulatory functions of the department relating to the businesses that generate the fees.

(c) Fees collected under ORS 822.705 may be used only for the purposes described in ORS 822.705.

1 (d) Moneys collected from civil penalties imposed under ORS 822.009 may be used only for reg-  
 2 ulation of vehicle dealers.

3 (e) Moneys collected under ORS 807.410 from fees for identification cards shall be used first to  
 4 pay the expenses of the department for performing the functions of the department relating to  
 5 identification cards. After paying the expenses related to identification cards, the department shall  
 6 transfer the remaining moneys collected under ORS 807.410 to the [*Elderly and Disabled Special*  
 7 *Transportation Fund established in ORS 391.800*] **Statewide Transportation Improvement Fund**  
 8 **established in ORS 184.751.**

9 (f) Moneys from the permits described in subsection (2)(g) of this section may be used for costs  
 10 of issuing the permits and monitoring the activities that generate the fees.

11 (g) Moneys from interest and other earnings on moneys in the operating fund may be used for  
 12 any purpose for which other moneys in the fund may be used.

13 **SECTION 35.** ORS 323.455 is amended to read:

14 323.455. (1) All moneys received by the Department of Revenue from the tax imposed by ORS  
 15 323.030 (1) shall be paid over to the State Treasurer to be held in a suspense account established  
 16 under ORS 293.445. The department may pay expenses for administration and enforcement of ORS  
 17 323.005 to 323.482 out of moneys received from the tax imposed under ORS 323.030 (1). Amounts  
 18 necessary to pay administrative and enforcement expenses are continuously appropriated to the de-  
 19 partment from the suspense account. After the payment of administrative and enforcement expenses  
 20 and refunds, 89.65 percent shall be credited to the General Fund, 3.45 percent is appropriated to the  
 21 cities of this state, 3.45 percent is appropriated to the counties of this state and 3.45 percent is  
 22 continuously appropriated to the Department of Transportation for the purpose of financing and  
 23 improving transportation services for [*elderly individuals*] **older adults** and individuals with disa-  
 24 bilities [*as provided in ORS 391.800 to 391.830*].

25 (2) The moneys appropriated to cities and counties under subsection (1) of this section shall be  
 26 paid on a monthly basis within 35 days after the end of the month for which a distribution is made.  
 27 Each city shall receive such share of the money appropriated to all cities as its population, as de-  
 28 termined under ORS 190.510 to 190.590 last preceding such apportionment, bears to the total popu-  
 29 lation of the cities of the state, and each county shall receive such share of the money as its  
 30 population, determined under ORS 190.510 to 190.590 last preceding such apportionment, bears to the  
 31 total population of the state.

32 (3) The moneys appropriated to the Department of Transportation under subsection (1) of this  
 33 section shall be distributed and transferred to the [*Elderly and Disabled Special Transportation Fund*  
 34 *established by ORS 391.800*] **Statewide Transportation Improvement Fund established in ORS**  
 35 **184.751** at the same time as the cigarette tax moneys are distributed to cities and counties under  
 36 this section.

37 (4) Of the moneys credited to the General Fund under subsection (1) of this section, 51.92 per-  
 38 cent shall be dedicated to funding the maintenance and expansion of the number of persons eligible  
 39 for the medical assistance program under ORS chapter 414, or to funding the maintenance of the  
 40 benefits available under the program, or both, and 5.77 percent shall be credited to the Tobacco Use  
 41 Reduction Account established under ORS 431A.153.

42 (5) All moneys received by the Department of Revenue from the tax imposed by ORS 323.030 (4)  
 43 shall be paid over to the State Treasurer to be held in a suspense account established under ORS  
 44 293.445. After the payment of refunds, the balance shall be credited to the Oregon Health Authority  
 45 Fund established by ORS 413.101 and shall be used to provide the services described in ORS 430.630.

1        **SECTION 36.** If chapter 525, Oregon Laws 2019 (IRR 402), is approved by the voters at the  
 2 general election held throughout this state on November 3, 2020, ORS 323.455, as amended by sec-  
 3 tion 4, chapter 525, Oregon Laws 2019, is amended to read:

4        323.455. (1) All moneys received by the Department of Revenue from the tax imposed by ORS  
 5 323.030 (1) shall be paid over to the State Treasurer to be held in a suspense account established  
 6 under ORS 293.445. The department may pay expenses for administration and enforcement of ORS  
 7 323.005 to 323.482 out of moneys received from the tax imposed under ORS 323.030 (1), after all  
 8 amounts available under section 3, chapter 525, Oregon Laws 2019, for expenses for administration  
 9 and enforcement of ORS 323.005 to 323.482 have been used. Amounts necessary to pay administrative  
 10 and enforcement expenses are continuously appropriated to the department from the suspense ac-  
 11 count. After the payment of administrative and enforcement expenses and refunds, 89.65 percent  
 12 shall be credited to the General Fund, 3.45 percent is appropriated to the cities of this state, 3.45  
 13 percent is appropriated to the counties of this state and 3.45 percent is continuously appropriated  
 14 to the Department of Transportation for the purpose of financing and improving transportation ser-  
 15 vices for *[elderly individuals]* **older adults** and individuals with disabilities *[as provided in ORS*  
 16 *391.800 to 391.830]*.

17        (2) The moneys appropriated to cities and counties under subsection (1) of this section shall be  
 18 paid on a monthly basis within 35 days after the end of the month for which a distribution is made.  
 19 Each city shall receive such share of the money appropriated to all cities as its population, as de-  
 20 termined under ORS 190.510 to 190.590 last preceding such apportionment, bears to the total popu-  
 21 lation of the cities of the state, and each county shall receive such share of the money as its  
 22 population, determined under ORS 190.510 to 190.590 last preceding such apportionment, bears to the  
 23 total population of the state.

24        (3) The moneys appropriated to the Department of Transportation under subsection (1) of this  
 25 section shall be distributed and transferred to the *[Elderly and Disabled Special Transportation Fund*  
 26 *established by ORS 391.800]* **Statewide Transportation Improvement Fund established in ORS**  
 27 **184.751** at the same time as the cigarette tax moneys are distributed to cities and counties under  
 28 this section.

29        (4) Of the moneys credited to the General Fund under subsection (1) of this section, 51.92 per-  
 30 cent shall be dedicated to funding the maintenance and expansion of the number of persons eligible  
 31 for the medical assistance program under ORS chapter 414, or to funding the maintenance of the  
 32 benefits available under the program, or both, and 5.77 percent shall be credited to the Tobacco Use  
 33 Reduction Account established under ORS 431A.153.

34        (5) All moneys received by the Department of Revenue from the tax imposed by ORS 323.030 (4)  
 35 shall be paid over to the State Treasurer to be held in a suspense account established under ORS  
 36 293.445. After the payment of refunds, the balance shall be credited to the Oregon Health Authority  
 37 Fund established by ORS 413.101 and shall be used to provide the services described in ORS 430.630.

38        **SECTION 37.** ORS 323.457 is amended to read:

39        323.457. (1) Moneys received under ORS 323.031 shall be paid over to the State Treasurer to be  
 40 held in a suspense account established under ORS 293.445. After the payment of refunds:

41        (a) 29.37/30 of the moneys shall be credited to the Oregon Health Plan Fund established under  
 42 ORS 414.109;

43        (b) 0.14/30 of the moneys are continuously appropriated to the Oregon Department of Adminis-  
 44 trative Services for distribution to the cities of this state;

45        (c) 0.14/30 of the moneys are continuously appropriated to the Oregon Department of Adminis-

1 trative Services for distribution to the counties of this state;

2 (d) 0.14/30 of the moneys are continuously appropriated to the Department of Transportation to  
 3 be distributed and transferred to the [*Elderly and Disabled Special Transportation Fund established*  
 4 *under ORS 391.800*] **Statewide Transportation Improvement Fund established in ORS 184.751;**  
 5 and

6 (e) 0.21/30 of the moneys shall be credited to the Tobacco Use Reduction Account established  
 7 under ORS 431A.153.

8 (2)(a) Moneys distributed to cities and counties under this section shall be distributed to each  
 9 city or county using the proportions used for distributions made under ORS 323.455.

10 (b) Moneys shall be distributed to cities, counties and the [*Elderly and Disabled Special Trans-*  
 11 *portation Fund*] **Statewide Transportation Improvement Fund** at the same time moneys are dis-  
 12 tributed to cities, counties and the [*Elderly and Disabled Special Transportation Fund*] **Statewide**  
 13 **Transportation Improvement Fund** under ORS 323.455.

14 **SECTION 38.** If chapter 525, Oregon Laws 2019 (IRR 402), is approved by the voters at the  
 15 general election held throughout this state on November 3, 2020, ORS 323.457, as amended by sec-  
 16 tion 5, chapter 525, Oregon Laws 2019, is amended to read:

17 323.457. (1) Moneys received under ORS 323.031 (1) shall be paid over to the State Treasurer to  
 18 be held in a suspense account established under ORS 293.445. After the payment of refunds:

19 (a) 29.37/30 of the moneys shall be credited to the Oregon Health Authority Fund established  
 20 under ORS 413.101;

21 (b) 0.14/30 of the moneys are continuously appropriated to the Oregon Department of Adminis-  
 22 trative Services for distribution to the cities of this state;

23 (c) 0.14/30 of the moneys are continuously appropriated to the Oregon Department of Adminis-  
 24 trative Services for distribution to the counties of this state;

25 (d) 0.14/30 of the moneys are continuously appropriated to the Department of Transportation to  
 26 be distributed and transferred to the [*Elderly and Disabled Special Transportation Fund established*  
 27 *under ORS 391.800*] **Statewide Transportation Improvement Fund established in ORS 184.751;**  
 28 and

29 (e) 0.21/30 of the moneys shall be credited to the Tobacco Use Reduction Account established  
 30 under ORS 431A.153.

31 (2)(a) Moneys distributed to cities and counties under this section shall be distributed to each  
 32 city or county using the proportions used for distributions made under ORS 323.455.

33 (b) Moneys shall be distributed to cities, counties and the [*Elderly and Disabled Special Trans-*  
 34 *portation Fund*] **Statewide Transportation Improvement Fund** at the same time moneys are dis-  
 35 tributed to cities, counties and the [*Elderly and Disabled Special Transportation Fund*] **Statewide**  
 36 **Transportation Improvement Fund** under ORS 323.455.

37 **SECTION 39.** ORS 184.675 is amended to read:

38 184.675. As used in ORS 184.670 to 184.733, unless the context requires otherwise:

39 (1) "Director" means Director of Transportation.

40 (2) "Department" means the Department of Transportation.

41 (3) **"Indian tribe" means a federally recognized Indian tribe in Oregon that has members**  
 42 **residing on a reservation or tribal trust lands in Oregon.**

43 [(3)] (4) "Operating agreement" means an agreement for the operation or maintenance on behalf  
 44 of the Department of Transportation of all or part of a public transportation system, but does not  
 45 include agreements by which the department provides only financial or technical assistance or

1 transportation facilities or equipment and which do not control routes, rates or levels of service,  
 2 or agreements under which such control is exercised by the federal government through the de-  
 3 partment.

4 [(4)] (5) “Public transportation system” means any form of passenger transportation system,  
 5 whether or not for hire, including but not limited to air, rail, other fixed guideway, bus, jitney, taxi  
 6 and dial-a-ride passenger transportation systems within, between and outside of urban and urbanized  
 7 areas, and including related passenger terminal facilities and motor vehicle parking facilities.

8 [(5)] (6) “Person” means the United States or any state or any department or agency of any of  
 9 the above, or any nonprofit corporation or entity or any other individual, corporation or entity, ei-  
 10 ther public or private.

11 [(6)] “Bus” means a motor vehicle designed for carrying 15 or more passengers, exclusive of the  
 12 driver, and used for the transportation of persons.]

13 (7) “Public transportation entity” includes a city, county, transportation district, mass transit  
 14 district, metropolitan service district, Indian tribe [as defined in ORS 391.802] or private nonprofit  
 15 corporation operating a public transportation system.

16 **SECTION 40.** ORS 293.701 is amended to read:

17 293.701. As used in ORS 293.701 to 293.857, unless the context requires otherwise:

18 (1) “Council” means the Oregon Investment Council.

19 (2) “Investment funds” means:

20 (a) Public Employees Retirement Fund referred to in ORS 238.660;

21 (b) Industrial Accident Fund referred to in ORS 656.632;

22 (c) Consumer and Business Services Fund referred to in ORS 705.145;

23 (d) Employment Department Special Administrative Fund referred to in ORS 657.822;

24 (e) Insurance Fund referred to in ORS 278.425;

25 (f) Funds under the control and administration of the Department of State Lands;

26 (g) Oregon Student Assistance Fund referred to in ORS 348.570;

27 (h) Moneys made available to the Commission for the Blind under ORS 346.270 and 346.569 or  
 28 rules adopted thereunder;

29 (i) Forest Development Revenue Bond Fund referred to in ORS 530.147 and State Forestry  
 30 General Obligation Bond Fund referred to in ORS 530.280;

31 (j) Oregon War Veterans’ Fund referred to in ORS 407.495;

32 (k) Oregon War Veterans’ Bond Sinking Account referred to in ORS 407.515;

33 (L) World War II Veterans’ Compensation Fund;

34 (m) World War II Veterans’ Bond Sinking Fund;

35 (n) Funds in the hands of the State Treasurer that are not required to meet current demands  
 36 and that are invested in the Oregon Short Term Fund established under ORS 293.728 or in another  
 37 commingled investment vehicle;

38 (o) State funds that are not subject to the control and administration of officers or bodies spe-  
 39 cifically designated by law;

40 (p) Funds derived from the sale of state bonds;

41 (q) Social Security Revolving Account referred to in ORS 237.490;

42 (r) Public University Fund established by ORS 352.450;

43 (s) Local Government Employer Benefit Trust Fund referred to in ORS 657.513;

44 [(t) Elderly and Disabled Special Transportation Fund established by ORS 391.800;]

45 [(u)] (t) Education Stability Fund established by ORS 348.696;

1 [(v)] (u) Deferred Compensation Fund established under ORS 243.411;

2 [(w)] (v) Trust for Cultural Development Account established under ORS 359.405; and

3 [(x)] (w) The State Library Donation Fund and the Talking Book and Braille Library Endowment  
4 Fund subaccount established under ORS 357.195.

5 (3) “Investment officer” means the State Treasurer in the capacity as investment officer for the  
6 council.

7 **SECTION 41.** ORS 293.701, as amended by section 64, chapter 678, Oregon Laws 2019, is  
8 amended to read:

9 293.701. As used in ORS 293.701 to 293.857, unless the context requires otherwise:

10 (1) “Council” means the Oregon Investment Council.

11 (2) “Investment funds” means:

12 (a) Public Employees Retirement Fund referred to in ORS 238.660;

13 (b) Industrial Accident Fund referred to in ORS 656.632;

14 (c) Consumer and Business Services Fund referred to in ORS 705.145;

15 (d) Employment Department Special Administrative Fund referred to in ORS 657.822;

16 (e) Insurance Fund referred to in ORS 278.425;

17 (f) Funds under the control and administration of the Department of State Lands;

18 (g) Oregon Student Assistance Fund referred to in ORS 348.570;

19 (h) Moneys made available to the Commission for the Blind under ORS 346.270 and 346.569 or  
20 rules adopted thereunder;

21 (i) Forest Development Revenue Bond Fund referred to in ORS 530.147 and State Forestry  
22 General Obligation Bond Fund referred to in ORS 530.280;

23 (j) Oregon War Veterans’ Fund referred to in ORS 407.495;

24 (k) Oregon War Veterans’ Bond Sinking Account referred to in ORS 407.515;

25 (L) World War II Veterans’ Compensation Fund;

26 (m) World War II Veterans’ Bond Sinking Fund;

27 (n) Funds in the hands of the State Treasurer that are not required to meet current demands  
28 and that are invested in the Oregon Short Term Fund established under ORS 293.728 or in another  
29 commingled investment vehicle;

30 (o) State funds that are not subject to the control and administration of officers or bodies spe-  
31 cifically designated by law;

32 (p) Funds derived from the sale of state bonds;

33 (q) Social Security Revolving Account referred to in ORS 237.490;

34 (r) Public University Fund established by ORS 352.450;

35 (s) Local Government Employer Benefit Trust Fund referred to in ORS 657.513;

36 [(t) *Elderly and Disabled Special Transportation Fund established by ORS 391.800;*]

37 [(u)] (t) Education Stability Fund established by ORS 348.696;

38 [(v)] (u) Deferred Compensation Fund established under ORS 243.411;

39 [(w)] (v) Trust for Cultural Development Account established under ORS 359.405;

40 [(x)] (w) The State Library Donation Fund and the Talking Book and Braille Library Endowment  
41 Fund subaccount established under ORS 357.195;

42 [(y)] (x) Funds in the Unclaimed Property Revolving Fund created in ORS 98.388; and

43 [(z)] (y) Funds in the Common School Fund that are available for investment.

44 (3) “Investment officer” means the State Treasurer in the capacity as investment officer for the  
45 council.

**SECTION 42.** ORS 541.561 is amended to read:

541.561. (1) The Water Resources Department shall establish a grant program to pay the qualifying costs of planning studies performed to evaluate the feasibility of developing a water conservation, reuse or storage project, as described in ORS 541.566. A grant under this section may be made to a local government as defined in ORS 174.116, *[to an Indian tribe as defined in ORS 391.802]* **a federally recognized Indian tribe in Oregon that has members residing on a reservation or tribal trust lands in Oregon** or to a person.

(2) In lieu of grants, the department may pay the cost of providing direct services, including but not limited to technical planning services, for a planning study that is eligible for a grant under this section.

(3) A grant or the cost of direct services provided under this section may not exceed \$500,000 per project. A grant or payment for direct services may be provided only if the amount of the grant or the cost of the direct services is matched by funding from another source that is not less than a dollar-for-dollar match of the amount or cost.

(4) Grants and the cost of direct services provided under this section must be paid for from moneys available in the Water Conservation, Reuse and Storage Investment Fund.

(5)(a) In evaluating above ground storage projects for awards of grants or payments for direct services under this section, the department shall give priority to projects that include provisions for using stored water to augment in-stream flows to conserve, maintain and enhance aquatic life, fish life or other ecological values.

(b) In evaluating all other eligible projects, the department shall give priority to projects identified by the department in a statewide water assessment and inventory for the award of grants or provision of payment for direct services under this section.

**SECTION 43.** ORS 541.659 is amended to read:

541.659. Loans and grants may be made from the Water Supply Development Account to persons as defined in ORS 536.007, *[Indian tribes as defined in ORS 391.802]* **a federally recognized Indian tribe in Oregon that has members residing on a reservation or tribal trust lands in Oregon** and nonprofit organizations. If an applicant is required to have a water management and conservation plan, the plan must be submitted to the Water Resources Department and receive approval prior to department acceptance of an application for a loan or grant from the account.

**CAPTIONS**

**SECTION 44.** The unit captions used in this 2020 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 2020 Act.

**EFFECTIVE DATE**

**SECTION 45.** This 2020 Act takes effect on the 91st day after the date on which the 2020 regular session of the Eightieth Legislative Assembly adjourns sine die.