PROPOSED AMENDMENTS TO
B-ENGROSSED HOUSE BILL 2281

On page 1 of the printed B-engrossed bill, line 2, after “ORS” delete the rest of the line and line 3 and insert “267.260, 267.385, 319.020, 319.530, 367.620, 456.587, 470.815, 646.905, 646.913, 646.922, 646.957, 757.612, 757.613, 803.420, 807.370, 818.225, 825.476 and 825.480 and section 18, chapter 30, Oregon Laws 2010; repealing ORS 646.912 and 646.921 and sections 6 and 9, chapter 754, Oregon Laws 2009, and section 2, chapter 4, Oregon Laws 2015 (Enrolled Senate Bill 324); prescribing an effective date; and providing for revenue raising that requires approval by a three-fifths majority.”.

Delete lines 5 through 24 and delete pages 2 through 5 and insert:

“REVENUE MEASURES

SECTION 1. ORS 319.020 is amended to read:

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

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craft fuel sold, used, distributed or so withdrawn by the dealer in the State of Oregon as well as all such fuel sold, used or distributed in this state by a purchaser thereof upon which sale, use or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

“(b) Except as provided in ORS 319.270, pay a license tax computed on the basis of [30] 32 cents per gallon on the first sale, use or distribution of such motor vehicle fuel or aircraft fuel so sold, used, distributed or withdrawn as shown by such statement in the manner and within the time provided in ORS 319.010 to 319.430.

“(2) When aircraft fuel is sold, used or distributed by a dealer, the license tax shall be computed on the basis of nine cents per gallon of fuel so sold, used or distributed, except that when aircraft fuel usable in aircraft operated by turbine engines (turbo-prop or jet) is sold, used or distributed, the tax rate shall be one cent per gallon.

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

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

“SECTION 2. ORS 319.530 is amended to read:

“319.530. (1) To compensate this state partially for the use of its highways, an excise tax hereby is imposed at the rate of [30] 32 cents per gallon on the use of fuel in a motor vehicle.

“(2) Except as otherwise provided in subsections (3) and (4) of this sec-
tion, 100 cubic feet of fuel used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.

“(3) One hundred twenty cubic feet of compressed natural gas used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.

“(4) One and three-tenths liquid gallons of propane at 60 degrees Fahrenheit is taxable at the same rate as a gallon of other liquid fuel.

“(5)(a) Except as provided in paragraph (b) of this subsection, the excise tax imposed under subsection (1) of this section does not apply to diesel fuel blended with a minimum of 20 percent biodiesel that is derived from used cooking oil.

“(b) The exemption provided under paragraph (a) of this subsection does not apply to fuel:

“(A) Used in motor vehicles that have a gross vehicle weight rating of 26,001 pounds or more;

“(B) That is not sold in retail operations; or

“(C) That is sold in operations involving fleet fueling or bulk sales.

“SECTION 3. ORS 319.530, as amended by section 3, chapter 648, Oregon Laws 2013, is amended to read:

“319.530. (1) To compensate this state partially for the use of its highways, an excise tax hereby is imposed at the rate of $0.32 cents per gallon on the use of fuel in a motor vehicle.

“(2) Except as otherwise provided in subsections (3) and (4) of this section, 100 cubic feet of fuel used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.

“(3) One hundred twenty cubic feet of compressed natural gas used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.
“(4) One and three-tenths liquid gallons of propane at 60 degrees Fahrenheit is taxable at the same rate as a gallon of other liquid fuel.

“SECTION 4. The amendments to ORS 319.020 and 319.530 by sections 1 to 3 of this 2015 Act apply to fuel sold, used or distributed on or after January 1, 2016.

“SECTION 5. ORS 319.020, as amended by section 1 of this 2015 Act, is amended to read:

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

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

“(b) Except as provided in ORS 319.270, pay a license tax computed on the basis of [32] 34 cents per gallon on the first sale, use or distribution of such motor vehicle fuel or aircraft fuel so sold, used, distributed or withdrawn as shown by such statement in the manner and within the time provided in ORS 319.010 to 319.430.

“(2) When aircraft fuel is sold, used or distributed by a dealer, the license tax shall be computed on the basis of nine cents per gallon of fuel so sold, used or distributed, except that when aircraft fuel usable in aircraft operated
by turbine engines (turbo-prop or jet) is sold, used or distributed, the tax rate shall be one cent per gallon.

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

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

“SECTION 6. ORS 319.530, as amended by section 2 of this 2015 Act, is amended to read:

“319.530. (1) To compensate this state partially for the use of its highways, an excise tax hereby is imposed at the rate of 32 34 cents per gallon on the use of fuel in a motor vehicle.

“(2) Except as otherwise provided in subsections (3) and (4) of this section, 100 cubic feet of fuel used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.

“(3) One hundred twenty cubic feet of compressed natural gas used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.

“(4) One and three-tenths liquid gallons of propane at 60 degrees Fahrenheit is taxable at the same rate as a gallon of other liquid fuel.

“(5)(a) Except as provided in paragraph (b) of this subsection, the excise tax imposed under subsection (1) of this section does not apply to diesel fuel blended with a minimum of 20 percent biodiesel that is derived from used cooking oil.

“(b) The exemption provided under paragraph (a) of this subsection does
not apply to fuel:

“(A) Used in motor vehicles that have a gross vehicle weight rating of 26,001 pounds or more;

“(B) That is not sold in retail operations; or

“(C) That is sold in operations involving fleet fueling or bulk sales.

“SECTION 7. ORS 319.530, as amended by section 3, chapter 648, Oregon Laws 2013, and section 3 of this 2015 Act, is amended to read:

“319.530. (1) To compensate this state partially for the use of its highways, an excise tax hereby is imposed at the rate of [32] 34 cents per gallon on the use of fuel in a motor vehicle.

“(2) Except as otherwise provided in subsections (3) and (4) of this section, 100 cubic feet of fuel used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.

“(3) One hundred twenty cubic feet of compressed natural gas used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.

“(4) One and three-tenths liquid gallons of propane at 60 degrees Fahrenheit is taxable at the same rate as a gallon of other liquid fuel.

“SECTION 8. The amendments to ORS 319.020 and 319.530 by sections 5 to 7 of this 2015 Act apply to fuel sold, used or distributed on or after January 1, 2017.

“SECTION 9. Section 10 of this 2015 Act is added to and made a part of the Oregon Vehicle Code.

“SECTION 10. In addition to the fee for issuance of a certificate of title specified in ORS 803.090, a person shall pay a fee of $125 for issuance of a certificate of title if the Department of Transportation issues a title for a new motor vehicle that has not been titled in this state or any other jurisdiction.

“SECTION 11. ORS 803.420 is amended to read:
“803.420. This section establishes registration fees for vehicles. If there is uncertainty as to the classification of a vehicle for purposes of the payment of registration fees under the vehicle code, the Department of Transportation may classify the vehicle to assure that registration fees for the vehicle are the same as for vehicles the department determines to be comparable. The registration fees for the vehicle shall be those based on the classification determined by the department. Except as otherwise provided in this section, or unless the vehicle is registered quarterly, the fees described in this section are for an entire registration period for the vehicle as described under ORS 803.415. The department shall apportion any fee under this section to reflect the number of quarters registered for a vehicle registered for a quarterly registration period under ORS 803.415. The fees are payable when a vehicle is registered and upon renewal of registration. Except as provided in ORS 801.041 (3) and 801.042 (7), the fee shall be increased by any amount established by the governing body of a county or by the governing body of a district, as defined in ORS 801.237, under ORS 801.041 or 801.042 as an additional registration fee for the vehicle. The fees for registration of vehicles are as follows:

“(1) Vehicles not otherwise provided for in this section or ORS 821.320, [§43] $53 for each year of the registration period.

“(2) Mopeds, [§24] $30 for each year of the registration period.

“(3) Motorcycles, [§24] $30 for each year of the registration period.

“(4) Government-owned vehicles registered under ORS 805.040, $3.50.

“(5) State-owned vehicles registered under ORS 805.045, $3.50 on registration or renewal.

“(6) Undercover vehicles registered under ORS 805.060, $3.50 on registration or renewal.

“(7) Antique vehicles registered under ORS 805.010, $54.

“(8) Vehicles of special interest registered under ORS 805.020, $81.

“(9) Electric vehicles and hybrid vehicles that use electricity and another
source of motive power, as follows:

“(a) The registration fee for an electric or hybrid vehicle not otherwise described in this subsection is $43 $188 for each year of the registration period.

“(b) The registration fee for electric or hybrid vehicles that have two or three wheels is $43 $188. This paragraph does not apply to electric or hybrid mopeds. Electric or hybrid mopeds are subject to the same registration fee as otherwise provided for mopeds under this section.

“(c) The registration fees for the following electric or hybrid vehicles are the same as for comparable nonelectric vehicles described in this section plus 50 percent of such fee:

“(A) Motor homes.

“(B) Commercial buses.

“(C) Vehicles registered as farm vehicles under ORS 805.300.

“(D) Vehicles required to establish registration weight under ORS 803.430 or 826.013.

“(10) Motor vehicles required to establish a registration weight under ORS 803.430 or 826.013, tow vehicles used to transport property for hire other than as described in ORS 822.210, and commercial buses, as provided in the following chart, based upon the weight submitted in the declaration of weight prepared under ORS 803.435 or 826.015:

<table>
<thead>
<tr>
<th>Weight in Pounds</th>
<th>Fee</th>
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<tbody>
<tr>
<td>8,000 or less</td>
<td>$55</td>
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<tr>
<td>8,001 to 10,000</td>
<td>344</td>
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<tr>
<td>10,001 to 12,000</td>
<td>391</td>
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<tr>
<td>12,001 to 14,000</td>
<td>438</td>
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<tr>
<td>14,001 to 16,000</td>
<td>485</td>
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<td>16,001 to 18,000</td>
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<td>18,001 to 20,000</td>
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<td>76,001 to 78,000</td>
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<td>78,001 to 80,000</td>
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“(11)(a) Motor vehicles with a registration weight of more than 8,000 pounds that are described in ORS 825.015, that are operated by a charitable organization as defined in ORS 825.017 (14), as provided in the following chart:

<table>
<thead>
<tr>
<th>Weight in Pounds</th>
<th>Fee</th>
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<tbody>
<tr>
<td>8,001 to 10,000</td>
<td>$50</td>
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<tr>
<td>10,001 to 12,000</td>
<td>60</td>
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<td>12,001 to 14,000</td>
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<td>14,001 to 16,000</td>
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(b) Motor vehicles with a registration weight of more than 8,000 pounds that are certified under ORS 822.205, unless the motor vehicle is registered under subsection (10) of this section or that are used exclusively to transport manufactured structures, as provided in the following chart:

<table>
<thead>
<tr>
<th>Weight in Pounds</th>
<th>Fee</th>
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<tbody>
<tr>
<td>8,001 to 10,000</td>
<td>$ 102</td>
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<td>10,001 to 12,000</td>
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<td>29</td>
<td>92,001</td>
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<td>30</td>
<td>94,001</td>
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</tbody>
</table>
“(c) The owner of a vehicle described in paragraphs (a) and (b) of this subsection must certify at the time of initial registration, in a manner determined by the department by rule, that the motor vehicle will be used exclusively to transport manufactured structures or exclusively as described in ORS 822.210, unless the motor vehicle is registered under subsection (10) of this section, or as described in ORS 825.015 or 825.017 (14). Registration of a vehicle described in paragraphs (a) and (b) of this subsection is invalid if the vehicle is operated in any manner other than that described in the certification under this paragraph.

“(12) Trailers registered under permanent registration, $10.

“(13) Fixed load vehicles as follows:

“(a) If a declaration of weight described under ORS 803.435 is submitted establishing the weight of the vehicle at 3,000 pounds or less, $54.

“(b) If no declaration of weight is submitted or if the weight of the vehicle is in excess of 3,000 pounds, $75.

“(14) Trailers for hire that are equipped with pneumatic tires made of an elastic material and that are not travel trailers or trailers registered under permanent registration, $27.

“(15) Trailers registered as part of a fleet under an agreement reached pursuant to ORS 802.500, the same as the fee for vehicles of the same type registered under other provisions of the Oregon Vehicle Code.

“(16) Travel trailers, campers and motor homes as follows, based on length as determined under ORS 803.425:

“(a) For travel trailers or campers that are 6 to 10 feet in length, $81.
“(b) For travel trailers or campers over 10 feet in length, $81 plus $6.75 a foot for each foot of length over the first 10 feet.

“(c) For motor homes that are 6 to 14 feet in length, $54.

“(d) For motor homes over 14 feet in length, $126 plus $7.50 a foot for each foot of length over the first 10 feet.

“(17) Special use trailers as follows, based on length as determined under ORS 803.425:

“(a) For lengths 6 to 10 feet, $54.

“(b) For special use trailers over 10 feet in length, $54 plus $3 a foot for each foot of length over the first 10 feet.

“(18) Fees for vehicles with proportional registration under ORS 826.009, or proportioned fleet registration under ORS 826.011, are as provided for vehicles of the same type under this section except that the fees shall be fixed on an apportioned basis as provided under the agreement established under ORS 826.007.

“(19) For any vehicle that is registered under a quarterly registration period, a minimum of $15 for each quarter registered plus an additional fee of $1.

“(20) In addition to any other fees charged for registration of vehicles in fleets under ORS 805.120, the department may charge the following fees:

“(a) A $2 service charge for each vehicle entered into a fleet.

“(b) A $1 service charge for each vehicle in the fleet at the time of renewal.

“(21) The registration fee for vehicles with special registration for disabled veterans under ORS 805.100 is a fee of $15.

“(22) Subject to subsection (19) of this section, the registration fee for motor vehicles registered as farm vehicles under ORS 805.300 is as follows based upon the registration weight given in the declaration of weight submitted under ORS 803.435:

“
<table>
<thead>
<tr>
<th>Weight in Pounds</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
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<td>$ 35</td>
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<tr>
<td>8,001 to 10,000</td>
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</tr>
<tr>
<td>10,001 to 12,000</td>
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</tr>
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<td>18,001 to 20,000</td>
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<td>114</td>
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<tr>
<td>30,001 to 32,000</td>
<td>167</td>
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<tr>
<td>32,001 to 34,000</td>
<td>182</td>
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<td>Weight Range</td>
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<td>--------------</td>
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<tr>
<td>64,001 to 66,000</td>
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<td>68,001 to 70,000</td>
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<tr>
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<td>104,001 to 105,500</td>
<td>585</td>
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</tbody>
</table>

“(23) The registration fee for school vehicles registered under ORS 805.050 is $7.50.

“(24) The registration fee for a low-speed vehicle is $43, $53, for each year of the registration period.

“(25) A rental or leasing company, as defined in ORS 221.275, that elects to initially register a vehicle for an annual or biennial registration period shall pay a fee of $1 in addition to the vehicle registration fee provided under this section.
“(26) Racing activity vehicles registered under ORS 805.035, $81.

“(27) Medium-speed electric vehicles, [§43] $188 for each year of the registration period.

SECTION 12. ORS 818.225 is amended to read:

818.225. (1)(a) In addition to any fee for a single-trip nondivisible load permit, a person who is issued the permit or who operates a vehicle in a manner that requires the permit is liable for payment of a road use assessment fee of [seven and one-tenths cents] eight and six-tenths cents per equivalent single-axle load mile traveled. As used in this subsection, ‘equivalent single-axle load’ means the relationship between actual or requested weight and an 18,000 pound single-axle load as determined by the American Association of State Highway and Transportation Officials Road Tests reported at the Proceedings Conference of 1962. The Department of Transportation may adopt rules to standardize the determination of equivalent single-axle load computation based on average highway conditions.

(b) If the road use assessment fee is not collected at the time of issuance of the permit, the department shall bill the permittee for the amount due. The account shall be considered delinquent if not paid within 60 days of billing.

(c) The miles of travel authorized by a single-trip nondivisible load permit shall be exempt from taxation under ORS chapter 825.

“(2) The department by rule may establish procedures for payment, collection and enforcement of the fees and assessments established by this chapter.

SECTION 13. ORS 825.476 is amended to read:

825.476.

MILEAGE TAX RATE TABLE “A”

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<td>(Pounds)</td>
<td>(Mills)</td>
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</tr>
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<td>30,001 to 32,000</td>
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<td>32,001 to 34,000</td>
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</tr>
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<td>34,001 to 36,000</td>
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"AXLE-WEIGHT MILEAGE"

HB 2281-B7  6/23/15
Proposed Amendments to B-Eng. HB 2281
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<td>154.3</td>
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<td>207.3</td>
<td>189.7</td>
<td>179.3</td>
<td>169.1</td>
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<td>208.1</td>
<td>193.4</td>
<td></td>
<td></td>
</tr>
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</table>
SECTION 14. ORS 825.480 is amended to read:

“825.480. (1)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in operating motor vehicles in the transportation of logs, poles, peeler cores or piling may pay annual fees for such operation computed at the rate of [seven dollars and fifty-nine cents] nine dollars and fifty-two cents for each 100 pounds of declared combined weight.

“(b) Any carrier electing to pay fees under this method may, as to vehicles otherwise exempt from taxation, elect to be taxed on the mileage basis for movements of such empty vehicles over public highways whenever operations are for the purpose of repair, maintenance, servicing or moving from one exempt highway operation to another.

“(2) The annual fees provided in subsections (1), (4) and (5) of this section may be paid on a monthly basis. Any carrier electing to pay fees under this method may not change an election during the same calendar year in which the election is made, but may be relieved from the payment due for any month on a motor vehicle which is not operated. A carrier electing to pay fees under this method shall report and pay these fees on or before the 10th of each month for the preceding month’s operations. A monthly report shall be made on all vehicles on the annual fee basis including any vehicle not operated for the month.

“(3)(a) In lieu of the fees provided in ORS 825.470 to 825.474, motor vehicles described in ORS 825.024 with a combined weight of less than 46,000 pounds that are being operated under a permit issued under ORS 825.102 may pay annual fees for such operation computed at the rate of [six dollars and twenty-three cents] seven dollars and fifty-four cents for each 100 pounds of declared combined weight.

“(b) The annual fees provided in this subsection shall be paid in advance but may be paid on a monthly basis on or before the first day of the month. A carrier may be relieved from the fees due for any month during which the
motor vehicle is not operated for hire if a statement to that effect is filed
with the Department of Transportation on or before the fifth day of the first
month for which relief is sought.

“(4)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in
the operation of motor vehicles equipped with dump bodies and used in the
transportation of sand, gravel, rock, dirt, debris, cinders, asphaltic concrete
mix, metallic ores and concentrates or raw nonmetallic products, whether
crushed or otherwise, moving from mines, pits or quarries may pay annual
fees for such operation computed at the rate of [seven dollars and fifty-three
cents] nine dollars and forty-four cents for each 100 pounds of declared
combined weight.

“(b) Any carrier electing to pay fees under this method may, as to vehicles
otherwise exempt for taxation, elect to be taxed on the mileage basis for
movements of such empty vehicles over public highways whenever operations
are for the purpose of repair, maintenance, servicing or moving from one
exempt highway operation to another.

“(5)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in
operating motor vehicles in the transportation of wood chips, sawdust,
barkdust, hog fuel or shavings may pay annual fees for such operation com-
puted at the rate of [thirty dollars and sixty-five cents] thirty-seven dollars
and ten cents for each 100 pounds of declared combined weight.

“(b) Any carrier electing to pay under this method may, as to vehicles
otherwise exempt from taxation, elect to be taxed on the mileage basis for
movement of such empty vehicles over public highways whenever operations
are for the purpose of repair, maintenance, service or moving from one ex-
empt highway operation to another.

“SECTION 15. The amendments to ORS 803.420, 818.225, 825.476 and
825.480 by sections 11 to 14 of this 2015 Act become operative on Janu-
ary 1, 2016.
“DISTRIBUTION AND USES OF MONEYS

“SECTION 16. Section 17 of this 2015 Act is added to and made a part of ORS chapter 366.

“SECTION 17. (1) The following moneys shall be allocated as described in subsections (2) and (3) of this section:
   “(a) The amount attributable to the increase in tax rates by the amendments to ORS 319.020 and 319.530 by sections 1 to 3 and 5 to 7 of this 2015 Act.
   “(b) The amount attributable to the title fee established in section 10 of this 2015 Act.
   “(c) The amount attributable to the fee increases by the amendments to ORS 803.420 by section 11 of this 2015 Act.
   “(d) The amount attributable to tax and fee increases by the amendments to ORS 818.225, 825.476 and 825.480 by sections 12 to 14 of this 2015 Act.

“(2) The moneys described in subsection (1) of this section shall be allocated as follows:
   “(a) Fifty percent to the Department of Transportation.
   “(b) Thirty percent to counties for distribution as provided in ORS 366.762.
   “(c) Twenty percent to cities for distribution as provided in ORS 366.800.

“(3) The moneys described in subsection (2)(a) of this section or equivalent amounts that become available to the Department of Transportation shall be allocated as follows:
   “(a) Forty-nine percent for bridges.
   “(b) Thirty-two percent to pay debt service for the purposes described in ORS 367.620 (3)(d).
   “(c) Nineteen percent for state highway maintenance, preservation
and safety improvements.

“SECTION 18. (1) The Oregon Transportation Commission shall use the proceeds of bonds, as defined in ORS 367.010, authorized under ORS 367.620 (3)(d) to finance the transportation projects listed in this section.

“(2) The following amounts are allocated to each region in this state for the transportation projects listed in this section:

(a) Region one ....................... $ 124.6 million
(b) Region two ....................... $ 115.4 million
(c) Region three ..................... $ 42.6 million
(d) Region four ....................... $ 55 million
(e) Region five ....................... $ 32.4 million

“(3) The moneys allocated to region one under subsection (2)(a) of this section shall be used for the following transportation projects:

(a) Add lanes to Interstate 205: Stafford Road to Oregon City.
(b) Cornelius Pass Road improvements.
(c) Auxiliary lanes in the Portland area for congestion relief including:
   (A) Interstate 5 southbound and northbound between Lower Boones Ferry Road and the Interstate 205 interchange.
   (B) Interstate 205 northbound auxiliary lane: Interstate 84 to Columbia Boulevard.
   (C) Interstate 205 southbound auxiliary lane: Interstate 84 to Stark and Washington Streets.
   (D) Interstate 205 northbound auxiliary lane: Powell to Interstate 84.
   (d) Interstate 84: Improve Northwest Forest Lane overpass vertical clearance.
   (e) U.S. Highway 26: Interstate 205 to 174th Street.

“(4) The moneys allocated to region two under subsection (2)(b) of
this section shall be used for the following transportation projects:

“(a) State Highway 126: Eugene to Florence safety improvements.
“(b) Interstate 5: Aurora-Donald interchange, Phase I.
“(c) State Highway 34 from Interstate 5 to Corvallis: Improves safety, constructs frontage road between Peoria Road and South Corvallis Bypass, and adds median barrier and rumbles.
“(d) U.S. Highway 101: Camp Rilea-Sunset Beach, three-lane section.
“(e) State Highway 126B: Springfield improvements.
“(f) Territorial Highway safety improvements.
“(g) State Highway 18 at State Highway 22, widens highway to four lanes, improves safety and provides congestion relief, Phase I.
“(5) The moneys allocated to region three under subsection (2)(c) of this section shall be used for the following transportation projects:
“(a) Interstate 5: Sexton summit southbound truck climbing lane.
“(b) Interstate 5: Coon Hill southbound truck climbing lane.
“(c) State Highway 42, county line curves and paving.
“(d) Foothill Road Extension to State Highway 140 in Jackson County.
“(6) The moneys allocated to region four under subsection (2)(d) of this section shall be used for the following transportation projects:
“(a) U.S. Highway 97 Redmond-Bend safety corridor, Phase 1.
“(b) State Highway 140 freight mobility improvements.
“(7) The moneys allocated to region five under subsection (2)(e) of this section shall be used for the following transportation projects:
“(a) U.S. Highway 20 freight mobility improvements.
“(b) Improvement of roads connecting to Eastern Oregon Trade and Event Center.
“(c) Juntura cutoff in Harney and Malheur Counties.
“(d) Port of Morrow.
“(8) For the purposes of this section, the regions are as follows:
“(a) Region one consists of Clackamas, Hood River, Multnomah and Washington Counties.
“(b) Region two consists of Benton, Clatsop, Columbia, Lane, Lincoln, Linn, Marion, Polk, Tillamook and Yamhill Counties.
“(c) Region three consists of Coos, Curry, Douglas, Jackson and Josephine Counties.
“(d) Region four consists of Crook, Deschutes, Gilliam, Jefferson, Klamath, Lake, Sherman, Wasco and Wheeler Counties.
“(e) Region five consists of Baker, Grant, Harney, Malheur, Morrow, Umatilla, Union and Wallowa Counties.
“(9) Prior to July 1, 2016, in addition to the projects listed in this section, if transportation projects are recommended to the Oregon Transportation Commission by the applicable local area commission on transportation after consultation with the local governments listed in this subsection, the Oregon Transportation Commission may also approve and allocate funds to the following local governments for projects:
“(a) Port of Umatilla.
“(b) City of Dufur.
“(c) Baker County for two cities located in Baker County.
“(10) The Oregon Transportation Commission shall determine the order of completion for the transportation projects listed in this section.
“(11)(a) Before beginning construction of the project described in subsection (3)(e) of this section, the department shall enter into a memorandum of understanding with the City of Portland to transfer jurisdiction over the segment of U.S. Highway 26 from Interstate 205 to 174th Street to the City of Portland after completion of the project.
“(b) Before beginning construction of the project described in sub-
section (4)(e) of this section, the department shall enter into a memorandum of understanding with the City of Springfield to transfer jurisdiction over the segment of State Highway 126B within the city to the City of Springfield after completion of the project.

“(c) Before beginning construction of the project described in subsection (4)(f) of this section, the department shall enter into a memorandum of understanding with Lane County to transfer jurisdiction over the Territorial Highway within the county to Lane County after completion of the project.

“SECTION 18a. (1) The Department of Transportation shall conduct a study of the Cornelius Pass Road to address the regional significance of the corridor and shall develop a plan for its future. The department shall conduct the study in consultation with local governments. The study must examine safety improvements required for hazardous material routes. After completing the study, the department shall develop a plan to finance construction of the recommended improvements.

“(2) The department may use a portion of the funds allocated to the Cornelius Pass Road project listed in section 18 (3)(b) of this 2015 Act to:

“(a) Conduct the study and develop the plan as required in this section; and

“(b) To make safety and operational improvements to Cornelius Pass Road as recommended by the study described in this section and taking into consideration Multnomah County’s Cornelius Pass Road Safety Evaluation.

“(3) The department shall submit a report on the plan required by subsection (1) of this section, and may include recommendations for legislation, to the interim committees of the Legislative Assembly related to transportation in the manner provided under ORS 192.245 no later than September 15, 2017.
“SECTION 18b. Section 18a of this 2015 Act is repealed on January 2, 2018.

“SECTION 19. (1) As part of the Oregon Innovative Partnerships Program established under ORS 367.800 to 367.824, the Department of Transportation shall solicit proposals and may enter into agreements to widen the segment of Interstate 205 from Stafford Road to Oregon City, including the Abernethy Bridge, by adding one travel lane in each direction.

“(2) The department may consider using toll revenues to finance the project in whole or in part.

“BONDS

“SECTION 20. ORS 367.620 is amended to read:

“367.620. (1) The principal amount of Highway User Tax Bonds issued under ORS 367.615 shall be subject to the provisions of ORS 286A.035.

“(2) Highway User Tax Bonds may be issued under ORS 367.615 for the purposes described in ORS 367.622 in an aggregate principal amount sufficient to produce net proceeds of not more than $500 million.

“(3)(a) Highway User Tax Bonds may be issued under ORS 367.615 for bridge purposes described in section 10 (1), chapter 618, Oregon Laws 2003, in an aggregate principal amount sufficient to produce net proceeds of not more than $1.6 billion.

“(b) Highway User Tax Bonds may be issued under ORS 367.615 for modernization purposes described in sections 10 (2) and 11, chapter 618, Oregon Laws 2003, in an aggregate principal amount sufficient to produce net proceeds of not more than $300 million.

“(c) Highway User Tax Bonds may be issued under ORS 367.615 for the purposes described section 64, chapter 865, Oregon Laws 2009, in an aggregate principal amount sufficient to produce net proceeds of not more than
$840 million. The proceeds from bonds issued as described in this paragraph that are not required for the purposes described in section 64, chapter 865, Oregon Laws 2009, shall be allocated to transportation projects, as defined in ORS 367.010, that are approved by the Legislative Assembly by law.

“(d) Highway User Tax Bonds may be issued under ORS 367.615 for purposes described in section 18 of this 2015 Act, in an aggregate principal amount sufficient to produce net proceeds of not more than $400 million.

“(d) [e] The Department of Transportation, with the approval of the State Treasurer, may designate the extent to which a series of bonds authorized under this subsection is secured and payable on a parity of lien or on a subordinate basis to existing or future Highway User Tax Bonds.

“SECTION 21. The amendments to ORS 367.620 by section 20 of this 2015 Act do not impair the interest of the holders of Highway User Tax Bonds that are outstanding on the effective date of this 2015 Act or any obligations of the agreements of the Department of Transportation under its Amended and Restated Master Highway User Tax Revenue Bond Declaration dated June 1, 2006, as amended and supplemented.

“SECTION 22. Notwithstanding ORS 367.620 (1), the provisions of ORS 286A.035 do not apply to bonds described in ORS 367.620 (3)(d) for the biennium beginning July 1, 2015.

“APPLICABILITY

“SECTION 23. The amendments to ORS 803.420, 818.225, 825.476 and 825.480 by sections 11 to 14 of this 2015 Act apply to fees and taxes imposed on or after January 1, 2016.

“TEMPORARY DRIVER LICENSE FEE INCREASE
“SECTION 24. ORS 807.370 is amended to read:

"807.370. The following are the fees relating to the issuance and renewal of licenses, driver permits and endorsements:

“(1) Disability golf cart driver permit fees under ORS 807.210, as follows:

“(a) For issuance, $44.

“(b) For renewal fee under ORS 807.210, $32.

“(2) Emergency driver permit fee under ORS 807.220, $23.50.

“(3) Instruction driver permit fees under ORS 807.280, as follows:

“(a) For issuance, $23.50.

“(b) For renewal, $23.50.

“(4)(a) License issuance fee for a Class C license, [§54] $64.

“(b) Fee to take the knowledge test for a Class C license, $5.

“(c) Fee to take the skills test for a Class C license, $9.

“(5) License issuance fee for a restricted Class C license, $54.

“(6) License issuance fee for a commercial driver license, whether or not the license contains endorsements, $75.50.

“(7) Test fees for a commercial driver license or permit:

“(a) To take the knowledge test for a Class A commercial license or permit, $10.

“(b) To take the skills test for a Class A commercial license, $70.

“(c) To take the knowledge test for a Class B commercial license or permit, $10.

“(d) To take the skills test for a Class B commercial license, $70.

“(e) To take the knowledge test for a Class C commercial license or permit, $10.

“(f) To take the skills test for a Class C commercial license, $70.

“(8) Notwithstanding subsection (6) of this section, for issuance of a commercial driver license of any class when the Department of Transportation accepts a certificate of competency issued under ORS 807.080, $40 in addition to the fee under subsection (6) of this section.
“(9) Notwithstanding subsection (6) of this section, for original issuance of a school bus endorsement to a person who has a commercial driver license with a passenger endorsement:
   “(a) $21; or
   “(b) $61 if the department accepts a certificate of competency issued under ORS 807.080.

“(10) For a farm endorsement, $26.

“(11) Test fees for the knowledge test for endorsements other than motorcycle and farm endorsements:
   “(a) For a hazardous materials endorsement, $10.
   “(b) For a tank vehicle endorsement, $10.
   “(c) For a passenger endorsement, $10.
   “(d) For a double and triple trailer endorsement, $10.
   “(e) For a school bus endorsement, $10.

“(12) Fee to take an airbrake knowledge test, $10.

“(13) Fee to take an airbrake skills test to remove an airbrake restriction, $56.

“(14) License renewal fee for a commercial driver license, $55.50.

“(15) License renewal fee for a Class C license, $34.

“(16) License or driver permit replacement fee under ORS 807.160, $26.50.

“(17) Original endorsement issuance fee under ORS 807.170 for a motorcycle endorsement, $46, in addition to any fees for the endorsed license.

“(18) Special student driver permit fee under ORS 807.230, $23.50.

“(19) Student Driver Training Fund eligibility fee under ORS 807.040 and 807.150, $6.

“(20) Motorcycle Safety Subaccount fee as follows:
   “(a) Upon original issuance of motorcycle endorsements under ORS 807.170, $38.
   “(b) Upon renewal of a license with a motorcycle endorsement under ORS
807.170, $28.

“(21) Probationary driver permit application fee under ORS 807.270, $50.
“(22) Hardship driver permit application fee under ORS 807.240, $50.
“(23) Fee for reinstatement of revoked driving privileges under ORS 809.390, $75.
“(24) Fee for reinstatement of suspended driving privileges under ORS 809.380, $75.
“(25) Fee for reinstatement of right to apply for driving privileges after a delay under ORS 809.280 (10) (1997 Edition), the same as the fee for reinstatement of suspended driving privileges.
“(26) Fee for a special limited vision condition learner's permit under ORS 807.359, $13.
“(27)(a) License issuance fee for a Class C limited term license, $23.
“(b) Fee to take the knowledge test for a Class C limited term license, $5.
“(c) Fee to take the skills test for a Class C limited term license, $9.
“(28) License issuance fee for a restricted Class C limited term license, $23.
“(29) License issuance fee for a limited term commercial driver license, whether or not the license contains endorsements, $45.
“(30) License renewal fee for a limited term commercial driver license, $14.
“(31) License renewal fee for a Class C limited term license, $8.
“(32) Limited term license or limited term driver permit replacement fee under ORS 807.160, $26.50.
“(33) Limited term Student Driver Training Fund eligibility fee under ORS 807.040 and 807.150, $2.

**SECTION 25.** ORS 807.370, as amended by section 33, chapter 237, Oregon Laws 2013, is amended to read:

“807.370. The following are the fees relating to the issuance and renewal
of licenses, driver permits and endorsements:

“(1) Disability golf cart driver permit fees under ORS 807.210, as follows:
“(a) For issuance, $44.
“(b) For renewal fee under ORS 807.210, $32.
“(2) Emergency driver permit fee under ORS 807.220, $23.50.
“(3) Instruction driver permit fees under ORS 807.280, as follows:
“(a) For issuance, $23.50.
“(b) For renewal, $23.50.
“(4) Commercial learner driver permit issuance fee under ORS 807.285, $23.50.
“(5)(a) License issuance fee for a Class C license, [§54] $64.
“(b) Fee to take the knowledge test for a Class C license, $5.
“(c) Fee to take the skills test for a Class C license, $9.
“(6) License issuance fee for a restricted Class C license, $54.
“(7) License issuance fee for a commercial driver license, whether or not the license contains endorsements, $75.50.
“(8) Test fees for a commercial driver license or permit:
“(a) To take the knowledge test for a Class A commercial driver license or permit, $10.
“(b) To take the skills test for a Class A commercial driver license, $70.
“(c) To take the knowledge test for a Class B commercial driver license or permit, $10.
“(d) To take the skills test for a Class B commercial driver license, $70.
“(e) To take the knowledge test for a Class C commercial driver license or permit, $10.
“(f) To take the skills test for a Class C commercial driver license, $70.
“(9) Notwithstanding subsection (7) of this section, for issuance of a commercial driver license of any class when the Department of Transportation accepts a certificate of competency issued under ORS 807.080, $40 in addition to the fee under subsection (7) of this section.
“(10) Notwithstanding subsection (7) of this section, for original issuance of a school bus endorsement to a person who has a commercial driver license with a passenger endorsement:

“(a) $21; or
“(b) $61 if the department accepts a certificate of competency issued under ORS 807.080.

“(11) For a farm endorsement, $26.

“(12) Test fees for the knowledge test for endorsements other than motorcycle and farm endorsements:

“(a) For a hazardous materials endorsement, $10.
“(b) For a tank vehicle endorsement, $10.
“(c) For a passenger endorsement, $10.
“(d) For a double and triple trailer endorsement, $10.
“(e) For a school bus endorsement, $10.

“(13) Fee to take an airbrake knowledge test, $10.

“(14) Fee to take an airbrake skills test to remove an airbrake restriction, $56.

“(15) License renewal fee for a commercial driver license, $55.50.

“(16) License renewal fee for a Class C license, [§34] $44.

“(17) License or driver permit replacement fee under ORS 807.160, [§26.50] $36.50.

“(18) Original endorsement issuance fee under ORS 807.170 for a motorcycle endorsement, $46, in addition to any fees for the endorsed license.

“(19) Special student driver permit fee under ORS 807.230, $23.50.

“(20) Student Driver Training Fund eligibility fee under ORS 807.040 and 807.150, $6.

“(21) Motorcycle Safety Subaccount fee as follows:

“(a) Upon original issuance of motorcycle endorsements under ORS 807.170, $38.

“(b) Upon renewal of a license with a motorcycle endorsement under ORS
807.170, $28.

“(22) Probationary driver permit application fee under ORS 807.270, $50.

“(23) Hardship driver permit application fee under ORS 807.240, $50.

“(24) Fee for reinstatement of revoked driving privileges under ORS 809.390, $75.

“(25) Fee for reinstatement of suspended driving privileges under ORS 809.380, $75.

“(26) Fee for reinstatement of right to apply for driving privileges after a delay under ORS 809.280 (10) (1997 Edition), the same as the fee for reinstatement of suspended driving privileges.

“(27) Fee for a special limited vision condition learner’s permit under ORS 807.359, $13.

“(28)(a) License issuance fee for a Class C limited term license, $23.

“(b) Fee to take the knowledge test for a Class C limited term license, $5.

“(c) Fee to take the skills test for a Class C limited term license, $9.

“(29) License issuance fee for a restricted Class C limited term license, $23.

“(30) License issuance fee for a limited term commercial driver license, whether or not the license contains endorsements, $45.

“(31) License renewal fee for a limited term commercial driver license, $14.

“(32) License renewal fee for a Class C limited term license, $8.

“(33) Limited term license or limited term driver permit replacement fee under ORS 807.160, $26.50.

“(34) Limited term Student Driver Training Fund eligibility fee under ORS 807.040 and 807.150, $2.

“SECTION 26. Notwithstanding any other provision of law, the amount attributable to the increase in the license issuance, renewal and replacement fees for a Class C license and the increase in the
driver permit replacement fees by the amendments to ORS 807.370 by
sections 24 and 25 of this 2015 Act shall be allocated to the Department
of Transportation for the purpose of redeveloping and modernizing the
department’s information technology system.

"SECTION 27. ORS 807.370, as amended by section 24 of this 2015 Act,
is amended to read:

"807.370. The following are the fees relating to the issuance and renewal
of licenses, driver permits and endorsements:

“(1) Disability golf cart driver permit fees under ORS 807.210, as follows:
“(a) For issuance, $44.
“(b) For renewal fee under ORS 807.210, $32.
“(2) Emergency driver permit fee under ORS 807.220, $23.50.
“(3) Instruction driver permit fees under ORS 807.280, as follows:
“(a) For issuance, $23.50.
“(b) For renewal, $23.50.
“(4)(a) License issuance fee for a Class C license, [§64] $54.
“(b) Fee to take the knowledge test for a Class C license, $5.
“(c) Fee to take the skills test for a Class C license, $9.
“(5) License issuance fee for a restricted Class C license, $54.
“(6) License issuance fee for a commercial driver license, whether or not
the license contains endorsements, $75.50.
“(7) Test fees for a commercial driver license or permit:
“(a) To take the knowledge test for a Class A commercial license or per-
mit, $10.
“(b) To take the skills test for a Class A commercial license, $70.
“(c) To take the knowledge test for a Class B commercial license or per-
mit, $10.
“(d) To take the skills test for a Class B commercial license, $70.
“(e) To take the knowledge test for a Class C commercial license or per-
mit, $10.
“(f) To take the skills test for a Class C commercial license, $70.

“(8) Notwithstanding subsection (6) of this section, for issuance of a commercial driver license of any class when the Department of Transportation accepts a certificate of competency issued under ORS 807.080, $40 in addition to the fee under subsection (6) of this section.

“(9) Notwithstanding subsection (6) of this section, for original issuance of a school bus endorsement to a person who has a commercial driver license with a passenger endorsement:

“(a) $21; or

“(b) $61 if the department accepts a certificate of competency issued under ORS 807.080.

“(10) For a farm endorsement, $26.

“(11) Test fees for the knowledge test for endorsements other than motorcycle and farm endorsements:

“(a) For a hazardous materials endorsement, $10.

“(b) For a tank vehicle endorsement, $10.

“(c) For a passenger endorsement, $10.

“(d) For a double and triple trailer endorsement, $10.

“(e) For a school bus endorsement, $10.

“(12) Fee to take an airbrake knowledge test, $10.

“(13) Fee to take an airbrake skills test to remove an airbrake restriction, $56.

“(14) License renewal fee for a commercial driver license, $55.50.

“(15) License renewal fee for a Class C license, [$44] $34.


“(17) Original endorsement issuance fee under ORS 807.170 for a motorcycle endorsement, $46, in addition to any fees for the endorsed license.

“(18) Special student driver permit fee under ORS 807.230, $23.50.

“(19) Student Driver Training Fund eligibility fee under ORS 807.040 and
Motorcycle Safety Subaccount fee as follows:

(a) Upon original issuance of motorcycle endorsements under ORS 807.170, $38.
(b) Upon renewal of a license with a motorcycle endorsement under ORS 807.170, $28.

Probationary driver permit application fee under ORS 807.270, $50.

(a) Fee for reinstatement of revoked driving privileges under ORS 809.390, $75.
(b) Fee for reinstatement of suspended driving privileges under ORS 809.380, $75.

Fee for reinstatement of right to apply for driving privileges after a delay under ORS 809.280 (10) (1997 Edition), the same as the fee for reinstatement of suspended driving privileges.

Fee for a special limited vision condition learner’s permit under ORS 807.359, $13.

(a) License issuance fee for a Class C limited term license, $23.
(b) Fee to take the knowledge test for a Class C limited term license, $5.
(c) Fee to take the skills test for a Class C limited term license, $9.

License issuance fee for a restricted Class C limited term license, $23.

License issuance fee for a limited term commercial driver license, whether or not the license contains endorsements, $45.

License renewal fee for a limited term commercial driver license, $14.

License renewal fee for a Class C limited term license, $8.

Limited term license or limited term driver permit replacement fee under ORS 807.160, $26.50.
“(33) Limited term Student Driver Training Fund eligibility fee under ORS 807.040 and 807.150, $2.

SECTION 28. ORS 807.370, as amended by section 33, chapter 237, Oregon Laws 2013, and section 25 of this 2015 Act, is amended to read:

“807.370. The following are the fees relating to the issuance and renewal of licenses, driver permits and endorsements:

“(1) Disability golf cart driver permit fees under ORS 807.210, as follows:

“(a) For issuance, $44.

“(b) For renewal fee under ORS 807.210, $32.

“(2) Emergency driver permit fee under ORS 807.220, $23.50.

“(3) Instruction driver permit fees under ORS 807.280, as follows:

“(a) For issuance, $23.50.

“(b) For renewal, $23.50.

“(4) Commercial learner driver permit issuance fee under ORS 807.285, $23.50.

“(5)(a) License issuance fee for a Class C license, [$64] $54.

“(b) Fee to take the knowledge test for a Class C license, $5.

“(c) Fee to take the skills test for a Class C license, $9.

“(6) License issuance fee for a restricted Class C license, $54.

“(7) License issuance fee for a commercial driver license, whether or not the license contains endorsements, $75.50.

“(8) Test fees for a commercial driver license or permit:

“(a) To take the knowledge test for a Class A commercial driver license or permit, $10.

“(b) To take the skills test for a Class A commercial driver license, $70.

“(c) To take the knowledge test for a Class B commercial driver license or permit, $10.

“(d) To take the skills test for a Class B commercial driver license, $70.

“(e) To take the knowledge test for a Class C commercial driver license or permit, $10.
“(f) To take the skills test for a Class C commercial driver license, $70.

“(9) Notwithstanding subsection (7) of this section, for issuance of a commercial driver license of any class when the Department of Transportation accepts a certificate of competency issued under ORS 807.080, $40 in addition to the fee under subsection (7) of this section.

“(10) Notwithstanding subsection (7) of this section, for original issuance of a school bus endorsement to a person who has a commercial driver license with a passenger endorsement:

“(a) $21; or

“(b) $61 if the department accepts a certificate of competency issued under ORS 807.080.

“(11) For a farm endorsement, $26.

“(12) Test fees for the knowledge test for endorsements other than motorcycle and farm endorsements:

“(a) For a hazardous materials endorsement, $10.

“(b) For a tank vehicle endorsement, $10.

“(c) For a passenger endorsement, $10.

“(d) For a double and triple trailer endorsement, $10.

“(e) For a school bus endorsement, $10.

“(13) Fee to take an airbrake knowledge test, $10.

“(14) Fee to take an airbrake skills test to remove an airbrake restriction, $56.

“(15) License renewal fee for a commercial driver license, $55.50.

“(16) License renewal fee for a Class C license, [§44] $34.

“(17) License or driver permit replacement fee under ORS 807.160, [§36.50] $26.50.

“(18) Original endorsement issuance fee under ORS 807.170 for a motorcycle endorsement, $46, in addition to any fees for the endorsed license.

“(19) Special student driver permit fee under ORS 807.230, $23.50.

“(20) Student Driver Training Fund eligibility fee under ORS 807.040 and
Motorcycle Safety Subaccount fee as follows:

(a) Upon original issuance of motorcycle endorsements under ORS 807.170, $38.

(b) Upon renewal of a license with a motorcycle endorsement under ORS 807.170, $28.

Provisional driver permit application fee under ORS 807.270, $50.

Hardship driver permit application fee under ORS 807.240, $50.

Fee for reinstatement of revoked driving privileges under ORS 809.390, $75.

Fee for reinstatement of suspended driving privileges under ORS 809.380, $75.

Fee for reinstatement of right to apply for driving privileges after a delay under ORS 809.280 (10) (1997 Edition), the same as the fee for reinstatement of suspended driving privileges.

Fee for a special limited vision condition learner’s permit under ORS 807.359, $13.

(a) License issuance fee for a Class C limited term license, $23.

(b) Fee to take the knowledge test for a Class C limited term license, $5.

(c) Fee to take the skills test for a Class C limited term license, $9.

License issuance fee for a restricted Class C limited term license, $23.

License issuance fee for a limited term commercial driver license, whether or not the license contains endorsements, $45.

License renewal fee for a limited term commercial driver license, $14.

License renewal fee for a Class C limited term license, $8.

Limited term license or limited term driver permit replacement fee under ORS 807.160, $26.50.
“(34) Limited term Student Driver Training Fund eligibility fee under ORS 807.040 and 807.150, $2.


“(2) The amendments to ORS 807.370 by sections 27 and 28 of this 2015 Act become operative on January 1, 2024.

“(3) Section 26 of this 2015 Act is repealed on January 2, 2024.

“(4) The amounts described in section 26 of this 2015 Act that have not been expended on the operative date specified in subsection (2) of this section for redeveloping and modernizing the Department of Transportation’s information technology system may be expended in the same manner as other driver license fee revenues are expended.

“SECTION 30. (1) The amendments to ORS 807.370 by sections 24 and 25 of this 2015 Act apply to fees imposed on or after January 1, 2016, and until December 31, 2023.

“(2) The amendments to ORS 807.370 by sections 27 and 28 of this 2015 Act apply to fees imposed on or after January 1, 2024.

“MASS TRANSIT PAYROLL TAX

“SECTION 31. ORS 267.385 is amended to read:

“267.385. (1) To carry out the powers granted by ORS 267.010 to 267.390, a mass transit district may by ordinance impose an excise tax on every employer equal to not more than eight-tenths of one percent of the wages paid with respect to the employment of individuals. For the same purposes, a district may by ordinance impose a tax on each individual equal to not more than eight-tenths of one percent of the individual’s net earnings from self-employment.

“(2) A district shall impose an excise tax on every employee of an employer whose wages are subject to tax under subsection (1) of this
section equal to 0.185 percent of the wages paid with respect to the employee’s employment.

“(3) Each employer required to collect taxes imposed under this section shall make a deduction from the wages of each employee described in subsection (2) of this section, but may not make a deduction from the employee’s wages for any other amount of tax imposed under this section.

“(4) Every employer required to collect taxes imposed under this section is deemed to hold the same in trust for the district imposing the tax. An employee for whom taxes due under subsection (2) of this section is conclusively deemed to have paid the tax imposed under subsection (2) of this section if the taxes have been withheld from the employee’s wages.

“[(2) No employer shall make a deduction from the wages of an employee to pay all or any portion of a tax imposed under this section.]

“[(3)] (5) The provisions of ORS 305.620 are applicable to collection, enforcement, administration and distribution of a tax imposed under this section.

“[(4)] (6) At any time an employer or individual fails to remit the amount of taxes when due under [an ordinance of the district board imposing a tax under] this section, the Department of Revenue may enforce collection by the issuance of a distraint warrant for the collection of the delinquent amount and all penalties, interest and collection charges accrued thereon. Such warrant shall be issued and may be enforced in the same manner and have the same force and effect as prescribed with respect to warrants for the collection of delinquent state income taxes.

“[(5)] (7) Any ordinance adopted under subsection (1) of this section shall require an individual having net earnings from self-employment from activity both within and without the district taxable by the State of Oregon to allocate and apportion such net earnings to the district in the manner required
for allocation and apportionment of income under ORS 314.280 and 314.605 to 314.675. Such ordinance shall give the individual the option of apportioning income based on a single factor designated by the ordinance.

"[(6)] (8) Any ordinance adopted under subsection (1) of this section with respect to net earnings from self-employment may impose a tax for a taxable year measured by each individual’s net earnings from self-employment for the prior taxable year, whether such prior taxable year begins before or after November 1, 1981, or such ordinance.

"[(7)] (9) Any ordinance imposing a tax authorized by subsection (1) of this section shall not apply to any business, trade, occupation or profession upon which a tax is imposed under ORS 267.360.

"[(8)] (10) The district board may not adopt an ordinance increasing a tax authorized by subsection (1) of this section unless the board makes a finding that the economy in the district has recovered to an extent sufficient to warrant the increase in tax. In making the finding, the board shall consider regional employment and income growth.

"(11) A tax shall be imposed under subsection (2) of this section only if the district has elected to impose a tax under subsection (1) of this section.

"SECTION 32. ORS 267.260 is amended to read:

“267.260. (1) As used in this section, ‘withdrawal date’ means the effective date of an ordinance approving withdrawal of an affected area under ORS 267.250 to 267.263.

“(2) An ordinance approving the withdrawal of an affected area under ORS 267.250 to 267.263 shall take effect on the first day of January next following the date which is 30 days after the adoption of the ordinance.

“(3) Commencing immediately upon the withdrawal date and notwithstanding any other provision of law, the rate of each tax imposed by the district shall automatically be increased to a rate equal to the rate determined by dividing the rate at which such tax was levied immediately prior
to the withdrawal date by a fraction, not more than one, which is equal to
the total revenue derived from such tax by the district for the calendar year
preceding the year in which the withdrawal ordinance is adopted attributable
to the area of the district other than the withdrawn affected area divided
by the total revenue derived from such tax by the district for the same pe-
period.

“(4) If the tax rates required under subsection (3) of this section do not
produce tax revenues sufficient to enable the district to make the annual or
semiannual payments, when due, and otherwise satisfy the requirements of
the bonded or other indebtedness of the district incurred prior to the with-
drawal, the district may increase the rate of each tax to a rate that produces
revenues sufficient to enable the district to make the annual or semiannual
payments, when due, and otherwise satisfy the requirements of such indebt-
edness.

“(5) The district board shall determine rates in accordance with the for-
mula prescribed by subsection (3) of this section and adopt the rates as part
of the ordinance approving the withdrawal of the affected area. Any such
determination and adoption shall be final and conclusive unless it is shown
to be arbitrary and capricious.

“(6) If a district adopts an ordinance that increases the rate of an excise
tax described in ORS 267.385 (1), the increase shall be adjusted as prescribed
in subsection (3) of this section to take into account the withdrawal of an
affected area that occurred or occurs at any time after the date the district
first imposed any taxes pursuant to ORS 267.385 (1).

“SECTION 33. The amendments to ORS 267.260 and 267.385 by
sections 31 and 32 of this 2015 Act apply to mass transit district payroll
taxes imposed for payroll tax reporting periods beginning on or after
the effective date of this 2015 Act.

“SECTION 34. Section 35 of this 2015 Act is added to and made a
part of ORS 267.010 to 267.390.
"SECTION 35. Following the payment of any refunds of tax otherwise due, revenues from the tax imposed under ORS 267.385 (2) are dedicated to and may be expended by a mass transit district only on:

“(1) Enhancing frequency of bus service;
“(2) Acquisition of buses;
“(3) Bus service expansion; or
“(4) Maintenance and operations of buses.

"OREGON STATE UNIVERSITY RESEARCH OF CLEAN DIESEL ENGINE TECHNOLOGY

"SECTION 36. In addition to and not in lieu of any other appropriation, there is appropriated to the Higher Education Coordinating Commission, for the biennium beginning July 1, 2015, out of the General Fund, the amount of $1,500,000, to be allocated to Oregon State University for use in engineering research and development into clean diesel and engine technology.

"DEPARTMENT OF TRANSPORTATION REVIEW

"SECTION 37. The Director of Transportation shall:

“(1) Procure an independent efficiency management review of the expenditure of State Highway Fund moneys and shall report on the results of the review to a committee or interim committee of the Legislative Assembly related to transportation no later than September 15, 2016.

“(2) Prepare and implement a plan, for each calendar year during the period beginning January 1, 2017, and ending December 31, 2023, under which the department redirects $50 million per year out of moneys available to the department and not being spent on highway
and bridge maintenance and preservation. The moneys that are redirected under this section shall be expended for the purpose of highway and bridge maintenance and preservation. The director shall submit an annual report on the plan to a committee or interim committee of the Legislative Assembly related to transportation not later than September 15 of each year.

"SECTION 38. Section 37 of this 2015 Act is repealed on January 2, 2024.

"SECTION 38a. Section 18, chapter 30, Oregon Laws 2010, is amended to read:

"Sec. 18. The Department of Transportation shall report quarterly to the legislative committees on revenue if the Legislative Assembly is in session or, if the Legislative Assembly is not in session, to the Legislative Revenue Officer. The department’s report shall include an estimate of the amounts received in the previous quarter from the increased taxes and fees established in:

“(1) Chapter 865, Oregon Laws 2009, and an estimate of the projected revenue in the current quarter from the increased taxes and fees established in chapter 865, Oregon Laws 2009[.]; and

“(2) This 2015 Act, and an estimate of the projected revenue in the current quarter from the increased taxes and fees established in this 2015 Act.

“LOW CARBON BLENDING PROGRAM

"SECTION 39. (1) ORS 646.912 and 646.921 are repealed.

“(2) Section 2, chapter 4, Oregon Laws 2015 (Enrolled Senate Bill 324), is repealed.

“(3) Section 6, chapter 754, Oregon Laws 2009, as amended by section 3, chapter 4, Oregon Laws 2015 (Enrolled Senate Bill 324), is repealed.
“(4) Section 9, chapter 754, Oregon Laws 2009, as amended by section 4, chapter 4, Oregon Laws 2015 (Enrolled Senate Bill 324), is repealed.

“SECTION 40. ORS 646.905 is amended to read:

646.905. As used in ORS 646.910 to 646.923:

“(1) ‘Alcohol’ means a volatile flammable liquid having the general formula CₙH(2n+1)OH used or sold for the purpose of blending or mixing with gasoline for use in propelling motor vehicles, and commonly or commercially known or sold as an alcohol, and includes ethanol or methanol.

“(2) ‘Biodiesel’ means a motor vehicle fuel consisting of mono-alkyl esters of long chain fatty acids derived from [vegetable oils, animal fats or other nonpetroleum resources, not including palm oil] nonpetroleum renewable resources, designated as B100 and complying with ASTM D 6751.

“(3) ‘Certificate of analysis’ means:

“(a) A document verifying that B100 biodiesel has been analyzed and complies with, at a minimum, the following ASTM D 6751 biodiesel fuel test methods and specifications:

“(A) Flash point (ASTM D 93);

“(B) Acid number (ASTM D 664);

“(C) Cloud point (ASTM D 2500);

“(D) Water and sediment (ASTM D 2709);

“(E) Visual appearance (ASTM D 4176);

“(F) Free glycerin (ASTM D 6854); and

“(G) Total glycerin (ASTM D 6854); and

“(b) Certification of feedstock origination describing the percent of the feedstock sourced outside of the states of Oregon, Washington, Idaho and Montana.

“(4) ‘Co-solvent’ means an alcohol other than methanol which is blended with either methanol or ethanol or both to minimize phase separation in gasoline.

“(5) ‘Ethanol’ means ethyl alcohol, a flammable liquid having the formula
C\textsubscript{2}H\textsubscript{5}OH used or sold for the purpose of blending or mixing with gasoline for use in motor vehicles.

“(6) ‘Gasoline’ means any fuel sold for use in spark ignition engines whether leaded or unleaded.

“(7) ‘Low carbon intensity fuels’ means liquid fuels, including ethanol, gas-to-liquid fuel, other renewable liquid fuels, biodiesel and other renewable diesel, that result on average in lower greenhouse gas emissions on a full life cycle basis than gasoline or diesel fuel, respectively, per unit of fuel energy.

“[(7)] (8) ‘Methanol’ means methyl alcohol, a flammable liquid having the formula CH\textsubscript{3}OH used or sold for the purpose of blending or mixing with gasoline for use in motor vehicles.

“[(8)] (9) ‘Motor vehicles’ means all vehicles, vessels, watercraft, engines, machines or mechanical contrivances that are propelled by internal combustion engines or motors.

“[(9)] (10) ‘Nonretail dealer’ means any person who owns, operates, controls or supervises an establishment at which motor vehicle fuel is dispensed through a card- or key-activated fuel dispensing device to nonretail customers.

“[(10)] (11) ‘Other renewable diesel’ means a diesel fuel substitute, produced from [nonfossil renewable resources, that has an established ASTM standard] nonpetroleum renewable resources, that meets ASTM D 975, is approved by the United States Environmental Protection Agency, meets specifications of the National Conference on Weights and Measures, [and] complies with standards promulgated under ORS 646.957 and is not biodiesel.

“(12) ‘Other renewable liquid fuel’ means a gasoline substitute, produced from nonpetroleum renewable resources, that has an established ASTM standard, is approved by the United States Environmental Protection Agency, meets specifications of the National
Conference on Weights and Measures, and complies with standards promulgated under ORS 646.957.

“[(11)] (13) ‘Retail dealer’ means any person who owns, operates, controls or supervises an establishment at which gasoline is sold or offered for sale to the public.

“[(12)] (14) ‘Wholesale dealer’ means any person engaged in the sale of gasoline if the seller knows or has reasonable cause to believe the buyer intends to resell the gasoline in the same or an altered form to another.

“SECTION 41. Section 42 of this 2015 Act is added to and made a part of ORS 646.910 to 646.923.

“SECTION 42. (1)(a) The State Department of Agriculture shall adopt by rule a low carbon blending program. The goal of the program shall be to reduce, over time and subject to availability, price and feasibility, the carbon intensity of gasoline and diesel fuel sold or offered for sale in this state.

“(b) For purposes of paragraph (a) of this subsection, the department shall determine the average carbon intensities during the year prior to the effective date of this 2015 Act of gasoline that contains 10 percent ethanol by volume, and diesel fuel that contains five percent biodiesel or other renewable diesel by volume, respectively. The amounts determined under this paragraph are the baseline amounts for purposes of determining the low carbon blending benchmarks described in subsection (2) of this section. Except as necessary to establish the baselines as required by this paragraph, the department may not differentiate between types of crude oil in carrying out the department’s responsibilities under the low carbon blending program.

“(2) Subject to subsections (3) and (4) of this section, the low carbon blending benchmark schedule is as follows:

“(a) 0.25 percent;

“(b) 0.50 percent;
“(c) 1.00 percent;
“(d) 1.50 percent;
“(e) 2.50 percent;
“(f) 3.50 percent; and
“(g) 5.00 percent.

“(3) The carbon intensity of gasoline and diesel fuel sold or offered for sale in this state may not be required to be reduced by more than five percent over the baselines set by the department under subsection (1) of this section.

“(4)(a) The department shall annually complete a study on the commercial availability of low carbon intensity fuels in this state. Based on the results of the study, the department shall by rule determine and adopt the low carbon blending benchmarks, pursuant to the schedule set forth in subsection (2) of this section, that will apply for blending low carbon intensity fuels with gasoline and diesel fuel, respectively, for the calendar year beginning January 1 following the date of the study. In adopting by rule the low carbon blending benchmarks for each calendar year, the department shall:

“(A) No later than February 12 of each year, deliver by electronic mail, to all retail dealers, nonretail dealers and wholesale dealers, notice of intended rulemaking in the manner provided for under ORS 183.335; and

“(B) Adopt by rule the applicable low carbon blending benchmarks for the following calendar year no later than July 1 of each year.

“(b) As part of the study required under this subsection, the department shall determine whether low carbon intensity fuels are commercially available in sufficient quantities in this state to require retail dealers, nonretail dealers and wholesale dealers to meet the next incremental low carbon blending benchmark for gasoline or diesel fuel as required under the schedule set forth in subsection (2) of this sec-
tion.

“(c) If the department determines that low carbon intensity fuels are not commercially available in sufficient quantities, the department may not adopt by rule a requirement that the carbon intensity level of gasoline or diesel fuel, as applicable, that is sold or offered for sale in this state be reduced by the next incremental benchmark under subsection (2) of this section. The benchmark requirement shall remain at the level set in the prior year by the department under this section until the department determines that low carbon intensity fuels are commercially available in this state in sufficient quantities to require carbon intensity reductions in compliance with the next progressive incremental benchmark provided for under subsection (2) of this section.

“(d) A low carbon intensity fuel may not be considered commercially available unless:

“(A) The low carbon intensity fuel is available in this state at an average market retail cost that is equal to or less than the average market retail cost of the fuel with which the low carbon intensity fuel would be blended; and

“(B) The low carbon intensity fuel meets all applicable technological feasibility standards provided for in ORS 646.913 and 646.922.

“(e) As part of the study required under this subsection, the department shall determine the capability of distribution system infrastructure, including retail sites, to handle projected volumes and types of low carbon intensity fuels. Any volume of low carbon intensity fuels that is in excess of distribution system capability may not be considered commercially available for purposes of the study.

“(f) In considering whether low carbon intensity fuels are commercially available in sufficient quantities in this state, the department shall assess the capability of facilities that produce low carbon inten-
sity fuels to supply the fuels in commercial quantities in this state. The assessment under this section shall consider, for each facility:

“(A) Design capacity in gallons per day;
“(B) Date of construction and completion;
“(C) Date that feedstock was first introduced into the production process;
“(D) Date that commercial quantities of on-specification product was first produced, not considering planned or advertised dates;
“(E) Highest utilization demonstrated in a consecutive three-month period;
“(F) Percent of product that was produced on-specification without reprocessing or blending during the same period considered under subparagraph (E) of this paragraph;
“(G) Duration, in days, of longest continuous plant operation;
“(H) Utilization during the last calendar year;
“(I) Percent of product that was produced on-specification without reprocessing or blending during the same period considered under subparagraph (H) of this paragraph; and
“(J) Annual production forecast for the next one to three years, based on historical production and any technical issues as of the date of the assessment, including variations based on projected feedstock availability and changes to feedstocks.

“(5) The department shall adopt rules necessary to carry out the provisions of this section that must include, but need not be limited to:

“(a) A requirement that, in addition to the requirements of ORS 646.913 and 646.922, a retail dealer, nonretail dealer or wholesale dealer may sell or offer for sale only gasoline or diesel that is blended with low carbon intensity fuels that meet the low carbon blending benchmark adopted by the department under subsection (2) of this
section;
“(b) Standards for the issuance of deferrals, carryover of deficits, banking of surpluses, and application of surpluses to meeting either the gasoline or diesel fuel benchmark requirements;
“(c) Standards, specifications, testing requirements and other measures as needed to ensure the quality of fuels produced in accordance with the low carbon blending program, including but not limited to the requirements of ORS 646.910 to 646.923 and rules adopted by the department for motor fuel quality;
“(d) Standards for determining the life cycle greenhouse gas emissions attributable to low carbon intensity fuels; and
“(e) Reporting requirements for retail dealers, nonretail dealers and wholesale dealers subject to the program adopted pursuant to this section.
“(6) The provisions of this section do not apply to fuels provided for under ORS 646.913 (7) and 646.922 (5)(b).

SECTION 43. The State Department of Agriculture shall first adopt by rule under section 42 of this 2015 Act the carbon intensity benchmarks for gasoline and diesel fuel that may be sold or offered for sale in this state not later than July 1, 2017.

SECTION 44. The State Department of Agriculture shall, no later than September 1 of each year, submit a report to the appropriate interim committees of the Legislative Assembly on implementation of the low carbon blending program adopted under section 42 of this 2015 Act during the previous calendar year.

SECTION 45. ORS 646.913 is amended to read:
“646.913. (1) Except as provided in subsection [(5)] (7) of this section, a retail dealer, nonretail dealer or wholesale dealer may not sell or offer for sale gasoline unless the gasoline contains at least 10 percent ethanol by volume.
“(2) Gasoline containing ethanol that is sold or offered for sale meets the requirements of this section if the gasoline, exclusive of denaturants and permitted contaminants, contains not less than 9.2 percent by volume of agriculturally derived, denatured ethanol that complies with the technological feasibility standards for ethanol adopted by the State Department of Agriculture under this section.

“(3) The department shall adopt technological feasibility standards for ethanol and other renewable liquid fuel blended with gasoline sold in this state.

“(4) The standards adopted under this section shall require that [the] gasoline blended with ethanol:

“(a) Contains ethanol that is derived from agricultural or woody waste or residue;

“(b) Contains ethanol denatured as specified in 27 C.F.R. parts 20 and 21;

“(c) Complies with the volatility requirements specified in 40 C.F.R. part 80;

“(d) Complies with or is produced from a gasoline base stock that complies with ASTM International specification D 4814;

“(e) Is not blended with casinghead gasoline, absorption gasoline, drip gasoline or natural gasoline after the gasoline has been sold, transferred or otherwise removed from a refinery or terminal; [and]

“(f) Contains ethanol that complies with ASTM International specification D 4806[.]; and

“(g) Complies with any additional requirements necessary to ensure that gasoline that contains more than 10 percent ethanol by volume is sold or offered for sale in this state for use in motor vehicles in accordance with engine manufacturer warranties and fuel use recommendations, and in a manner that will not cause engine damage.

“(5) The department shall adopt technological feasibility standards
for other renewable liquid fuel sold in this state. The department shall consult the specifications established for other renewable liquid fuel by ASTM International in forming the department’s standards.

“[(4)] (6) The department may review specifications adopted by ASTM International, or equivalent organizations, and federal regulations and revise the standards adopted pursuant to this section as necessary.

“[(5)] (7) A retail dealer, nonretail dealer or wholesale dealer may sell or offer for sale gasoline that is not blended with ethanol if the gasoline has an octane rating, as defined in ORS 646.945, of 91 or above or if the gasoline is for use in:

(a) An aircraft:

(A) With a supplemental type certificate approved by the Federal Aviation Administration that allows the aircraft to use gasoline that is intended for use in motor vehicles; or

(B) Issued a type certificate by an aircraft engine manufacturer that allows the aircraft to use gasoline that is intended for use in motor vehicles;

(b) An aircraft that has been issued an experimental certificate, described in 14 C.F.R. 21.191, by the Federal Aviation Administration and that is required by the manufacturer’s specifications to use gasoline that is intended for use in motor vehicles;

(c) A light-sport aircraft, as defined in 14 C.F.R. 1.1, that is required by the manufacturer’s specifications to use gasoline that is intended for use in motor vehicles;

(d) A vintage aircraft, as defined by the Oregon Department of Aviation by rule, that is required by the manufacturer’s specifications to use gasoline that is intended for use in motor vehicles;

(e) An antique vehicle, as defined in ORS 801.125;

(f) A Class I all-terrain vehicle, as defined in ORS 801.190;

(g) A Class III all-terrain vehicle, as defined in ORS 801.194;

(h) A Class IV all-terrain vehicle, as defined in ORS 801.194 (2);
“(i) A racing activity vehicle, as defined in ORS 801.404;
“(j) A snowmobile, as defined in ORS 801.490;
“(k) Tools, including but not limited to lawn mowers, leaf blowers and
chain saws; or
“(L) A watercraft.

“SECTION 46. ORS 646.922 is amended to read:

“646.922. [(1) A retail dealer, nonretail dealer or wholesale dealer may not
sell or offer for sale diesel fuel unless the diesel fuel contains at least two
percent biodiesel by volume or other renewable diesel with at least two percent
renewable component by volume.]

“[(2)] (1) [Two months after the date of the notice given under ORS 646.921
(2),] A retail dealer, nonretail dealer or wholesale dealer may not sell or of-
fer for sale diesel fuel unless the diesel fuel contains at least five percent
biodiesel by volume or other renewable diesel with at least five percent
renewable component by volume.

“(2) Diesel fuel that contains more than five percent biodiesel by volume
or other renewable diesel with more than five percent renewable component
by volume must be labeled as required by the Federal Trade Commission
and the Environmental Protection Agency and as provided for by the
State Department of Agriculture [provides] by rule.

“(3) A retail dealer, nonretail dealer or wholesale dealer [may sell or offer
for sale diesel fuel that] does not violate the requirements of subsection
(1) or (2) of this section or rules the department has adopted under
ORS 646.957 if the dealer sells or offers for sale diesel fuel to which
substances have been added to prevent biodiesel or other renewable
diesel in the diesel fuel from gelling or congealing if the diesel fuel
otherwise meets the requirements of subsections (1) and (2) of this section
and rules the department has adopted [pursuant to] under ORS 646.957
[but to which there have been added substances to prevent congealing or
gelling of diesel fuel containing biodiesel or other renewable diesel, without
violating the requirements of subsections (1) and (2) of this section and rules adopted pursuant to ORS 646.957]. This subsection applies only to diesel fuel sold or offered for sale during the period from October 1 of any year to February 28 of the following year.

“(4) The department shall adopt technological feasibility standards and labeling standards for biodiesel or other renewable diesel sold in this state. Labeling standards must comply with labeling standards required by the Federal Trade Commission and the Environmental Protection Agency. The department shall consult the specifications established for biodiesel or other renewable diesel by ASTM International in forming the department’s standards. The department may review specifications adopted by ASTM International, or equivalent organizations, and revise the standards adopted pursuant to this subsection as necessary. Standards adopted pursuant to this subsection shall ensure that diesel fuel that contains more than five percent biodiesel or other renewable diesel by volume is sold or offered for sale in this state for use in motor vehicles in accordance with engine manufacturer warranties and fuel use recommendations, and in a manner that will not cause engine damage.

“(5) The minimum biodiesel fuel content and renewable component in other renewable diesel requirements under subsections (1) and (2) of this section do not apply to diesel fuel sold or offered:

“(a) For sale in any county east of the summit of the Cascade Mountains during the period from November 1 of any year to February 28 of the following year.

“(b) For use by:

“(A) Railroad locomotives[,];

“(B) Marine engines;

“(C) Motor vehicles that are not designed primarily to transport persons or property, that are operated on highways only incidentally and that are used primarily for construction work; or
“(D) Home heating or to facilities that store more than 50 gallons of diesel fuel for use in emergency power generation.

“SECTION 47. ORS 646.957 is amended to read:

“646.957. (1) In accordance with any applicable provision of ORS chapter 183, the Director of Agriculture, not later than December 1, 1997, shall adopt rules to carry out the provisions of ORS 646.947 to 646.963. Such rules may include, but are not limited to, motor vehicle fuel grade advertising, pump grade labeling, testing procedures, quality standards and identification requirements for motor vehicle fuels and ethanol, other renewable liquid fuel, biodiesel and other renewable diesel, as those terms are defined in ORS 646.905. Rules adopted by the director under this section shall be consistent, to the extent the director considers appropriate, with the most recent standards adopted by ASTM International. As standards of ASTM International are revised, the director shall revise the rules in a manner consistent with the revisions unless the director determines that those revised rules will significantly interfere with the director’s ability to carry out the provisions of ORS 646.947 to 646.963. Rules adopted pursuant to this section must adequately protect confidential business information and trade secrets that the director or the director’s authorized agent may discover when inspecting books, papers and records pursuant to ORS 646.955.

“(2) Testing requirements, specifications and frequency of testing for each production lot of biodiesel, biodiesel blend or other renewable diesel produced in or brought into this state shall be defined by the director by rule.

“ELECTRIC VEHICLE AND NATURAL GAS VEHICLE MARKET TRANSFORMATION PROGRAM

“SECTION 48. ORS 757.612 is amended to read:

“757.612. (1) There is established an annual public purpose expenditure
standard for electric companies and Oregon Community Power to fund new cost-effective local energy conservation, new market transformation efforts, the above-market costs of new renewable energy resources, [and] new low-income weatherization, and market incentives for the purchase and installation of electric vehicle charging infrastructure. The public purpose expenditure standard shall be funded by the public purpose charge described in subsection (2) of this section.

“(2)(a) Beginning on the date an electric company or Oregon Community Power offers direct access to its retail electricity consumers, except residential electricity consumers, the electric company or Oregon Community Power shall collect a public purpose charge from all of the retail electricity consumers located within its service area until January 1, 2026. Except as provided in paragraph (b) of this subsection, the public purpose charge shall be equal to three percent of the total revenues collected by the electric company, Oregon Community Power or the electricity service supplier from its retail electricity consumers for electricity services, distribution, ancillary services, metering and billing, transition charges and other types of costs included in electric rates on July 23, 1999.

“(b) For an aluminum plant that averages more than 100 average megawatts of electricity use per year, beginning on March 1, 2002, the electric company or Oregon Community Power whose territory abuts the greatest percentage of the site of the aluminum plant shall collect from the aluminum company a public purpose charge equal to one percent of the total revenue from the sale of electricity services to the aluminum plant from any source.

“(3)(a) The Public Utility Commission shall establish rules implementing the provisions of this section relating to electric companies and Oregon Community Power.

“(b) [Subject to paragraph (e) of this subsection,] Funds collected by an electric company or Oregon Community Power through public purpose charges shall be allocated as follows:
“(A) [Sixty-three] **56.7** percent for new cost-effective conservation, new market transformation.

“(B) [Nineteen] **10.1** percent for the above-market costs of constructing and operating new renewable energy resources with a nominal electric generating capacity, as defined in ORS 469.300, of 20 megawatts or less.

“(C) [Thirteen] **11.7** percent for new low-income weatherization.

“(D) **17.00** percent for market incentives for the purchase and installation of electric vehicle charging infrastructure.

“[(D)] (E) [Five] **4.5** percent shall be transferred to the Housing and Community Services Department Electricity Public Purpose Charge Fund established by ORS 456.587 (1) and used for the purpose of providing grants as described in ORS 458.625 (2).

“(c) The costs of administering subsections (1) to (6) of this section for an electric company or Oregon Community Power shall be paid out of the funds collected through public purpose charges. The commission may require that an electric company or Oregon Community Power direct funds collected through public purpose charges to the state agencies responsible for implementing subsections (1) to (6) of this section in order to pay the costs of administering such responsibilities.

“(d) The commission shall direct the manner in which public purpose charges are collected and spent by an electric company or Oregon Community Power and may require an electric company or Oregon Community Power to expend funds through competitive bids or other means designed to encourage competition, except that funds dedicated for low-income weatherization shall be directed to the Housing and Community Services Department as provided in subsection (7) of this section. The commission may also direct that funds collected by an electric company or Oregon Community Power through public purpose charges be paid to a nongovernmental entity for investment in public purposes described in subsection (1) of this section. All of the funds allocated for new cost-effective consen-
vation and market incentives for the purchase and installation of
electric vehicle charging infrastructure shall be spent within the ser-
vice area of the electric company that collected the funds or, if Oregon
Community Power collected the funds, within the service area of
Oregon Community Power. [Notwithstanding any other provision of this
subsection:]

“(A) At least 80 percent of the funds allocated for conservation shall be
spent within the service area of the electric company that collected the funds;
or]

“(B) If Oregon Community Power collected the funds, at least 80 percent
of the funds allocated for conservation shall be spent within the service area
of Oregon Community Power.”

“(c)(A) The first 10 percent of the funds collected annually by an electric
company or Oregon Community Power under subsection (2) of this section shall
be distributed to school districts that are located in the service territory of the
electric company or Oregon Community Power. The funds shall be distributed
to individual school districts according to the weighted average daily mem-
bership (ADMw) of each school district for the prior fiscal year as calculated
under ORS 327.013. The commission shall establish by rule a methodology for
distributing a proportionate share of funds under this paragraph to school
districts that are only partially located in the service territory of the electric
company or Oregon Community Power.”

“(B) A school district that receives funds under this paragraph shall use
the funds first to pay for energy audits for schools located within the school
district. A school district may not expend additional funds received under this
paragraph on a school facility until an energy audit has been completed for
that school facility. To the extent practicable, a school district shall coordinate
with the State Department of Energy and incorporate federal funding in com-
plying with this paragraph. Following completion of an energy audit for an
individual school, the school district may expend funds received under this
paragraph to implement the energy audit. Once an energy audit has been conducted and completely implemented for each school within the school district, the school district may expend funds received under this paragraph for any of the following purposes:

“(i) Conducting energy audits. A school district shall conduct an energy audit prior to expending funds on any other purpose authorized under this paragraph unless the school district has performed an energy audit within the three years immediately prior to receiving the funds.

“(ii) Weatherization and upgrading the energy efficiency of school district facilities.

“(iii) Energy conservation education programs.

“(iv) Purchasing electricity from environmentally focused sources and investing in renewable energy resources.

“(f) The commission may not establish a different public purpose charge than the public purpose charge described in subsection (2) of this section.

“(g) If the commission directs funds collected through public purpose charges to a nongovernmental entity, the entity shall:

“(A) Include on the entity’s board of directors an ex officio member designated by the commission, who shall also serve on the entity’s nominating committee for filling board vacancies.

“(B) Require the entity’s officers and directors to provide an annual disclosure of economic interest to be filed with the commission on or prior to April 15 of each calendar year for public review in a form similar to the statement of economic interest required for public officials under ORS 244.060.

“(C) Require the entity’s officers and directors to declare actual and potential conflicts of interest at regular meetings of the entity’s governing body when such conflicts arise, and require an officer or director to abstain from participating in any discussion or vote on any item where that officer or
director has an actual conflict of interest. For the purposes of this subpara-
graph, ‘actual conflict of interest’ and ‘potential conflict of interest’ have the
meanings given those terms in ORS 244.020.

“(D) Arrange for an independent auditor to audit the entity’s financial
statements annually, and direct the auditor to file an audit opinion with the
commission for public review.

“(E) File with the commission annually the entity’s budget, action plan
and quarterly and annual reports for public review.

“(F) At least once every five years, contract for an independent manage-
ment evaluation to review the entity’s operations, efficiency and effective-
ness, and direct the independent reviewer to file a report with the
commission for public review.

“[(h)] (g) The commission may remove from the board of directors of a
nongovernmental entity an officer or director who fails to provide an annual
disclosure of economic interest or declare actual or potential conflict of in-
terest, as described in paragraph [(g)(B)] (f)(B) and (C) of this subsection,
in connection with the allocation or expenditure of funds collected through
public purpose charges and directed to the entity.

“(4)(a) An electric company that satisfies its obligations under this sec-
tion shall have no further obligation to invest in conservation, new market
transformation or new low-income weatherization or to provide a commercial
energy conservation services program and is not subject to ORS 469.631 to
469.645 and 469.860 to 469.900.

“(b) Oregon Community Power, for any period during which Oregon
Community Power collects a public purpose charge under subsection (2) of
this section:

“(A) Shall have no other obligation to invest in conservation, new market
transformation or new low-income weatherization or to provide a commercial
energy conservation services program; and

“(B) Is not subject to ORS 469.631 to 469.645 and 469.860 to 469.900.
“(5)(a) A retail electricity consumer that uses more than one average megawatt of electricity at any site in the prior year shall receive a credit against public purpose charges billed by an electric company or Oregon Community Power for that site. The amount of the credit shall be equal to the total amount of qualifying expenditures for new energy conservation, not to exceed 68 percent of the annual public purpose charges, and the above-market costs of purchases of new renewable energy resources incurred by the retail electricity consumer, not to exceed 19 percent of the annual public purpose charges, and qualifying expenditures for electric vehicle charging infrastructure, less administration costs incurred under this subsection. The credit may not exceed, on an annual basis, the lesser of:

“(A) The amount of the retail electricity consumer’s qualifying expenditures; or

“(B) The portion of the public purpose charge billed to the retail electricity consumer that is dedicated to new energy conservation, new market transformation, or the above-market costs of new renewable energy resources or electric vehicle charging infrastructure.

“(b) To obtain a credit under this subsection, a retail electricity consumer shall file with the State Department of Energy a description of the proposed conservation project, or new renewable energy resource, or new electric vehicle charging infrastructure and a declaration that the retail electricity consumer plans to incur the qualifying expenditure. The State Department of Energy shall issue a notice of precertification within 30 days of receipt of the filing, if such filing is consistent with this subsection. The credit may be taken after a retail electricity consumer provides a letter from a certified public accountant to the State Department of Energy verifying that the precertified qualifying expenditure has been made.

“(c) Credits earned by a retail electricity consumer as a result of qualifying expenditures that are not used in one year may be carried forward for use in subsequent years.
“(d)(A) A retail electricity consumer that uses more than one average megawatt of electricity at any site in the prior year may request that the State Department of Energy hire an independent auditor to assess the potential for conservation investments at the site. If the independent auditor determines there is no available conservation measure at the site that would have a simple payback of one to 10 years, the retail electricity consumer shall be relieved of 54 percent of its payment obligation for public purpose charges related to the site. If the independent auditor determines that there are potential conservation measures available at the site, the retail electricity consumer shall be entitled to a credit against public purpose charges related to the site equal to 54 percent of the public purpose charges less the estimated cost of available conservation measures.

“(B) A retail electricity consumer shall be entitled each year to the credit described in this subsection unless a subsequent independent audit determines that new conservation investment opportunities are available. The State Department of Energy may require that a new independent audit be performed on the site to determine whether new conservation measures are available, provided that the independent audits shall occur no more than once every two years.

“(C) The retail electricity consumer shall pay the cost of the independent audits described in this subsection.

“(6) Electric utilities and retail electricity consumers shall receive a fair and reasonable credit for the public purpose expenditures of their energy suppliers. The State Department of Energy shall adopt rules to determine eligible expenditures and the methodology by which such credits are accounted for and used. The rules also shall adopt methods to account for eligible public purpose expenditures made through consortia or collaborative projects.

“(7)(a) In addition to the public purpose charge provided under subsection (2) of this section, an electric company or Oregon Community Power shall
collect funds for low-income electric bill payment assistance in an amount
determined under paragraph (b) of this subsection.

“(b) The commission shall establish the amount to be collected by each
electric company in calendar year 2008 from retail electricity consumers
served by the company, and the rates to be charged to retail electricity
consumers served by the company, so that the total anticipated collection for
low-income electric bill payment assistance by all electric companies in cal-
endar year 2008 is $15 million. In calendar year 2009 and subsequent calendar
years, the commission may not change the rates established for retail elec-
tricity consumers, but the total amount collected in a calendar year for
low-income electric bill payment assistance may vary based on electricity
usage by retail electricity consumers and changes in the number of retail
electricity consumers in this state. In no event shall a retail electricity
consumer be required to pay more than $500 per month per site for low-
income electric bill payment assistance.

“(c) Funds collected by the low-income electric bill payment assistance
charge shall be paid into the Housing and Community Services Department
Low-Income Electric Bill Payment Assistance Fund established by ORS
456.587 (2). Moneys deposited in the fund under this paragraph shall be used
by the Housing and Community Services Department for the purpose of
funding low-income electric bill payment assistance. The department’s cost
of administering this subsection shall be paid out of funds collected by the
low-income electric bill payment assistance charge. Moneys deposited in the
fund under this paragraph shall be expended solely for low-income electric
bill payment assistance. Funds collected from an electric company or Oregon
Community Power shall be expended in the service area of the electric
company or Oregon Community Power from which the funds are collected.

“(d)(A) The Housing and Community Services Department, in consultation
with the advisory committee on energy established by ORS 458.515, shall
determine the manner in which funds collected under this subsection will be
allocated by the department to energy assistance program providers for the purpose of providing low-income bill payment and crisis assistance.

“(B) The department shall investigate and may implement alternative delivery models specified by the advisory committee on energy, in consultation with electric companies, to effectively reduce service disconnections and related costs to retail electricity consumers and electric utilities.

“(C) Priority assistance shall be directed to low-income electricity consumers who are in danger of having their electricity service disconnected.

“(D) The department shall maintain records and provide those records upon request to an electric company, Oregon Community Power and the Citizens’ Utility Board established under ORS chapter 774 on a quarterly basis. Records maintained must include the numbers of low-income electricity consumers served, the average amounts paid and the type of assistance provided. Electric companies and Oregon Community Power shall, if requested, provide the department with aggregate data relating to consumers served on a quarterly basis to support program development.

“(e) Interest on moneys deposited in the Housing and Community Services Department Low-Income Electric Bill Payment Assistance Fund established by ORS 456.587 (2) may be used to provide bill payment and crisis assistance to electricity consumers whose primary source of heat is not electricity.

“(f) Notwithstanding ORS 757.310, the commission may allow an electric company or Oregon Community Power to provide reduced rates or other payment or crisis assistance or low-income program assistance to a low-income household eligible for assistance under the federal Low Income Home Energy Assistance Act of 1981, as amended and in effect on July 23, 1999.

“(g) For purposes of this section, ‘retail electricity consumers’ includes any direct service industrial consumer that purchases electricity without purchasing distribution services from the electric utility.

“(h) For purposes of this section, amounts collected by Oregon Community Power through public purpose charges are not considered moneys received
from electric utility operations.

“SECTION 49. ORS 456.587 is amended to read:

“456.587. (1) The Housing and Community Services Department Electricity Public Purpose Charge Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Housing and Community Services Department Electricity Public Purpose Charge Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the Housing and Community Services Department to be used for purposes specified in ORS 757.612 [(3)(b)(D)] (3)(b)(E).

“(2) The Housing and Community Services Department Low-Income Electric Bill Payment Assistance Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Housing and Community Services Department Low-Income Electric Bill Payment Assistance Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the Housing and Community Services Department for purposes described in ORS 757.612 (7).

“SECTION 50. ORS 757.613 is amended to read:

“757.613. (1) If an electric company or Oregon Community Power invests moneys collected as a public purpose charge under ORS 757.612 on new cost-effective local energy conservation, or if the nongovernmental entity described in ORS 757.612 [(3)(g)] (3)(f) invests moneys paid to the nongovernmental entity under ORS 757.612 (3)(d) on new cost-effective local energy conservation, and if the investment involves updating the energy efficiency of a residential or nonresidential building, the electric company, Oregon Community Power or the nongovernmental entity may make those investments by conducting a whole building assessment of the energy efficiency of the building and, in consideration of the whole building assessment, by maximizing the overall energy efficiency of the building. For purposes of this subsection, a ‘whole building assessment’ means a single assessment of savings opportunities, as identified by the Public Utility Commission by rule
or order.

“(2) An investment described in subsection (1) of this section must be limited to an investment in a single project, as authorized by the commission by rule or order.

“SECTION 51. ORS 470.815 is amended to read:

“ORS 470.815. (1) School districts that participate in the clean energy deployment program established in ORS 470.810 may finance projects to:

“(a) Weatherize, upgrade and retrofit kindergarten through grade 12 public schools;

“(b) Retrofit school bus fleets to operate on compressed natural gas or other alternative fuels such as propane or to operate with high-efficiency types of engines such as hybrid electric engines; or

“(c) Replace school bus fleets with school buses that operate on compressed natural gas or other alternative fuels such as propane or that operate with high-efficiency types of engines such as hybrid electric engines.

“(2) The projects described in subsection (1) of this section shall be designed to improve energy efficiency, decrease fuel costs, increase use of alternative fuels and decrease emissions of air contaminants.

“(3) School districts may finance the projects described in subsection (1) of this section by:

“(a) Paying directly for the projects;

“(b) Receiving lower interest loans from the Clean Energy Deployment Fund or the Small Scale Local Energy Project Loan Fund, supported by:

“(A) Grant moneys from the Jobs, Energy and Schools Fund;

“(B) Public purpose charges directed to a school district in areas served by investor-owned utilities under ORS 757.612;]

“(C) Qualified Energy Conservation Bonds issued under the Energy Improvement and Extension Act of 2008 or other federal loan programs; or

“(D) Revenues generated by the savings in energy costs resulting from the energy efficiency improvements;
“(c) Issuing general obligation bonds, subject to the bond election re-
requirements under ORS 328.210; or
“(d) Using any other source of moneys.

“SECTION 52. (1) As used in this section, ‘investor-owned utility’
means an electric or gas utility regulated by the Public Utility Com-
mission as a public utility under ORS chapter 757 and subject to an
annual public purpose charge expenditure standard under ORS 757.612
or rules adopted by the commission related to the imposition of a
public purpose charge on natural gas public utilities.
“(2) The commission, in consultation with the State Department of
Energy, shall work with investor-owned utilities and the propane in-
dustry to develop an electric vehicle, compressed natural gas vehicle,
and propane vehicle market transformation framework for use by
investor-owned utilities, the propane industry, the Citizens’ Utility
Board and a nongovernmental entity, if any, receiving moneys under
ORS 757.612 (3)(d) and rules adopted by the commission related to the
imposition of a public purpose charge on natural gas public utilities
in providing market incentives for:
“(a) The installation of electric vehicle infrastructure; and
“(b) The purchase of compressed natural gas or propane fueled ve-
hicles and school buses, and the installation of private sector-owned
compressed natural gas and propane vehicle fueling infrastructure
that is readily available for local school district fueling.
“(3) As part of developing the framework required by this section,
the commission and the State Department of Energy shall work with
the Department of Transportation to determine the initial allocation
of market incentives necessary to increase the adoption of electric,
compressed natural gas and propane fueled vehicles in this state and
to maximize the volume of electric, natural gas and propane vehicle
miles traveled.
“(4) The commission shall appoint an advisory committee for the purpose of assisting the department in carrying out the requirements of this section. The committee must include members representing:

“(a) Investor-owned utilities;
“(b) The propane industry;
“(c) The Citizens’ Utility Board created under ORS 774.030;
“(d) A nongovernmental entity based in Oregon with a mission to promote, support and grow the electric vehicle industry in Oregon;
“(e) A nongovernmental entity that has entered into a contract with the Public Utility Commission to administer the public purpose charges collected under ORS 757.612;
“(f) The State Department of Energy;
“(g) The Oregon Transportation Commission; and
“(h) The Public Utility Commission.

“(5) If the commission has authorized a nongovernmental entity to administer the public purpose charges collected under ORS 757.612 (3)(b)(D) or rules of the commission related to the imposition of a public purpose charge on natural gas public utilities, the commission shall include the applicable provisions of the framework in the grant agreement with that entity or in the performance measures adopted in accordance with the grant agreement.

“SECTION 53. Section 52 of this 2015 Act is repealed on January 1, 2018.

“SECTION 54. Section 55 of this 2015 Act is added to and made a part of ORS chapter 757.

“SECTION 55. (1) The Public Utility Commission may authorize a public utility, upon application of the public utility, to include in the public utility’s rates the costs of installing electric vehicle infrastructure, and the costs of installing compressed natural gas vehicle infrastructure if:
“(a) The infrastructure is installed or made available on or after July 1, 2015; and

“(b) The infrastructure is reasonably expected, at the time the infrastructure is placed in service, to result in benefits to consumers by being installed and located in a place where use of the infrastructure is likely to occur.

“(2) Rates allowed by this section may allow a return of investment for the depreciable life of the infrastructure, as defined in depreciation schedules approved by the commission. When the public utility’s capital investment is fully depreciated, the public utility may gift the infrastructure to the owner of the property on which the infrastructure is located.

“(3) For purposes of ORS 757.355, electric vehicle infrastructure and compressed natural gas vehicle infrastructure provide utility service to customers.

“CAPTIONS

“SECTION 56. The unit captions used in this 2015 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 2015 Act.

“EFFECTIVE DATE

“SECTION 57. This 2015 Act takes effect on the 91st day after the date on which the 2015 regular session of the Seventy-eighth Legislative Assembly adjourns sine die.”.