



Oregon

Kate Brown, Governor

Department of Transportation

Director's Office

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DATE: June 6, 2017

TO: Joint Committee on Transportation Preservation and Modernization

FROM: Matthew Garrett
Director, Oregon Department of Transportation

SUBJECT: House Bill 2017 -3

Dear Members of the Joint Committee on Transportation Preservation and Modernization:

Over the past 12 months you have traveled the state listening to Oregonians and looking at the transportation infrastructure needs of the state, county and city systems. House Bill 2017 brings forward an unprecedented opportunity to make investments that will benefit generations to come.

In order to help inform the discussion around HB 2017 -3, the Oregon Department of Transportation (ODOT) has put together the following information:

- Concerns and suggestions with specific sections of HB 2017-3
- Other issues for consideration
- An overview of impacts to other state agencies
- A section by section analysis of HB 2017 -3 with technical suggestions (Attachment A)
- Suggested statutory language to reflect comments (Attachment B)

CONCERNS AND SUGGESTIONS WITH SPECIFIC SECTIONS OF HB 2017-3

Section 13 (page 12): Cost Benefit Analysis. Preparing a cost benefit analysis (BCA) for every project could add substantial cost to ODOT's project development process.

While it is useful to compare the benefits versus costs within each class of projects (such as bridges), comparing costs and benefits across different types of projects is very difficult because of the different types of benefits of a project and the fact that not all costs can be readily monetized or compared. For example, comparing a safety project to a bridge project to a highway modernization project is likely comparing an apple to a pineapple and an orange because it requires comparing different types of benefits. The cost of preparing a BCA can be substantial, depending on availability of data and level of detail. [Nevada's BCA for the USA Parkway](#), for example, runs to 21 pages.

Recommendation: [Nevada's BCA statute \(NRS 408.3195\)](#) that was used as the model for this proposed language addresses this difficulty by limiting the requirement for analysis to projects that "increase the capacity of the state highway system and cost at least \$25 million". This ensures an apple to apples comparison of highway modernization projects while limiting the number of BCAs that must be prepared.

Section 71a (page 166): Distribution of new revenue. Section 71a prioritizes spending by identifying that projects identified in Section (2) b must first be entirely funded before any funds can be expended on bridges, seismic, pavements or culverts. This section also allocates funding between bridges, pavement preservation, and seismic resiliency in a way that is inconsistent with the adopted strategy of the Oregon Transportation Commission (OTC).

Recommendation: Clarify allowance of expenditures on maintenance, preservation and seismic projects prior to others being fully funded and align allocations with the OTC's investment strategy. Consider allowing for bonding of projects for the amounts in subsection 2.

Section 78 (page 179): Connect Oregon Funds. The funds available to Connect Oregon through this section and subsequent funding in Section 96, only provides \$8 million per year in funds for the program.

Recommendation: Clarify total funding level expectations for Connect Oregon on an ongoing biennial basis.

Section 119c (page 227): Metro Congestion Relief Projects. The dollar amounts provided for the five projects in this section are twenty-five percent less than each project's estimated cost. This difference has significant financial, bonding and credit implications for the department, including possibilities of not being able to receive the full amount needed through bonding to complete the projects and a struggle for the agency to continually come in over budget with these projections.

Recommendation: Provide the full cost of the projects with the expectation that ODOT will engage in value engineering by analyzing designed building features, systems, equipment, and material selections for the purpose of achieving essential functions at the lowest life cycle cost consistent with performance, quality, reliability, and safety.

Section 119e (page 229): Joint Policy Advisory Committee on Transportation (JPACT) and ODOT agreement. Language in this section does not limit federal funds to discretionary federal funds and opens the door to inappropriate use of federal formula funds that ODOT receives.

Recommendation: Clarify that this applies only to federal discretionary grant funds.

Section 119j-119m (page 236): Bonding sections. These sections are crucial and are currently being reworked with legislative counsel by Department of Justice (DOJ), bond counsel and Treasury.

Section 120 (page 242): Congestion Pricing and Tolling. The timelines and deliverables defined in this section are not possible for ODOT to implement without sufficient planning. The language requires OTC to seek federal approval to proceed with a congestion relief program and then instantaneously implement such a program.

Recommendation: Provide OTC the ability to study implementation of congestion pricing and/or tolling that would allow for insurance of reliability, reduction of congestion, impact on local communities and sufficient revenue prior to deployment of a system.

Section 122o (page 261): Distribution of Statewide Transportation Improvement Fund (STIF). The legislature agreed upon distributing 85% of the funds by formula, 10% for discretionary service enhancement funds, 4% for intercity services and 1% for a statewide resource center. There is no formula for distribution identified in this section for the 85%.

Recommendation: Add language to clarify the legislative intent around distribution of funds.

Section 134 (page 279): Jurisdictional Transfers. The funding is not adequate funding for the needs of the roadways and the requirements of the Memorandum of Understanding (MOU) may not require transfers to occur.

Recommendations: Provide additional funding for successful jurisdictional transfers and add stronger language governing the MOUs to ensure that the transfers occur.

Section 136 (page 280): Use of salt. The broad use of salt with a blanket policy indicating use may not yield results. ODOT needs discretion for determining when and where to use salt in order to address the safety needs of the traveling public and to not create any adverse environmental impact.

Recommendation: Direct the OTC to develop a strategy that incorporates the use of salt more broadly.

OTHER ISSUES FOR CONSIDERATION

The Oregon Department of Transportation currently operates and manages the Road User Charge (RUC) program. If the state fuels tax rate changes, ODOT would need a proportional increase in statute in order for the RUC rate to stay revenue neutral.

HB 2017 -3 creates eight new reports to the legislative body and creates four new committees.

OVERVIEW OF IMPACTS TO OTHER STATE AGENCIES

The Oregon Department of Transportation has been working closely with the statewide enterprise in order to appropriately understand the impacts that HB 2017 would have on other agencies both from a policy and fiscal perspective. Below are highlights of impacts that we have heard.

Oregon Department of Fish & Wildlife & Oregon Department of Environmental Quality

Section 136: Use of salt. Road salt (sodium chloride), while a cost-effective deicer, has many negative effects on the environment, including being highly soluble, alters soil chemistry, inability to break down, contaminates groundwater and wells, toxic to aquatic life, causes toxicosis and death when ingested by birds, can attract deer to treated roadways (artificial “salt lick”) resulting in increased roadkill potential, kills salt-sensitive species (crustaceans and amphibians), impacts or kills native vegetation and creates favorable conditions for non-native and invasive species, and negatively impacts (corrodes and erodes) automobiles and transportation infrastructure.

Alternative Suggestion: Consider implementing these sections as pilot projects with rigorous monitoring components that evaluate the biological and economic effects of road salt on soils, surface and ground water quality, aquatic life, terrestrial wildlife, and automobile and transportation infrastructure.

Oregon Department of Parks and Recreation (OPRD)

Section 84: Transfer of funds from OPRD to Connect Oregon. There is a Constitutional restriction on the funds identified in this section and OPRD is unable to transfer to the Connect Oregon fund. OPRD currently operates a \$12 million per biennium local government grant application program and could set aside \$2 million per biennium to allocate to bike/ped projects through their existing program.

Oregon Judicial Department (OJD)

Sections 99 to 104: Consequences for not paying new taxes. OJD anticipates that there would be additional cases filed in the Tax Court. They are unable to predict the number of additional cases but anticipate a modest workload increase. There could also be some additional workload increase for circuit courts to issue an order for an individual to attend and testify or otherwise comply with a demand or request made by Department of Revenue (DOR) and if additional contempt cases are filed.

Section 112: Supreme Court review. OJD anticipates that at least one additional case (may consolidate if multiple cases are filed) could be filed in the Supreme Court.

Alternative Suggestion: Amend Section 112 to allow the Supreme Court to appoint a special master. OJD would suggest a new subsection (6) with the following language: "In the event the Supreme Court determines that there are factual issues in the petition, the Supreme Court may appoint a special master to hear evidence and to prepare recommended findings of fact." This is standard wording that has been included in Supreme Court original jurisdiction bills. OJD would like to stay consistent with that drafting.

Section 120: Congestion relief/tolling. There may be additional cases filed in the Court of Appeals if a party appeals decision from an administrative proceeding on failure to pay a toll. OJD does not anticipate a substantial number of new cases.

Oregon Department of Revenue

Sections 89-115, 122: Vehicle privilege and use tax, bicycle excise tax and payroll tax.

DOR continues to work directly with Legislative Revenue Office and Legislative Counsel on language. There are ongoing discussions about who would most efficiently implement the vehicle use tax. DOR believes that they can implement the bicycle excise tax and vehicle privilege tax by 1/1/18 as the bill is currently drafted. The statewide transit withholding tax would most likely need a delayed implementation of possibly 7/1/18. There is a substantial amount of education to a very large number of employers (~150K) and their employees about the new tax that must occur before the first tax can be withheld from paychecks.

DOR consulted with the Employment Department (OED) on the viability of including the new transit tax in the existing combined quarterly payroll tax report. The Employment Department is in the very early stages of assessing modernizing core technology systems. Due to the number and complexity of the systems that would need to be changed to ensure timely implementation of the payroll tax, involving any changes to the combined payroll reporting process is not feasible at this point in time. As a result, DOR will implement a standalone system for the new transit tax. This process would not initially include the existing combined reporting forms which are used by the OED and DOR, but it may be considered to add to the combined quarterly payroll tax report in the future.

Public Utility Commission

Section 138: Transportation electrification as eligible expense of public purpose charge.

PUC has expressed concern with the change to allow transportation electrification to qualify as an eligible expense of the public purpose charge. Specifically, it allows the Commission to allocate up to 25 percent of the total public purpose charge to transportation electrification. This funding would utilize funds currently used to fund acquisition of cost-effective energy efficiency and market transformation. This provision could cause cost-shifting to customers whose electric load is less than one average megawatt, generally residential and other small customers. Under SB 838 (2007), the Commission can authorize an electric company to include the cost of funding all cost-effective energy efficiency. However, customers that have greater than one average megawatt of electric load are not required to pay for energy efficiency measures under this section if it would require them to pay more than three percent of the total cost of their electricity service. In order to acquire all cost-effective energy efficiency, it is possible that the Commission would use a greater share of SB 838 funds to fund energy efficiency measures as the amount of overall funding available through the public purpose charge from energy efficiency would be reduced under this bill.

The PUC is also working to understand the implications of Sect. 138, p. 286, line 5-8 and whether or not this would preclude further investment made by the utilities in transportation electrification under SB 1547 (2016).

Attachments:

- Attachment A: Section by Section Analysis of HB 2017-3
- Attachment B: Suggested Statutory Language

Oregon Department of Transportation
Review of House Bill 2017 -3
June 6, 2017

Attachment A

Oregon Department of Transportation
Section by Section Analysis of HB 2017-3
June 6, 2017

Section	Subject	Concerns/Corrections	Other agencies affected
1	Definitions. Defines the Statewide Transportation Improvement Program (STIP) and changes the statutory reference to long-range transportation plan.	None	
2	Changes the administration of the Oregon Transportation Commission. Clarifies members serve at the pleasure of the Governor; requires public hearing before the Governor removes a member. Members cannot have financial conflicts. Allows the Oregon Transportation Commission to appoint employees of the commission; allows them to use the Department of Administrative Services (DAS) for administrative services requested.	<p>Creating an independent agency will result in an increase in costs as the Oregon Transportation Commission has to recreate functions provided at low cost by ODOT.</p> <p>A better option would be to increase staff support for the commission to provide them additional strategic planning and analytical capabilities.</p> <p>Delete Section 2(11).</p> <p>See attached language.</p>	DAS
3	Section deleted by Legislative Counsel	N/A	
4	Section deleted by Legislative Counsel	N/A	
5	Relocates (ORS 184.616), giving the Oregon Transportation Commission the powers of ODOT currently in statute.	None	
6	Directs Oregon Transportation Commission to develop state transportation policy including those for ports, aviation, rail. Must maintain a 20-year long range plan. Requires certain entities to develop long-range modal freight and people moving plans and ODOT must create implementation plans for the plans. Allows the commission to initiate studies, prescribe administrative practices for the Director, enter into intergovernmental agreements and review and approve ODOT's proposed transportation projects, proposed budget, anticipated capital construction requirements, construction priorities, and selection, vacation or abandonment of state highway. Requires adoption of statewide transportation strategy on greenhouse gas	<p>State gas tax dollars and federal highway funds cannot be used for the aviation, ports or rail plans. We have previously relied on Federal Railroad Administration money to fund the rail plan. We have no sources of funds to pay for an aviation plan or the ports plan.</p> <p>The amendment requires modal plans to include a fiscally-constrained list of projects needed to maintain and develop infrastructure for at least 20 years. Because transportation revenue and needs are difficult to foresee this far into the future, creating a 20 year project list will require additional planning resources without adding significant value. A better approach would be to require that each</p>	Marine Board OBDD Aviation

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Section	Subject	Concerns/Corrections	Other agencies affected
	emissions. Deletes ODOT being the recipient of federal funds. Allows the commission to require the director to furnish information or assistance to the commission upon request.	modal plan include investment scenarios. See attached language.	
7	Statute shift.	None	
8	Gives Oregon Transportation Commission authority to enter into PPP agreements for transportation projects or transportation research.	None	
9	Requires Oregon Transportation Commission to keep real property inventory, review periodically and dispose of surplus property.	<p>ODOT has set a goal to raise \$9 million per year in surplus property sales and leases. In recent years, we have reached or exceeded that goal. ORS 270.010 sets a policy for the state of Oregon to hold no more property than is needed for official business, while considering future needs. Section 9 would require a significant body of work that may not yield benefits that outweigh the costs to implement.</p> <p>Section 9 seems duplicative of other statutes. If this policy issue is critical to the legislature, we'd suggest the attached alternative language. This would reduce the workload significantly and likely yield better results.</p> <p>See attached language.</p>	
10	Requires Oregon Transportation Commission to create a continuous improvement advisory committee that includes stakeholders. Requires a report to the legislature biennially. ODOT staffs the committee.	None	

Section	Subject	Concerns/Corrections	Other agencies affected
11	Requires Oregon Transportation Commission to develop standards to measure pavement and bridge infrastructure of state, city and county roads/bridges. Requires all cities and counties to report on infrastructure biennially and the commission to withhold state highway funds if report not filed. Requires the commission to report to the legislature biennially.	<p>This section requires an annual report by local agencies to the Oregon Transportation Commission on January 1, and a report from the commission to the legislature by February 1.</p> <p>We recommend a change to the timelines to allow local governments to gather the data after the end of the year and time to allow the commission to gather the data from all cities and counties, compile and then report to the legislature.</p> <p>We also recommend a change to clarify that while agencies must use uniform standards, they may use different methods of gathering the data.</p> <p>See attached language.</p>	
12	Requires Oregon Transportation Commission to develop website to report on all projects in the Statewide Transportation Improvement Program (STIP). Must include description, benefits, estimated cost/completion date, updated actual amount spent to date. Must also include city/county/state reports on infrastructure conditions for six years. Must also include links to local websites if available and links to Connect Oregon funded project websites.	<p>The commission is charged with developing the webpage. Read literally in conjunction with the creation of an independent commission staff, this would involve the commission hiring new staff to develop capabilities currently within ODOT.</p> <p>A better solution would be to direct the commission, working through ODOT, to develop the webpage.</p> <p>See attached language.</p>	
13	Requires benefit/cost analysis of all projects in the Statewide Transportation Improvement Program (STIP) prior to Oregon Transportation Commission review and approval. Must be able to compare transportation projects. Must be made available to the commission and the public when the commission's agenda is posted.	<p>ODOT uses data-driven management systems to prioritize the selection of bridge, pavement and safety projects to with the greatest value.</p> <p>We recommend narrowing the scope of projects this requirement applies to those modernization or capacity building projects greater than \$25 million. This is</p>	

Section	Subject	Concerns/Corrections	Other agencies affected
		<p>in alignment with the Nevada model.</p> <p>We also suggest some minor language changes to clarify the analysis.</p> <p>See attached language.</p>	
14	<p>Changes the considerations the Oregon Transportation Commission must use when working with stakeholders to develop Statewide Transportation Improvement Program (STIP) criteria. Removes three criteria, adds new criteria: natural disaster resilience and the benefit/cost analysis required under Section 13.</p>	<p>If the modifications are made in Section 13, we have no concerns.</p> <p>If Section 13 remains, we would likely need to perform a benefit/cost analysis on many more projects than are actually funded. The current 2018-21 STIP has about 1500 projects, so much of the work of the analyses would not result in funded projects.</p>	
15	<p>Directs the Oregon Transportation Commission to designate an internal auditor to perform internal audits including financial audits, performance audits, external audits on contracts and any audits required by Federal law. Audit reports must be submitted to the commission and posted on the commission's website. The Director may request audits be conducted. The commission may authorize the internal auditor to employ employees and the commission may request administrative services from the Department of Administrative Services (DAS).</p>	<p>The amendment is clear that the internal auditor will report functionally to the commission but it does not identify where the auditor will report administratively.</p> <p>The amendment increases costs by requiring a structural move from ODOT because of reliance on DAS for office space and services, listing audits to be performed by the auditor, and requiring performance audits to be conducted. ODOT's Audit Services Branch does not currently do financial audits or external audits on contracts, and federal regulations prohibit using federal funds to pay for performance audits.</p> <p>We recommend changes to this section that retain the audit function within the agency, but strengthens the role of the commission.</p> <p>See attached language.</p>	DAS
16	Section deleted by Legislative Counsel	N/A	
17	Section deleted by Legislative Counsel	N/A	

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Section	Subject	Concerns/Corrections	Other agencies affected
18	Changes reporting requirement on audits to the legislature from ODOT to the Oregon Transportation Commission and adds in the new Joint Committee on Transportation to receive the report.	We recommend language changes to clarify the report to the legislature. See attached language.	
19	Changes the duties of the department, director and commission. Removes the requirement the director appoints an administrator for each area of concern.	None	
20	Changes the appointment of director to be appointed by Oregon Transportation Commission with consultation of Governor. Director serves at the pleasure of the commission. Requires Director to seek approval of the commission for reorganizing department.	This is an issue to be determined between the Governor and the legislature.	
21	Section deleted by Legislative Counsel	N/A	
22	Section deleted by Legislative Counsel	N/A	
23	Section deleted by Legislative Counsel	N/A	
24	Section deleted by Legislative Counsel	N/A	
25	Director's duties include construct, coordinate and promote an integrated system with cities, counties, ports, etc.	None	
26	Creates Joint Committee on Transportation - 10 members. Exists during session and interim.	None	
27	Joint Committee covers transportation policy and budget issues, oversight of department.	None	
27a	Adds the Joint Committee to the list of committees assisted by Legislative Fiscal Office (LFO).	None	
28	Changes statutory reference	None	
28a	Changes statutory reference	None	
28b	Changes statutory reference	None	
29	Changes statutory reference	None	
30	Changes statutory reference	None	
31	Adds Section 32 and 37 to the Oregon Vehicle Code	None	

Section	Subject	Concerns/Corrections	Other agencies affected
32	Establishes new additional vehicle registration fees based on Miles Per Gallon (MPG). Directs department to establish MPG ratings vehicles.	<p>The Environmental Protection Agency(EPA) has only set EPA ratings for 1984 and newer light passenger type vehicles. Heavier and older passenger vehicles will not have a rating. Also, 803.420(1) includes light trailers, so they will also be subject to the fee. The language gives the department the needed authority to determine the MPG ratings.</p> <p>In addition, we understand it was the legislature’s intent that the amounts shown in sections 32-33 were to be annual amounts. However, it appears that the language is written so that these amounts are instituted for the registration period which can be a 1, 2 or 4-year period, depending on the vehicle. We are uncertain how to institute the fees on vehicles with other motive power: hybrid, natural gas, etc. If there is legislative intent on how these vehicles are to be treated, such as MPG-equivalent, we request it should be added to the language or expressed on the record so the department can meet agreed-upon expectations.</p> <p>We would defer to Legislative Counsel on how best to modify language to make these needed changes.</p> <p><i>Note: In HB 2290, as part of our fee statute streamlining, we separate passenger vehicles and light trailers into separate references in the statute. We also combine electric and hybrid passenger with other passenger vehicles as the fees are currently the same.</i></p>	
33	Revises new additional vehicle registration fees based on MPG.	The EPA has only set EPA ratings for 1984 and newer light passenger type vehicles. Heavier and older passenger vehicles will	

Section	Subject	Concerns/Corrections	Other agencies affected
		<p>not have a rating. Also, 803.420(1) includes light trailers, so they will also be subject to the fee. The language gives the department the needed authority to determine the MPG ratings.</p> <p>In addition, we understand it was the legislature's intent that the amounts shown in sections 32-33 were to be annual amounts. However, it appears that the language is written so that these amounts are instituted for the registration period which can be a 1, 2 or 4-year period, depending on the vehicle. We are uncertain how to institute the fees on vehicles with other motive power: hybrid, natural gas, etc. If there is legislative intent on how these vehicles are to be treated, such as MPG-equivalent, we request it should be added to the language or expressed on the record so the department can meet agreed-upon expectations.</p> <p>We would defer to Legislative Counsel on how best to modify language to make these needed changes.</p> <p><i>Note: In HB 2290, as part of our fee statute streamlining, we separate passenger vehicles and light trailers into separate references in the statute. We also combine electric and hybrid passenger with other passenger vehicles as the fees are currently the same.</i></p>	
34	Increases registration fees for mopeds, motorcycles, government-owned vehicles, state-owned vehicles, undercover vehicles, antique vehicles, vehicles of special interest, school vehicles, low-speed vehicles, rental or leasing company vehicles (currently blank), racing activity vehicles and medium speed electric vehicles. Revises weight mile tables	None	

Section	Subject	Concerns/Corrections	Other agencies affected
	(currently blank).		
35	Revises registration fees for mopeds, motorcycles, low-speed vehicles, rental or leasing company vehicles (currently blank), and medium speed electric vehicles. Revises weight mile tables (currently blank).	None	
36	Makes Section 35 effective on January 1, 2026.	None	
37	Revises new additional light vehicle title fees based on MPG.	<p>The EPA has only set EPA ratings for 1984 and newer light passenger type vehicles. Heavier and older passenger vehicles will not have a rating. Also, 803.420(1) includes light trailers, so they will also be subject to the fee. The language gives the department the needed authority to determine the MPG ratings.</p> <p>We are uncertain how to institute the fees on vehicles with other motive power: hybrid, natural gas, etc. If there is legislative intent on how these vehicles are to be treated, such as MPG-equivalent, we request it should be added to the language or expressed on the record so the department can meet agreed-upon expectations.</p> <p>The language should be modified that the fee increase applies any time a title is issued. The language captured ORS 830.909 but missed ORS 803.090 (4)(c) for duplicate or replacement titles and 803.090 (6)(c) for name or address changes. The same title should be charged regardless of the reason a customer is obtaining a title.</p> <p>See attached language.</p> <p><i>Note: In HB 2290, as part of our fee statute streamlining, we separate passenger vehicles and light trailers into</i></p>	

Section	Subject	Concerns/Corrections	Other agencies affected
		<p><i>separate references in the statute. We also combine electric and hybrid passenger with other passenger vehicles as the fees are currently the same.</i></p>	
<p>38</p>	<p>Revises new additional vehicle title fees based on MPG.</p>	<p>The EPA has only set EPA ratings for 1984 and newer light passenger type vehicles. Heavier and older passenger vehicles will not have a rating. Also, 803.420(1) includes light trailers, so they will also be subject to the fee. The language gives the department the needed authority to determine the MPG ratings.</p> <p>We are uncertain how to institute the fees on vehicles with other motive power: hybrid, natural gas, etc. If there is legislative intent on how these vehicles are to be treated, such as MPG-equivalent, we request it should be added to the language or expressed on the record so the department can meet agreed-upon expectations.</p> <p>The language needs to be modified to make all titles for light vehicles the same fee, and all titles for heavy vehicles the same fee, regardless of whether new, transfer, replace, address change, etc. The reason is that DMV's systems treat all titles for the same vehicle type the same, using the same code. As written the bill has different fees for titles - which would require huge programming and potentially not meet the deadlines in the bill.</p> <p>See attached language.</p>	

Section	Subject	Concerns/Corrections	Other agencies affected
		<p><i>Note: In HB 2290, as part of our fee statute streamlining, we separate passenger vehicles and light trailers into separate references in the statute. We also combine electric and hybrid passenger with other passenger vehicles as the fees are currently the same.</i></p>	
39	Makes Sections 33 and 38 effective on January 1, 2026.	None	
39a	Increases heavy vehicle titles and light replacement titles	<p>The language needs to be modified to make all titles for light vehicles the same fee, and all titles for heavy vehicles the same fee, regardless of whether new, transfer, replace, address change, etc. The reason is that DMV's systems treat all vehicle titles for the same vehicle type the same, using the same code. As written the bill has different fees for titles - which would require huge programming and potentially not meet the deadlines in the bill.</p> <p>See attached language.</p>	
39b	Increases heavy vehicle titles and light replacement titles	<p>The language needs to be modified to make all titles for light vehicles the same fee, and all titles for heavy vehicles the same fee, regardless of whether new, transfer, replace, address change, etc. The reason is that DMV's systems treat all vehicle titles for the same vehicle type the same, using the same code. As written the bill has different fees for titles - which would require huge programming and potentially not meet the deadlines in the bill.</p> <p>See attached language.</p>	
39c	Makes Section 39b effective on January 1, 2026.	None	

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Section	Subject	Concerns/Corrections	Other agencies affected
40	Amends ORS 319.020: Increases gas tax to 36 cents on January 1, 2018, 38 cents on January 1, 2020, 40 cents on January 1, 2022, and 42 cents on January 1, 2024.	None	
41	Amends Section 4, Chapter 700, Oregon Laws 2015: Increases gas tax to 36 cents on January 1, 2018, 38 cents on January 1, 2020, 40 cents on January 1, 2022, and 42 cents on January 1, 2024.	None	
42	Amends Section 4, Chapter 700, Oregon Laws 2015: Increases gas tax to 44 cents moving forward.	None	
43	Makes Section 42 effective on January 1, 2026.	None	
44	Modifies ORS 319.530. Increases use fuel tax to 36 cents on January 1, 2018, 38 cents on January 1, 2020, 40 cents on January 1, 2022, and 42 cents on January 1, 2024.	None	
45	Modifies Oregon Laws 2013, Chapter 648, Section 3. Increases use fuel tax to 36 cents on January 1, 2018, 38 cents on January 1, 2018, 40 cents on January 1, 2022, and 42 cents on January 1, 2024.	None	
46	Modifies Oregon Laws 2013, Chapter 648, Section 3. Increases use fuel tax to 44 cents moving forward.	None	
47	Makes effective date for Section 46 January 1, 2026.	None	
48	Changes trip permit fees for January 1, 2018 – December 31, 2025, changing the rate each year.	None	
49	Changes trip permit fees going forward.	None	
50	Makes effective date for Section 49 January 1, 2026.	None	
51	Changes fees for road use assessment by single-axle load biennially from January 1, 2018 - December 31, 2025.	None	
52	Changes fees for road use assessment by single-axle load going forward.	None	

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Section	Subject	Concerns/Corrections	Other agencies affected
53	Makes effective date for Section 52 January 1, 2026.	None	
54	Changes fees for variance, sifting or leaking load, or dragging permits biennially from January 1, 2018 - December 31, 2025.	None	
55	Changes fees for variance, sifting or leaking load, or dragging permits going forward.	None	
56	Makes effective date for Section 55 January 1, 2026.	None	
57	Changes weight receipt fees biennially from January 1, 2018 - December 31, 2025.	None	
58	Changes weight receipt fees going forward.	None	
59	Makes effective date for Section 58 January 1, 2026.	None	
60	Makes changes to 10-day trip permit fees from January 1, 2018 - December 31, 2025, changing it every two years.	None	
61	Makes change to 10-day trip permit fees from going forward.	None	
62	Makes Section 61 effective on January 1, 2026.	None	
63	Makes changes to weight mile tables biennially from January 1, 2018 - December 31, 2025.	None	
64	Makes changes to weight mile tables going forward.	None	
65	Makes Section 64 effective on January 1, 2026.	None	
66	Makes changes to motor carrier flat fee carrier rates biennially from January 1, 2018 - December 1, 2025.	None	
67	Makes changes to motor carrier flat fee carrier rates going forward.	None	
68	Makes Section 67 effective on January 1, 2026.	None	
69	Changes fees for duplicate registration cards, plates, registration renewal, stickers, second plates for commercial vehicles biennially from January 1, 2018 - December 31, 2025.	None	

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Section	Subject	Concerns/Corrections	Other agencies affected
70	Changes fees for duplicate registration cards, plates, registration renewal, stickers, second plates for commercial vehicles going forward.	None	
71	Makes Section 70 effective on January 1, 2026.	None	
71a	Provides distribution for increases in fuel taxes, registration fees, and weight mile taxes. Indicate they are distributed 50/30/20. Specify funding amounts by regions, then 40% by bridges, 30% for seismic improvements, 24% on pavements, culverts, and 6% for maintenance. Specifies projects for each region.	<p>The priority of spending needs adjustment. As written, the language requires that the projects identified in (2)(b) be funded in whole prior to expending any funds for bridges, seismic, pavements and culverts in (3)(c). This means no funding would be available for the needs in (3)(c) in the beginning years. Consider allowing for bonding of projects for the amounts in subsection 2.</p> <p>The department suggests changes to the percentages allocated to bridges, seismic, pavements and culverts and maintenance in subsection (3)(c) to align with the commission’s adopted investment strategy.</p> <p>In addition, small language changes are needed to correct the appropriate road authority and to correct errors.</p> <p>See attached language changes.</p>	
71b	Directs off-the-top allocations to Wheeler County of \$593,000, City of Dufur \$400,000, City of Heppner \$3 million in 2018. Every year after directs a \$10 million off the top for safe routes to schools.	None	
71c	Directs \$3 million allocation to city of Milton-Freewater from Oregon’s share of funding.	None	

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Section	Subject	Concerns/Corrections	Other agencies affected
71d	Directs \$4 million from repayment of Connect Oregon loans to Oregon Manufacturing innovation Center. Directs \$61 million in Connect Oregon funding beginning July 1, 2017 to specific projects. Entity must submit a plan to the department to receive funds.	<p>We suggest a revenue transfer of the \$4 million in Connect Oregon loan repayment funds to Business Oregon to administer the funds for the Oregon Manufacturing Innovation Center.</p> <p>We suggest language that requires Connect Oregon recipients to enter into agreements with the department in compliance with administrative rules adopted by the commission for the Connect Oregon program and not receive more than 5% of funds for planning purposes.</p> <p>See attached language.</p>	Business Oregon
72	Changes small city allotment to \$2.5 million from ODOT's share and \$2.5 million from cities' share. Directs ODOT director to establish advisory committee to review applications for small city projects.	<p>These funds have already been deposited and are simply being transferred into a separate account (sub-account) with the State Highway Fund.</p> <p>See attached language.</p>	
73	Changes small county allotment to \$250,000 from ODOT and \$5.5 million from the counties. \$750,000 is distributed to counties and amounts specified in bill. \$5 million is allocated based on the number of registered vehicles and capacity of roads.	<p>These funds have already been deposited and are simply being transferred into a separate account (sub-account) with the State Highway Fund.</p> <p>See attached language.</p>	
74	Changes statutory calculation to determine which 10 counties ODOT provides free engineering services for.	None	
75	Directs Oregon Transportation Commission to conduct a study of vehicles powered by different means and report to the legislature by September 15, 2023.	None	
76	Repeals Section 76 on January 2, 2024.	None	
77	Authorizes Connect Oregon bonds at \$71.9 million for the 2017-2019 biennium.	With the projects identified in Section 71d, there is only about \$10 million remaining in Connect Oregon funds for the biennium. It may not be adequate funding to run a competitive process.	

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Section	Subject	Concerns/Corrections	Other agencies affected
78	Defines projects of Connect Oregon statewide significance. Allows other funds to be deposited into the Connect Oregon Fund, including moneys from Oregon Parks and Recreation Department (OPRD) and the excise fee. Removes public transit from Connect Oregon.	<p>The language changes the match required and is not different for a private entity. Private entity is not defined in this section, so we suggest adding a definition. We've modeled it after the definition in ORS 383.003(4).</p> <p>The funds available for Connect Oregon only yield about \$8 million per year. We believe the legislative intent was for a more robust ongoing program and they intended funds from Section 96 to be continuously allocated to Connect Oregon. The language in Section 96 does not make this clear.</p> <p>See attached language.</p>	
79	Changes Connect Oregon match requiring 30 percent for public and 50 for private entities.	None	
80	Modifies the review process for Connect Oregon projects. Separates Connect Oregon into two parts.	<p>Language needs to be modified to clarify the role of the area commissions on transportation to meet legislative intent.</p> <p>See attached language.</p>	
80a	Renumbers statute	None	
81	Deletes language authorizing Connect Oregon funds to be used for department administrative costs.	None	
82	Adds Sections 83 - 85 to Connect Oregon statutes.	None	
83	Specifies distribution of Connect Oregon funds for types of projects, Part 1 and Part 2 projects. Limits department's administrative costs to 1% of Connect Oregon funds.	None	
84	Transfers \$4 million from Oregon Parks and Recreation Department (OPRD) each biennium into Connect Oregon funds for bike/ped grants.	<p>According to OPRD, there is a Constitutional issue with transferring the funds. The funds need to be earmarked for bike/ped within OPRD existing program, they cannot be transferred. Additionally OPRD indicates it can</p>	OPRD

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Section	Subject	Concerns/Corrections	Other agencies affected
		provide \$2 million a biennium, not \$2 million a year.	
85	Directs Oregon Transportation Commission to streamline Connect Oregon application process and report to the Joint Committee on Transportation by September 15, 2017.	None	
86	Adds Oregon Business Development Department (OBDD) as recipient of boating fuel funds. Directs 2 cents per gallon of fuel tax to new fund, Marine Navigation Improvement Fund, for maintenance dredging projects.	According to the Marine Board, the estimated revenue impact is at \$260,000 for the 2017-2019 biennium and \$360,000 for 2019-2021 biennium at 2 cents.	OBDD DAS Marine Board
87	Specifies how funds of Marine Navigation Improvement Fund shall be used.	None	OBDD
88	Adds Marine Navigation Improvement Fund to the funds the department can disburse funds to.	None	OBDD
89	Adds definitions for Sections 89 to 106.	This section references a definition of "vehicle dealer" in ORS 822.043, however, that definition only applies to in-state vehicle dealers. We understand the legislature's intent for Section 90 is to apply the privilege tax to both in-state and out-of-state dealers. We would defer to Legislative Counsel for the appropriate language to make this correction.	DOR
90	Imposes privilege tax on vehicle dealers at the rate of 0.75 percent on the retail sales price of vehicles.	None	DOR
91	Imposes use tax on purchaser of motor vehicles at the rate of 0.75 percent of the retail sales price.	None	DOR
92	Imposes 3% excise tax on retail sales of bicycles.	None	DOR
93	Directs Department of Revenue around collection of taxes.	None	DOR
94	DOR establish resale certification.	None	DOR

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Section	Subject	Concerns/Corrections	Other agencies affected
95	DOR - excess taxes paid by dealer.	None	DOR
96	Creates fund to collect money - 10% to Connect Oregon and 90% to Oregon Transportation Infrastructure Fund.	Section 96 (2) (B) directs 10% of the Privilege Tax to the Connect Oregon Fund, however there is no other reference in the bill to this funding. We have made a language suggestion in Section 78 (2) (a) to correct this.	DOR
97	Directs tax on bikes to Connect Oregon for bike/ped projects.	None	DOR
98	Sets tax payment schedule.	None	DOR
99	Consequences for not paying taxes.	According to Oregon Judicial Department (OJD) this creates minimal additional workload.	DOR OJD
100	Requires report to be remitted with payment.	According to Oregon Judicial Department (OJD) this creates minimal additional workload.	DOR OJD
101	Record keeping requirements	According to Oregon Judicial Department (OJD) this creates minimal additional workload.	DOR OJD
102	DOR Subpoena authority/enforcement	According to Oregon Judicial Department (OJD) this creates minimal additional workload.	DOR OJD
103	Allows DOR to disclose taxpayer info to ODOT.	According to Oregon Judicial Department (OJD) this creates minimal additional workload.	DOR OJD
104	Connects to other tax laws	None	DOR
105	Directs DOR to administer and enforce sections 89 - 106. Directs ODOT to enter into an agreement with DOR for enforcement of Section 109.	None	DOR
106	Specifies how excess taxes are returned.	None	DOR
107	Section 89 to 106 applies on or after January 1, 2018.	None	DOR
108	Adds Section 109 to the Oregon Vehicle Code	None	DOR
109	Vehicle registration restrictions for taxes not paid under section 89 and 90.	We are working with Legislative Counsel on language to change to require DMV to enforce the use tax for vehicles sold by out-of-state dealers. If DMV is required to collect tax on more than just out-of-state dealer sales, a system solution will be required and will not be ready by	DOR

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		January 1, 2018.	
110	Section 109 applies to vehicles purchased after effective date of bill.	<p>The effective date will be approximately October 1, 2017. Other tax sections involving motor vehicle use begin January 1, 2018. Also, DMV is unlikely to be able to collect this new type of tax before January 1, 2018. Therefore applicability should be 2018. We have made a language change in Section 110 to correct this.</p> <p>See attached language.</p>	DOR
111	Preempts local imposition of a privilege, excise, sales or use tax on taxable motor vehicles unless already authorized in statute or approved by the local governing body and in effect on or before the effective date of HB 2017.	None	
112	Expedites Supreme Court judicial review if petition for review is filed within 30 days of effective date HB 2017. The review is whether revenue from the privilege tax is subject to constitutional restrictions, limits the judicial review and repeals Section 96 and enacts Section 114 if the privilege tax is subject to the constitution. The change doesn't apply to revenues already collected and pledged to bonding.	<p>According to the Oregon Judicial Department (OJD), amend Section 112 to allow the Supreme Court to appoint a special master. OJD would suggest a new subsection (6) with the following language: "In the event the Supreme Court determines that there are factual issues in the petition, the Supreme Court may appoint a special master to hear evidence and to prepare recommended findings of fact." This is standard wording that has been included in Supreme Court original jurisdiction bills. OJD would like to stay consistent with that drafting.</p> <p>OJD language attached.</p>	DOR OJD
113	If a lower court determines Section 90 is subject to the constitution, repeals entire bill.	None	DOR

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Section	Subject	Concerns/Corrections	Other agencies affected
114	Section deleted by Legislative Counsel	None	
115	Adds Section 89 to 106 to the three year filing penalty in statute.	None	DOR
116	Adds moneys from the use tax to the State Highway Fund.	None	
117	ORS 803.585 doesn't apply to the privilege tax or the use tax.	None	
118	Adds Section 96 to ORS 367.015 and adds moneys to the Oregon Transportation Infrastructure Fund.	None	
119	Section deleted by Legislative Counsel	None	
119a	Establishes congestion relief districts, boundaries and their authority related to other districts.	<p>We have offered language suggestions to correct boundaries and names of congestion relief districts.</p> <p>We are uncertain of the purpose and need for the language in subsection (5) and recommend deleting.</p> <p>See attached language.</p>	
119b	Establishes powers for an individual congestion relief district.	None	
119c	Gives a deadline for which the Metro Congestion Relief District or the Joint Policy Advisory Committee on Transportation (JPACT), may adopt an ordinance or resolution specifying a specific list of projects in the bill. Requires JPACT to adopt the entire list, and requires them to report to the Oregon Transportation Commission upon adoption.	<p>Dollar amounts provided for each project are 25% less than each project's estimated cost. The difference has significant financial, bonding and credit rating implications for the department.</p> <p>See attached language.</p>	
119d	Allows JPACT to impose fuel tax and registration fee increase in whole as identified in the bill within 30 days after adoption of the congestion relief projects.	<p>We understand it was the legislature's intent that the registration fees identified in this section were to be annual amounts. However, it appears that the language is written so that these amounts are instituted for the registration period which can be a 1, 2 or 4-year period, depending on the vehicle.</p> <p>We defer to Legislative Counsel on how</p>	

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Section	Subject	Concerns/Corrections	Other agencies affected
		best to modify language to make these needed changes.	
119e	If JPACT adopts the projects, requires they enter into an agreement with ODOT to collect the fees. Requires JPACT and the Oregon Transportation Commission to enter into an agreement to design and construct the projects. Specifies how costs of congestion relief projects are shared.	The language in (4)(a) should be clarified to apply only to federal discretionary grant funds, and that it doesn't apply to federal formula funds. See attached language.	
119f	Establishes Congestion Relief Fund; specifies moneys that are deposited into the fund and how the funds may be used.	Language needs changed to reflect other changes in Section 120. See attached language.	
119g	By December 31, 2021, allows a county outside the congestion relief district boundaries to submit a project proposal to the legislature for consideration.	None	
119h	By December 31, 2021, allows a congestion relief district other than Metro to establish a congestion relief program; specifies the components of the programs. Suggests projects to consider. Proposals go before the Oregon Transportation Commission for consideration; the commission submits approved programs to the legislature for consideration.	None	
119i	Proposes two additional projects for JPACT to develop in addition to the projects listed in 119c.	None	
119j	Outlines bonding requirements.	All of Section 119j-m is being reworked by DOJ, bond counsel and Treasury. There are concerns that as written the new revenue bond program could impair the security of the Highway User Tax Revenue Bond program.	
119k	Establishes Congestion Relief Bond Proceeds Fund.	All of Section 119j-m is being reworked by DOJ, bond counsel and Treasury. There are concerns that as written the new revenue bond program could impair the security of the Highway User Tax	

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Section	Subject	Concerns/Corrections	Other agencies affected
		Revenue Bond program.	
119l	Establishes Congestion Relief Bond Debt Service Fund; specifies uses of funds.	<p>All of Section 119j-m is being reworked by DOJ, bond counsel and Treasury.</p> <p>There are concerns that as written the new revenue bond program could impair the security of the Highway User Tax Revenue Bond program.</p>	
119m	Establishes Congestion Relief Bond Administration fund; specifies uses.	<p>All of Section 119j-m is being reworked by DOJ, bond counsel and Treasury.</p> <p>There are concerns that as written the new revenue bond program could impair the security of the Highway User Tax Revenue Bond program.</p>	
119n	Defines a congestion relief district as a district under ORS 198.510.	None	
119o	Appropriates \$200,000 in General Funds to JPACT for operations as a congestion relief district.	None	
120	Requires the Oregon Transportation Commission to establish a congestion relief program, seek and receive approval from Federal Highway Administration (FHWA) and implement value pricing in the following locations: specific sections of I-205 and I-5.	<p>The department cannot deliver the program outlined in Section 120 given the timelines and the deliverables. We suggest language to align with the legislature’s intent and existing tollway statutes and provide a process for approaching tolling that offers a greater chance of success in achieving the Legislature’s goals.</p> <p>The timelines identified for the two congestion relieve projects cannot be delivered within the timeline in the bill. We are also requesting flexibility around the zip lane pilot project to provide an alternative should we not be able to find a viable location for the zip lane.</p> <p>See attached language.</p>	DOJ OJD
121	Creates Mega Projects Task Force. Report due September 15, 2018.	None	

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Section	Subject	Concerns/Corrections	Other agencies affected
122	Sunsets Mega Projects Task Force on December 31, 2018.	None	
122a	Creates employee wage tax at 1/10th of 1 percent.	None	OED DOR
122b-122h	Conforming DOR statutory changes	None	DOR
122i	Applies provisions of ORS 305 and ORS 314 to Section 122a.	None	DOR
122j	Creates a suspense fund, allows DOR to pay administrative costs, then requires funds to be transferred to the Statewide Transportation Improvement Fund established in Section 122m.	None	DOR
122k	DOR may take any actions necessary to implement prior to the effective date.	None	DOR
122l	Makes Section 122a effective January 1, 2018.	DOR can implement July 1, 2018.	DOR
122m	Creates Statewide Transportation Improvement Fund (STIF) fund to fund public transit, but not light rail.	Language is needed to allow the agency to pay for administrative costs out of the funds collected. See attached language.	
122n	Identifies who qualifies for STIF funds.	None	
122o	OTC distributes STIF. 1% of fund to establish a public transit technical resource center.	Language is needed to describe the distribution of the funds in this section to ensure the legislative intent is met. See attached language.	
122p	–Requires STIF recipient to submit public transportation improvement plan and specifies contents.	None	
122q	STIF recipient must have advisory committee.	We recommend language be added about the membership of the advisory committees so the priorities for project funding are aligned with Section 122p (6). See attached language.	
122r	STIF recipients must report to the OTC annually.	None	

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Section	Subject	Concerns/Corrections	Other agencies affected
122s	OTC reports to the legislature on or by February 1, 2019.	If revenue collection commences January 1, 2018, the first grant agreements would go into effect on January 1, 2019. Since recipients are required to report at the end of their fiscal year with most fiscal years ending June 30, the commission will not yet have received reports on the outcomes in 122p or 122r at the time of the first report to the Committee is due. We suggest delaying the report by one year. See attached language.	
122t	Section 122p become operative on January 1, 2019.	None	
123	Allows OTC to provide safe routes to schools matching grants.	None	
124	Conforming language	None	
125	Changes allocation of funds to TIC for rest areas for 2018 for January 1, 2018-June 30, 2018 to \$3.33 million.	None	TIC
126	Adds six rest areas to the list of rest areas managed by TIC effective July 1, 2018. Allocates \$8.005 million to TIC for July 1, 2018 to June 30, 2019.	Neither ODOT nor OPRD own the Government Camp property listed in the bill, rather this US Forest Service property is operated by TIC under a USFS Special Use Permit. We suggest a slight modification to correct the language in the bill. See attached language.	TIC OPRD
127	Adds three state parks for TIC to manage. Directs \$9.16 million from state highway funds annually for the management of rest areas and state parks identified.	No funding is required of OPRD for TIC to manage the OPRD properties. Since only State Highway Funds are called for to fund the work, TIC can only use those funds in the State Park properties for activities that are allowable by the Oregon Constitution. If hiking, camping, or other recreational activities occur on the listed State Park properties, State Highway Funds cannot be used to support those activities or the management, maintenance, or	TIC OPRD

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Section	Subject	Concerns/Corrections	Other agencies affected
		development of that portion of the property.	
128	Makes Section 126 operative on July 1, 2018 and Section 127 on July 1, 2019.	None	TIC
129	Creates transition plan for new rest areas and parks transferred to TIC for management. TIC required to report transition plan to Joint Committee on Transportation by September 15, 2018.	None	TIC OPRD
130	Transfer information including maps to TIC six months prior to transfer of rest areas and parks. TIC conducts inspection of sites.	None	TIC OPRD
131	Transfers \$19.5 million of state highway funds to the TIC for capital improvements from 2018 through 2026.	No funding is required of OPRD for TIC's work in the OPRD properties. Again, since only State Highway Funds are called for, TIC can only use those funds in the State Park properties for activities that are allowable by the Oregon Constitution. If capital improvements are made to the OPRD properties using Highway Funds, the State Highway Fund would need to be made whole should the OPRD properties be withdrawn from this bill or law in the future.	TIC OPRD
132	Specifies responsibilities for Damascus to transfer funds that would have gone to the city to Clackamas County.	None	
133	Modifies overpass screening language to focus on those with greatest risk factors (instead of 15 per year).	None	
134	Specifies jurisdictional transfers for Powell, Territorial Highway, Delta Highway and Cornelius Pass Road.	The funding provided is not adequate for the needs of the roadway. Memorandum of Understanding (MOU) language is not adequate to ensure the transfers occur. Statutory language mandating the transfers would be needed. We are proposing changes to ensure the transfers occur.	

Section	Subject	Concerns/Corrections	Other agencies affected
		<p>Additionally, small language changes are needed.</p> <p>See attached language.</p>	
135	Makes Sections 136 and 137 part of ORS 366.	None	
136	Requires ODOT to use salt when there is a two inch accumulation of snow within a 12-hour period on ODOT state highways.	<p>This section enacts a program that would institute the use of salt statewide and limits ODOT’s ability to use its discretion for determining which maintenance practices address the safety needs of the traveling public, increasing the agency’s legal exposure to claims for personal injuries and property and environmental damage.</p> <p>In addition, state and federal natural resource agencies and regulators have concerns about a broad use of solid salt. DEQ and ODFW have concerns with the language because of impacts to streams and fish.</p> <p>We recommend deleting this section and directing the commission to develop a strategy that incorporates the use of salt more broadly on Interstates and freeways.</p> <p>See attached language.</p>	ODFW DEQ
137	Requires Portland, Salem, and Eugene (cities with population greater than 160,000) to use salt when there is a two inch accumulation of snow within a 12-hour period on their roads.	DEQ and ODFW have concerns with original language because of impacts to streams and fish.	ODFW DEQ
138	Adds transportation electrification projects to the list of those that can be funded from public purpose charges.	PUC has concerns with adding transportation electrification as an eligible expense.	PUC Housing ODE
139	Defines transportation electrification.	None	PUC Housing ODE

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Section	Subject	Concerns/Corrections	Other agencies affected
140	Conforming language change	None	PUC Housing ODE
141	Make Section 138 effective on the effective date of HB 2017.	None	PUC Housing ODE
142	Repeals OTC authority, Statewide Transportation Strategy to reduce greenhouse gas emissions, Urban Trail Fund, and driver record convenience fee dedication to rest areas.	None	DAS
143	Abolishes urban trail fund, transfers any money to Connect Oregon fund.	None	
144	Captions are for convenience only	None	
145	Makes bill effective on 91st day following adjournment	None	

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Attachment B

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Suggested Statutory Language
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SECTION 2.

ORS 184.612 is amended to read:

“184.612. (1) There is established the Oregon Transportation Commission consisting of five members appointed by the Governor, subject to confirmation by the Senate pursuant to section 4, Article III, Oregon Constitution. **A member serves at the pleasure of the Governor. The Governor may remove any member after notice and public hearing.**

“(2) The Governor shall appoint members of the commission in compliance with all of the following:

“(a) Members shall be appointed with consideration of the different geographic regions of the state with one member being a resident of the area east of the Cascade Range.

“(b) Not more than three members *[shall]* **who** belong to one political party. Party affiliation shall be determined by the appropriate entry on official election registration cards.

“(3) **At the time of appointment, a member may not have any direct or indirect financial or fiduciary interest related to the commission’s duties. If a conflict arises after a member’s appointment, the member shall declare the conflict and abstain from deliberations and voting on the matter under consideration by the commission.**

“~~[(2)]~~ (4) The term of office of each member is four years. Before the expiration of the term of a member, the Governor shall appoint a successor whose term begins on July 1 next following. A member is eligible for reappointment. In case of a vacancy for any cause, the Governor shall appoint a person to fill the office for the unexpired term.

“(5) **The Governor shall appoint one of the members as chairperson. The chairperson shall appoint one of the other members as vice chairperson. The chairperson and vice chairperson shall have such terms, duties and powers as the Oregon Transportation Commission determines are necessary for the performance of such offices.**

“(6) **A majority of the members of the commission constitutes a quorum. If a quorum is present at a meeting, the commission may take action by an affirmative vote by a majority of the members who are present. An individual member may not exercise individually any administrative authority with respect to the Department of Transportation.**

“(7) **The commission shall meet at least quarterly, at a time and place determined by the commission. The commission shall also meet at such other times and places as are specified by the call of the chairperson or of a majority of the commission.**

“(8) **A vacancy does not impair the right of the remaining members to exercise all the powers of the commission, except that three members of the commission must agree in the selection, vacation or**

abandonment of state highways, and in case the members are unable to agree the Governor shall have the right to vote as a member of the commission.

“(9) The commission shall keep complete and accurate records of all the meetings, transactions and business of the commission at the office of the department.

“(10) The commission may provide an official seal.

~~“(11) Subject to the State Personnel Relations Law, the commission may appoint all subordinate officers and employees of the commission, prescribe their duties and fix their compensation. Upon request of the commission, the Oregon Department of Administrative Services shall provide professional services deemed necessary to carry out the administration of this subsection.~~

“[(3)] (12) A member of the commission is entitled to compensation and expenses as provided by ORS 292.495.

SECTION 6.

ORS 184.617 is amended to read:

“184.617. (1) *[It is the function of]* The Oregon Transportation Commission *[to]* shall:

“(a) Establish the policies for the operation of the Department of Transportation in a manner consistent with the policies and purposes of ORS184.610 to 184.656.

“(b) **Develop and maintain state transportation policies, including but not limited to policies related to the management, construction and maintenance of highways and other transportation systems in Oregon, including but not limited to aviation, ports and rail.**

“(c) **Develop and maintain a comprehensive, 20-year long-range plan for a safe, multimodal transportation system for the state which encompasses economic efficiency, orderly economic development and environmental quality. The comprehensive, long-range plan:**

“(A) **Must include, but not be limited to, aviation, highways, mass transit, ports, rails and waterways; and**

“(B) **Must be used by all agencies and officers to guide and coordinate transportation activities and to ensure transportation planning utilizes the potential of all existing and developing modes of transportation.**

“(d) **In coordination with the State Marine Board, the Oregon Business Development Department, the Oregon Department of Aviation, cities, counties, mass transit districts organized under ORS 267.010 to 267.390 and transportation districts organized under ORS 267.510 to 267.650, develop plans for each mode of transportation and multimodal plans for the movement of people and freight. *Subject to paragraph (c) of this subsection, the plans must include a list of projects needed to maintain and develop the transportation infrastructure of this state for at least 20 years in the future.***

“(e) **For the plans developed under paragraph (d) of this subsection, include investment scenarios a list of projects for at least 20 years into the future. *that are capable of being accomplished using the resources reasonably expected to be available.* As the plans are developed by the commission, the Director of Transportation shall prepare and submit implementation programs to the commission for approval. Work approved by the commission to carry out the plans shall be assigned to the appropriate unit of the Department of Transportation or other appropriate public body, as defined in ORS 174.109.**

“(f) **Initiate studies, as it deems necessary, to guide the director concerning the transportation needs of Oregon.**

“(g) **Prescribe the administrative practices followed by the director in the performance of any duty imposed on the director by law.**

“(h) **Seek to enter into intergovernmental agreements with local governments and local service districts, as those terms are defined in ORS 174.116, to encourage cooperation between the department and local governments and local service districts to maximize the efficiency of transportation systems in Oregon.**

“(i) **Review and approve the department’s:**

“(A) **Proposed transportation projects, as described in the Statewide Transportation Improvement Program, and any significant transportation project modifications, as determined by the commission;**

“(B) **Proposed budget form prior to the department submitting the form to the Oregon Department of Administrative Services under ORS 291.208;**

“(C) **Anticipated capital construction requirements;**

“(D) **Construction priorities; and**

“(E) Selection, vacation or abandonment of state highways. “(j) Adopt a statewide transportation strategy on greenhouse gas emissions to aid in achieving the greenhouse gas emissions reduction goals set forth in ORS 468A.205. The commission shall focus on reducing greenhouse gas emissions resulting from transportation. In developing the strategy, the commission shall consider state and federal programs, policies and incentives related to reducing greenhouse gas emissions. The commission shall consult and cooperate with metropolitan planning organizations, other state agencies, local governments and stakeholders and shall actively solicit public review and comment in the development of the strategy.

“(k) [In addition, the commission shall] Perform any other duty vested in it by law. “[(2) The commission shall keep complete and accurate records of all the meetings, transactions and business of the commission at the office of the department.]

“[(3)] (2) The commission [shall have] has general power to take any action necessary to coordinate and administer programs relating to highways, motor carriers, motor vehicles, public transit, rail, transportation safety and such other programs related to transportation [as may be assigned by law to the department].

“(3) The commission may require the director to furnish whatever reports, statistics, information or assistance the commission may request in order to study the department or transportation-related issues.

“[(4) The Department of Transportation shall be the recipient of all federal funds paid to or to be paid to the state to enable the state to provide the programs and services assigned to the department, except that the Oregon Department of Aviation shall be the recipient of all federal funds paid to or to be paid to the state to enable the state to provide aviation programs and services.]

SECTION 9.

Real property inventory. (1) The Oregon Transportation Commission shall compile and keep current an inventory of real property excess to the operating needs of and owned by the Department of Transportation.

“(2) The inventory must include the following, for each parcel of real property:

“(a) A description of the real property and its current use.

“(b) An evaluation of future plans for the real property. “(c) An assessment of the value of the real property.

“(3) This section does not apply to real property within a highway right-of-way that is used by the public.

“(4) The commission shall periodically review the inventory of real property. If the commission determines that a parcel of real property is not anticipated for use for transportation purposes in the reasonably foreseeable future and that disposition of the real property by sale, lease or other means would result in a substantial net benefit to the state to carry out the purposes of Article IX, section 3a, of the Oregon Constitution, the commission shall direct the department to dispose of the real property in the manner provided by rule by the department.

SECTION 11.

Measuring condition of transportation infrastructure. (1) The Oregon Transportation Commission shall develop a set of uniform standards, in coordination with counties and cities, for the consistent ~~measurement~~ description and reporting of the condition of the transportation infrastructure owned by the state, counties and cities. The infrastructure measured must include pavement and bridges.

“(2) By ~~January~~ February 1 of each odd-numbered year, every city and county shall submit a report covering the condition of its transportation infrastructure.

“(3) The commission shall periodically review the condition of the transportation infrastructure owned by the state and the reports submitted under this section. The commission shall post the reports and the commission’s review of the reports on the website described in section 12 of this 2017 Act.

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

“(5) Not later than ~~February~~ April 1 of each odd-numbered year, the commission shall submit a report about the state of the transportation infrastructure of Oregon, including the transportation infrastructure of cities and counties, to:

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

“(b) The Joint Committee on Transportation established under section 26 of this 2017 Act.

SECTION 12.

Website. (1) The Oregon Transportation Commission through the Oregon Department of Transportation shall develop a website.

“(2) The website must include:

“(a) A list of all transportation projects in the Statewide Transportation Improvement Program and for each project the website must include:

“(A) A description of the project and the project benefits;

“(B) The estimated cost and estimated completion date;

“(C) Updated information about the projects as they proceed, including the actual amount spent to date on the project; and

“(D) After a project is completed, updated information including the amount a project is under or over the original estimated cost and whether a project was completed by the original estimated completion date.

“(b) Information on the reports required under ORS 366.774 and 366.790 for all cities and counties in the state, including the amount of transportation funds collected by each county and city and the source of the funds and the amount of money spent on transportation projects by type of expenditure as listed in ORS 366.774 (2) and 366.790

(2). This information shall be displayed for the most current six-year period.

“(c) Information on the condition of Oregon’s transportation infrastructure, as required under section 11 of this 2017 Act.

“(d) Information about the results the audits performed pursuant to ORS 184.639.

“(e) Links to all available county and city transportation project websites.

“(f) Links to websites about transportation projects receiving moneys from the Connect Oregon Fund.

SECTION 13.

Written analysis of costs and benefits of proposed transportation projects. (1) As used in this section, 'transportation project' means a state highway modernization or capacity building project proposed for ~~that is included in~~ construction in the Statewide Transportation Improvement Program at a cost estimated to be greater than twenty-five million dollars.

"(2) A written analysis of the costs and benefits shall be prepared for those projects identified in Section 13(1) as part of the project scoping phase. Before the Department of Transportation submits a proposal for a transportation project to the Oregon Transportation Commission for review and approval, the department shall prepare a written analysis of the costs and benefits of the project.

"(3) The analysis must state:

"(a) The scope of the project;

"(b) The period of analysis;

"(c) The discount rate used in the analysis;

"(d) The ~~initial~~ estimated costs to the department to undertake the project, including any costs for design, right-of-way engineering, acquiring land and construction phases;

"(e) The future costs to the department to preserve and maintain the project, discounted to present value;

"(f) Any other costs to the department;

"(g) The costs to highway users that are associated with the project, including loss of safety, delays in the time of travel and additional expenses for operating vehicles;

"(h) The costs of any environmental impacts, including vehicle emissions and noise; and "(i) The value of the benefits of the project, including the value of any:

"(A) Savings in the time of travel;

"(B) Improvements to safety; ~~and~~

"(C) Savings in the cost of operating vehicles; ~~and~~

"(D) The value of any other social, economic or environmental benefits of the project.

"(3) The analysis required by this section:

"(a) Must include a discussion of increases in costs that would result from delays in the performance of routine maintenance scheduled by the department;

"(b) May include a discussion of:

"(A) The costs of the project for any other persons and governmental agencies; ~~and~~

~~"(B) The value of any other social, economic or environmental benefits or costs of the project; and~~

"(C) Any costs or benefits which may result from the use of alternative design, construction or financing practices; and

"(c) Must be prepared in a format that allows for the comparison of proposed transportation projects.

"(4) The analysis required by this section must be made available to the commission and the public when the agenda is posted for the meeting at which the proposal will be submitted to the commission for its approval.

SECTION 15.

ORS 184.639 is amended to read:

"184.639. [The Director of Transportation shall designate an internal auditor for the Department of Transportation who shall perform internal audits of the department and report findings to the director.]

"(1) In consultation with the Director of Transportation, the Oregon Transportation Commission shall designate an internal auditor for the Department of Transportation. The internal auditor shall be an employee of the Department of Transportation and report to the director. The internal auditor may not be removed except by a majority vote of the Oregon Transportation Commission. Among the duties assigned to the internal auditor by the commission, the internal auditor shall perform internal audits of the department, in accordance with ORS 184.360, including but not limited to the following:

"(2) The internal auditor shall perform internal audits of the department in accordance with ORS 184.360, including but not limited to the following:

"(a) ~~Financial audits to ensure~~ Audits that assess the financial integrity of the department;

"(b) ~~Performance a~~Audits to determine the efficiency and effectiveness of the operations of the department;

"(c) ~~External a~~Audits of ~~fn~~ contracts entered into by the department; ~~as deemed necessary or advisable by the commission;~~ and

"(d) Any audits required by federal law that are delegated to the commission or the department to perform.

~~"(2)~~ (3) The internal auditor shall submit all final audit reports to the commission. The commission shall ~~post~~ have the reports posted on the website described in section 12 of this 2017 Act. Confidential or restricted information shall be redacted.

~~"(3)~~ (4) The commission or the Director of Transportation may request that the internal auditor conduct ~~other~~ specific audits as the commission or the director deems necessary.

(5) The internal auditor, after considering input from the commission or the director will make the final determination on which audits to perform.

(6) The internal auditor will have unrestricted access to department information and personnel, and right to audit all third party arrangements entered into by the department.

~~"(4) The commission may authorize the employment by the internal auditor of persons that in the internal auditor's judgment may be necessary. Compensation, travel allowance and other expenses shall be fixed by the internal auditor with the approval of the commission.~~

~~"(5) This section is subject to any applicable provision of the State Personnel Relations Law. Upon request of the commission, the Oregon Department of Administrative Services shall provide professional services deemed necessary to carry out the administration of this subsection.~~

SECTION 18.

ORS 184.649 is amended to read:

“184.649. The [*Department of Transportation*] **Oregon Transportation Commission** shall ~~appear before~~ **report on audits of the department to** the Joint Legislative Audit Committee established by ORS 171.580 **and the Joint Committee on Transportation established by section 26 of this 2017 Act** at least once each biennium ~~to report on [internal audits and federal] audits of the department.~~

SECTION 32

We would defer to Legislative Counsel on how best to modify language to make changes to adjust the fee amounts. We understand it was the legislature's intent to charge the amounts shown in existing language per year.

SECTION 33

We would defer to Legislative Counsel on how best to modify language to make changes to adjust the fee amounts. We understand it was the legislature's intent to charge the amounts shown in existing language per year.

SECTION 37.

“(1) As used in this section, ‘miles per gallon’ or ‘MPG’ means the distance traveled in a vehicle powered by one gallon of gasoline or diesel fuel.

“(2) The Department of Transportation shall determine the combined MPG ratings for each motor vehicle pursuant to a method determined by the department.

“(3) In addition to the title fees prescribed under ORS 803.090 (1)(c), ~~and~~ (2)(b), (4)(c) and (6)(c), during the period beginning on January 1, 2018, and ending on December 31, 2019, there shall be paid an additional amount as follows:

“(a) For vehicles other than electric vehicles, \$15.

“(b) For electric vehicles, \$100.

“(4) In addition to the title fees prescribed under ORS 803.090 (1)(c), ~~and~~ (2)(b), (4)(c) and (6)(c), during the period beginning on January 1, 2020, and ending on December 31, 2021, there shall be paid an additional amount as follows:

“(a) For vehicles that have a rating of 0-19 MPG, \$15.

“(b) For vehicles that have a rating of 20-39 MPG, \$25.

“(c) For vehicles that have a rating of 40 MPG or greater, \$35.

“(d) For electric vehicles, \$105.

“(5) In addition to the title fees prescribed under ORS 803.090 (1)(c), ~~and~~ (2)(b), (4)(c) and (6)(c), during the period beginning on January 1, 2022, and ending on December 31, 2023, there shall be paid an additional amount as follows:

“(a) For vehicles that have a rating of 0-19 MPG, \$20.

“(b) For vehicles that have a rating of 20-39 MPG, \$30.

“(c) For vehicles that have a rating of 40 MPG or greater, \$40.

“(d) For electric vehicles, \$110.

“(6) In addition to the title fees prescribed under ORS 803.090 (1)(c), ~~and~~ (2)(b), (4)(c) and (6)(c), during the period beginning on January 1, 2024, and ending on December 31, 2025, there shall be paid an additional amount as follows:

“(a) For vehicles that have a rating of 0-19 MPG, \$25.

“(b) For vehicles that have a rating of 20-39 MPG, \$35.

“(c) For vehicles that have a rating of 40 MPG or greater, \$45.

“(d) For electric vehicles, \$115.

SECTION 38.

Section 37 of this 2017 Act is amended to read:

“Sec. 37. (1) As used in this section, ‘miles per gallon’ or ‘MPG’ means the distance traveled in a vehicle powered by one gallon of gasoline or diesel fuel. “(2) The Department of Transportation shall determine the combined MPG ratings for each motor vehicle pursuant to a method determined by the department.

“(3) In addition to the title fees prescribed under ORS 803.090, ~~and~~ (2)(b), (4)(c) and (6)(c), during the period beginning on January 1, 2018, and ending on December 31, 2019, there shall be paid an additional amount as follows:]

“(a) For vehicles other than electric vehicles, \$15.]

“(b) For electric vehicles, \$100.]

“(4) In addition to the title fees prescribed under ORS 803.090, ~~and~~ (2)(b), (4)(c) and (6)(c), during the period beginning on January 1, 2020, and ending on December 31, 2021, there shall be paid an additional amount as follows:]

“(a) For vehicles that have a rating of 0-19 MPG, \$15.]

“(b) For vehicles that have a rating of 20-39 MPG, \$25.]

“(c) For vehicles that have a rating of 40 MPG or greater, \$35.]

“(d) For electric vehicles, \$105.]

“(5) In addition to the title fees prescribed under ORS 803.090, ~~and~~ (2)(b), (4)(c) and (6)(c), during the period beginning on January 1, 2022, and ending on December 31, 2023, there shall be paid an additional amount as follows:]

“(a) For vehicles that have a rating of 0-19 MPG, \$20.]

“(b) For vehicles that have a rating of 20-39 MPG, \$30.]

“(c) For vehicles that have a rating of 40 MPG or greater, \$40.]

“(d) For electric vehicles, \$110.]

“(6) In addition to the title fees prescribed under ORS 803.090, ~~and~~ (2)(b), (4)(c) and (6)(c), during the period beginning on January 1, 2024, and ending on December 31, 2025, there shall be paid an additional amount as follows:]

“(a) For vehicles that have a rating of 0-19 MPG, \$25.]

“(b) For vehicles that have a rating of 20-39 MPG, \$35.]

“(c) For vehicles that have a rating of 40 MPG or greater, \$45.]

“(d) For electric vehicles, \$115.]

“(3) In addition to the title fees prescribed under ORS 803.090, ~~and~~ (2)(b), (4)(c) and (6)(c), there shall be paid an additional amount as follows:

“(a) For vehicles that have a rating of 0-19 MPG, \$30.

“(b) For vehicles that have a rating of 20-39 MPG, \$40.

“(c) For vehicles that have a rating of 40 MPG or greater, \$50.

“(d) For electric vehicles, \$120.

SECTION 39a

"ORS 803.090 is amended to read:

"803.090. The following fees are the fees for the transaction described:

"(1) The transfer fee under ORS 803.092:

"(a) For a salvage title, \$27.

"(b) For trailers eligible for permanent registration under ORS 803.415 (1) and motor vehicles with a gross vehicle weight rating over 26,000 pounds, excluding motor homes, [~~\$90.~~] **as follows:**

"(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$100.

"(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, \$105.

"(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, \$110.

"(D) For the period beginning on January 1, 2024, and ending on December 31, 2025, \$115.

"(c) For vehicles other than vehicles for which the title fee is described in paragraph (b) of this subsection, \$77.

"(2) The fee for issuance of a certificate of title under ORS 803.045:

"(a) For trailers eligible for permanent registration under ORS 803.415 (1) and motor vehicles with a gross vehicle weight rating over 26,000 pounds, excluding motor homes, [~~\$90.~~] **as follows:**

"(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$100.

"(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, \$105.

"(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, \$110.

"(D) For the period beginning on January 1, 2024, and ending on December 31, 2025, \$115.

"(b) For vehicles other than vehicles for which the title fee is described in paragraph (a) of this subsection, \$77.

"(3) The fee for issuance of a salvage title certificate under ORS 803.140, \$27.

"(4) The fee for issuance of a duplicate or replacement certificate of title under ORS 803.065:

"(a) For a duplicate or replacement salvage title certificate, \$27.

"(b) For trailers eligible for permanent registration under ORS 803.415 (1) and motor vehicles with a gross vehicle weight rating over 26,000 pounds, excluding motor homes, [~~\$90.~~] **as follows:**

"(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$100.

"(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, \$105.

"(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, \$110.

"(D) For the period beginning on January 1, 2024, and ending on December 31, 2025, \$115.

"(c) For vehicles other than vehicles for which the title fee is described in paragraph (b) of this subsection, ~~\$77~~ [~~\$77~~] **as follows:**

~~"(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$97.~~

~~"(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, \$102.~~

~~"(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, \$107.~~

~~"(D) For the period beginning on January 1, 2024, and ending on December 31, 2025, \$112.~~

"(5) The fee under subsection (4) of this section may not be paid at the same time as a transfer fee under this section if application is made at the same time as application for transfer.

"(6) The fee for issuance of a new certificate of title under ORS 803.220 indicating a change of name or address:

"(a) For a new salvage title certificate, \$27.

"(b) For trailers eligible for permanent registration under ORS 803.415 (1) and motor vehicles with a gross vehicle weight rating over 26,000 pounds, excluding motor homes, ~~\$90.~~ **as follows:**

"(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$100.

“(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, \$105.

“(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, \$110.

“(D) For the period beginning on January 1, 2024, and ending on December 31, 2025, \$115.

“(c) For vehicles other than vehicles for which the title fee is described in paragraph (b) of this subsection, ~~\$77~~ **as follows:**

~~“(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$97.~~

~~“(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, \$102.~~

~~“(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, \$107.~~

~~“(D) For the period beginning on January 1, 2024, and ending on December 31, 2025, \$112.~~

“(7) The fee for late presentation of certificate of title under ORS 803.105, \$25 from the 31st day after the transfer through the 60th day after the transfer and \$50 thereafter.

“(8) The fees for title transactions involving a form of title other than a certificate shall be the amounts established by the Department of Transportation by rule under ORS 803.012.

SECTION 39b

ORS 803.090, as amended by section 39a of this 2017 Act, is amended to read:

“803.090. The following fees are the fees for the transaction described:

“(1) The transfer fee under ORS 803.092:

“(a) For a salvage title, \$27.

“(b) For trailers eligible for permanent registration under ORS 803.415 (1) and motor vehicles with a gross vehicle weight rating over 26,000 pounds, excluding motor homes, [as follows:]

“[(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$100.]

“[(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, \$105.]

“[(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, \$110.]

“[(D) For the period beginning on January 1, 2024, and ending on December 31, 2025, \$115] **\$120.**

“(c) For vehicles other than vehicles for which the title fee is described in paragraph (b) of this subsection, \$77.

“(2) The fee for issuance of a certificate of title under ORS 803.045:

“(a) For trailers eligible for permanent registration under ORS 803.415 (1) and motor vehicles with a gross vehicle weight rating over 26,000 pounds, excluding motor homes, [as follows:]

“[(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$100.]

“[(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, \$105.]

“[(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, \$110.]

“[(D) For the period beginning on January 1, 2024, and ending on December 31, 2025, \$115] **\$120.**

“(b) For vehicles other than vehicles for which the title fee is described in paragraph (a) of this subsection, \$77.

“(3) The fee for issuance of a salvage title certificate under ORS 803.140, \$27.

“(4) The fee for issuance of a duplicate or replacement certificate of title under ORS 803.065:

“(a) For a duplicate or replacement salvage title certificate, \$27.

“(b) For trailers eligible for permanent registration under ORS 803.415 (1) and motor vehicles with a gross vehicle weight rating over 26,000 pounds, excluding motor homes, [as follows:]

“[(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$100.]

“[(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, \$105.]

“[(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, \$110.]

“[(D) For the period beginning on January 1, 2024, and ending on December 31, 2025, \$115] **\$120.**

“(c) For vehicles other than vehicles for which the title fee is described in paragraph (b) of this subsection, ~~\$77 [as follows:]~~

~~“[(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$97.]~~

~~“[(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, \$102.]~~

~~“[(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, \$107.]~~

~~“[(D) For the period beginning on January 1, 2024, and ending on December 31, 2025, \$112] **\$117.**~~

“(5) The fee under subsection (4) of this section may not be paid at the same time as a transfer fee under this section if application is made at the same time as application for transfer.

“(6) The fee for issuance of a new certificate of title under ORS 803.220 indicating a change of name or address:

“(a) For a new salvage title certificate, \$27.

“(b) For trailers eligible for permanent registration under ORS 803.415 (1) and motor vehicles with a gross vehicle weight rating over 26,000 pounds, excluding motor homes, ~~\$90 [as follows:]~~

~~“[(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$97.]~~

~~“(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, \$102.]~~

~~“(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, \$107.]~~

~~“(D) For the period beginning on January 1, 2024, and ending on December 31, 2025, \$112] \$117..~~

“(c) For vehicles other than vehicles for which the title fee is described in paragraph (b) of this subsection, **\$77** ~~{as follows:}~~

~~“(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$97.]~~

~~“(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, \$102.]~~

~~“(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, \$107.]~~

~~“(D) For the period beginning on January 1, 2024, and ending on December 31, 2025, \$112] \$117.~~

“(7) The fee for late presentation of certificate of title under ORS 803.105, \$25 from the 31st day after the transfer through the 60th day after the transfer and \$50 thereafter.

“(8) The fees for title transactions involving a form of title other than a certificate shall be the amounts established by the Department of Transportation by rule under ORS 803.012.

SECTION 71a.

(1) The following amounts shall be distributed in the manner prescribed in this section:

“(a) The amount attributable to the increase in tax rates by the amendments to ORS 319.020 and 319.530 by sections 40 to 42 and sections 44 to 46 of this 2017 Act.

“(b) The amount attributable to the vehicle registration and title fees imposed under sections 32, 33, 37 and 38 of this 2017 Act.

“(c) The amount attributable to the increase in taxes and fees by the amendments to ORS 803.090, 803.420, 803.645, 818.225, 818.270, 825.450, 825.470, 825.476, 825.480 and 826.023 by sections 34, 35, 39a, 39b, 48, 49, 51, 52, 54, 55, 57, 58, 60, 61, 63, 64, 66, 67, 69 and 70 of this 2017 Act.

“(2) The amounts shall be distributed as follows:

“(a) 50 percent to the Department of Transportation.

“(b) 30 percent to counties for distribution as provided in ORS 366.762.

“(c) 20 percent to cities for distribution as provided in ORS 366.800.

“(3) Of the amounts that become available to the Department of Transportation under this section, the department shall distribute the moneys as follows in the following order of priority:

“(a) ~~First~~, \$10 million annually for highway safety.

“(b) ~~Second, for~~ For transportation projects listed in this section for each of the following regions, as described in ORS 366.805, provided that the department determines that the project could constitutionally be funded by revenues described in Article IX, section 3a, of the Oregon Constitution:

“(A) Region one \$ 16.5 million

“(B) Region two \$ 107.95 million

“(C) Region three \$ 35 million

“(D) Region four \$ 25 million

“(E) Region five \$ 23.9 million

“(F) Regions four and five joint project \$ 10 million

“(c) ~~Third, for~~ For the following purposes:

“(A) ~~Forty~~ Thirty percent for bridges.

“(B) ~~Thirty~~ Ten percent for seismic improvements related to highways and bridges.

“(C) ~~Twenty-four~~ Forty percent for maintenance and replacement of state highway pavement and culverts.

“(D) ~~Six~~ Twenty percent for state highway maintenance, preservation and safety improvements.

“(4) The department shall determine the annual amount allocated for the projects in (3)(b) as determined by construction schedules or whether bonding shall be used to fund the projects in (3)(b). The funds remaining after the distributions in (3)(a) and (3)(b) shall be distributed as prescribed in (3)(c).”¹

“(4) (5) The moneys distributed to region one under subsection (3)(b)(A) of this section shall be distributed or spent as follows:

“(a) Distributed to the ~~City of Molalla~~ department for the State Highway 211 and State Highway 213 intersection in Molalla.²

“(b) Spent by the department for Cornelius Pass Road improvements.

¹ We want to ensure we have the necessary authority to bond for these projects if needed.

² We think this project is already funded in the STIP. If there is a different project on the state system, the funds should go to ODOT.

“(c) Distributed to the City of Portland for Powell Boulevard improvements.

“(d) ~~Distributed to~~ **Spent by** the ~~City of Cascade Locks~~ **department** for ~~Wanapa WaNaPa Street in Cascade Locks.~~

“(e) Distributed to the Port of Hood River for the Port of Hood River bridge replacement environmental informational study.

“(5) (6) The moneys distributed to region two under subsection (3)(b)(B) of this section shall be distributed or spent as follows:

“(a) Spent by the department for Interstate 5 at the Aurora-Donald interchange, Phase I.

“(b) Spent by the department for the ~~Highway 99W Newberg and Dundee~~ **Newberg-Dundee Bypass, Phase II, design only.**

“(c) Spent by the department for State Highway 99E ~~at in~~ **Halsey Street.**

“(d) Spent by ~~Distributed to~~ the ~~City of Silverton~~ **department** for the State Highway 214 crosswalk at Jefferson Street **in Silverton.**

“(e) Distributed to Lane County for Territorial Highway following the jurisdictional transfer under section 134 of this 2017 Act.

“(f) Spent by ~~Distributed to~~ the department for U.S. Highway 20 from the City of Albany to the City of Corvallis.

“(g) Spent by the department for State Highway 58, adding passing lanes west of the City of Oakridge.

“(6) (7) The moneys distributed to region three under subsection (3)(b)(C) of this section shall be spent by the department for the southern Oregon seismic triage transportation project.

“(7) (8) The moneys distributed to region four under subsection (3)(b)(D) of this section shall be **spent by distributed to the department Sherman County** for the U.S. Highway 97 safety corridor project.³

“(8) (9) The moneys distributed to region five under subsection (3)(b)(E) of this section shall be distributed **or spent** as follows:

“(a) ~~Distributed to~~ **Spent by** Umatilla County for the Umatilla County access road project for the Eastern Oregon Trade and Event Center.

“(b) ~~Distributed to~~ **Spent by** the City of Hermiston for the Hermiston North First Place project.

“(c) ~~Spent by Distributed to the department~~ **Spent by** ~~Baker County~~ for the State Highway 30 and Hughes Lane intersection **in Baker County.**

“(d) ~~Distributed to~~ **Spent by** Union County for Pierce Road from State Highway 30 to the Interstate 84 interchange.

“(e) ~~Distributed to~~ **Spent by** the Port of Umatilla for Port of Umatilla Road.

“(f) ~~Distributed to~~ **Spent by** the Columbia Development Authority for Columbia Development Authority Access Road.

“(9) (10) The moneys distributed to regions four and five for a joint project under subsection (3)(b)(F) of this section shall be spent by the department for U.S. Highway 20 freight mobility enhancements.

³ We are unaware of a specific safety need for funding within Sherman County. This change gives us flexibility to apply the funds to needs on U.S. Highway 97

SECTION 71d.

“(1) Notwithstanding ORS 367.080 to 367.086, for the biennium beginning July 1, 2017, the Department of Transportation shall first distribute \$4 million from the moneys received from the repayment of loans from the Connect Oregon Fund to **the Oregon Business Development Department for the the purpose of providing a grant to the** Oregon Manufacturing Innovation Center to advance manufacturing technologies through applied research and development for the following modes of transportation, marine, freight and aviation.

“(2) Notwithstanding ORS 367.080 to 367.086, for the biennium beginning July 1, 2017, the Department of Transportation shall first distribute the moneys in the Connect Oregon Fund, other than moneys dedicated for purposes described in Article XV, section 4a, of the Oregon Constitution, or moneys described in subsection (1) of this section, as follows for the projects listed below:

“(a) To Lane County for the **Willamette Valley Transmodal Intermodal Transfer Facility**⁴, \$25 million.

“(b) To the Port of Arlington for the Arlington Airport paving project, \$1.7 million.

“(c) To Malheur County for the Treasure Valley **Transmodal Intermodal** Facility, \$26 million.

“(d) To the Port of Morrow for the East Beach Industrial Park rail expansion, \$5.3 million.

“(e) To the Oregon Military Department for the Oregon National Guard for rail improvements, \$3 million.

“(3) No later than January 1, 2020, to receive a distribution under this section, a potential recipient of moneys in the Connect Oregon Fund who receives moneys for projects listed in subsection ~~(1) or~~ (2) of this section shall prepare and submit a plan to the **Oregon Transportation Commission Department of Transportation**. At a minimum, the plan submitted must certify when and how the potential recipient plans to spend the moneys for the project **with no more than five percent of the allocated funds to be available to recipients for development of the plan**. The ~~commission department~~ shall promptly review any submitted plans and if the ~~Commission department~~ approves the plan, **the Department of Transportation shall distribute the moneys after adopting an agreement with the recipient. The agreement shall follow rules adopted by the commission for Connect Oregon projects. distribute the moneys accordingly.** Any funds not distributed by January 1, 2020, shall be distributed as described in subsection (4) of this section.

“(4) After the distributions, if any, are made under this section, the remainder of the moneys in the Connect Oregon Fund shall be distributed as described in ORS 367.080 to 367.086.

⁴ This is consistent with the name of the feasibility study. <http://www.oregon4biz.com/assets/e-lib/IT/ITFrpt1216.pdf>

SECTION 72.

"ORS 366.805 is amended to read:

"366.805. (1) Except as provided in subsection (2) of this section, the appropriation specified in ORS 366.800 shall be allocated to the cities as provided in this subsection. The moneys subject to allocation under this subsection shall be distributed by the Department of Transportation according to the following:

"(a) The moneys shall be distributed to all the cities.

"(b) Each city shall receive such share of the moneys as its population bears to the total population of the cities.

"(2) Each year, the sum of [~~\$500,000~~] **\$2,500,000** shall be withdrawn from the appropriation specified in ORS 366.800 and [~~\$500,000~~] **\$2,500,000** shall be withdrawn from moneys available to the Department of Transportation from the State Highway Fund. [*and set up*] **The sums withdrawn shall be transferred to ~~deposited in~~** a separate account to be administered by the Department of Transportation. The following apply to the account described in this sub- section:

"(a) Money from the account shall [*only*] be used **only** upon streets:

"(A) That are not a part of the state highway system;

"(B) That are within cities with populations of 5,000 or fewer persons; and

"(C) That are inadequate for the capacity [*they*] **the streets** serve or are in a condition detrimental to safety.

"(b) All moneys in the account shall be allotted each year.

"(c) Subject to paragraph (d) of this subsection, the department shall determine the distribution of the expenditures after considering applications [*made to it therefor*] from the cities **submitted to the department.**

"(d) The department may enter into agreements with cities upon the advice and counsel of organizations representing cities to establish:

"(A) The method of allotting moneys from the account; or

"(B) The method of considering applications from cities and determining distribution based on the applications.

"**(3) The Director of Transportation shall establish a small city advisory committee. The advisory committee shall review applications submitted by small cities and shall recommend applications for approval to the director. In consultation with the League of Oregon Cities, the director shall appoint to the advisory committee one representative of a small city in each of the five regions of this state.**

"(4) For purposes of this section:

"(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.

SECTION 73.

ORS 366.772 is amended to read:

“366.772. (1) Not later than July 31 in each calendar year, the sum of [~~\$500,000~~] **\$5,500,000** shall be withdrawn from the appropriation specified in ORS 366.762[,] and the sum of \$250,000 shall be withdrawn from moneys available to the Department of Transportation from the State Highway Fund. The sums withdrawn shall be [set up] ~~transferred to deposited in~~ a separate account to be administered by the Department of Transportation.

“(2) Not later than July 31 in each calendar year, the sum of [~~\$750,000~~] **\$5,750,000** shall be withdrawn from the separate account described in subsection (1) of this section and distributed to counties [that had a county road base funding deficit in the prior fiscal year. A county’s share of the \$750,000 shall be based on the ratio of the amount of the county’s road base funding deficit to the total amount of county road base funding deficits of all counties.] **as follows:**

“(a) **An amount of \$750,000 shall be distributed to the following counties in the following amounts:**

- (A) Harney County..... \$ 271,909
- (B) Malheur County \$ 187,947
- (C) Morrow County \$ 108,073
- (D) Gilliam County \$ 94,036
- (E) Sherman County \$ 79,700
- (F) Wheeler County \$ 8,335

“(b) **An amount of \$5,000,000 shall be distributed proportionally to counties with fewer than 200,000 registered vehicles based on a ratio of registered vehicles to road miles maintained by each county.**

“(3) Moneys allocated as provided in this section may be used only for maintenance, repair and improvement of existing roads **that are**[.]:

“(a) **Not a part of the state highway system; (b) Within counties with fewer than 200,000 registered vehicles; and**

“(c) **Inadequate for the capacity the roads serve or are in a condition detrimental to safety.**

“(4) **All moneys in the account shall be allotted each year.**

“[(4) As used in this section:]

“[(a) ‘Arterial highway’ has the meaning given that term in ORS 801.127.]

“[(b) ‘Collector highway’ has the meaning given that term in ORS 801.197.]

“[(c) ‘County road base funding deficit’ means the amount of a county’s minimum county road base funding minus the amount of that county’s dedicated county road funding. A county has a county road base funding deficit only if the amount of the dedicated county road funding is less than the amount of the minimum county road base funding.]

“[(d) ‘Dedicated county road funding’ for a county means:]

“[(A) Moneys received from federal forest reserves and apportioned to the county road fund in accordance with ORS 294.060;]

“[(B) State Highway Fund moneys distributed to the county, other than moneys distributed under this section and not including moneys allocated under section 15, chapter 911, Oregon Laws 2007; and]

“[(C) Federal Highway Administration revenues allocated by formula to the county annually under the federal-aid highway program authorized by 23 U.S.C. chapter 1. These moneys do not include federal funds received by the county through a competitive grant process.]

“[(e) ‘Minimum county road base funding’ means \$4,500 per mile of county roads that are arterial and collector highways beginning on July 1, 2008, and thereafter means \$4,500 per mile of county roads that are arterial and collector highways as adjusted annually on the basis of the Portland-Salem, OR-WA, Consumer Price Index for All Urban Consumers for All Items, as published by the Bureau of Labor Statistics of the United States Department of Labor.]”

SECTION 78.

ORS 367.080 is amended to read:

“367.080. (1) As used in ORS 367.080 to 367.086:

“(a) ‘Bicycle’ has the meaning given that term in ORS 801.150.

(b) ‘Private entity’ means any nongovernmental entity, including a corporation, partnership, company or other legal entity, or any natural person.

~~“(b) (c)~~ **“(c) ‘Public body’ has the meaning given that term in ORS 174.109.**

~~“(c) (d)~~ **“(d) ‘Statewide significance’ means a transportation project that:**

“(A) Benefits the regional and statewide economy; and

“(B) Sustains employment within the community or region in which the transportation project is located beyond the employment associated with construction or implementation of the project.

~~“[(b)] (d) (e)~~ **“(e) ‘Transportation project’ means a project or undertaking for ~~transit~~, rail, marine, aviation and bicycle and pedestrian capital infrastructure, including bridges, paths and ways, or a project that facilitates the transportation of materials, animals or people. A transportation project does not include costs associated with operating expenses or the purchase of bicycles.**

“(2) The Connect Oregon Fund is established **in the State Treasury**, separate and distinct from the General Fund. Earnings on moneys in the Connect Oregon Fund shall be deposited into the fund. Moneys in the Connect Oregon Fund are continuously appropriated to the Department of Transportation for the purposes described in subsection (3) of this section and in ORS 367.086. **The fund consists of the following:**

“(a) Moneys transferred to the fund under section 84, 96 or 97 of this 2017 Act.

“(b) Moneys appropriated to the fund by the Legislative Assembly.

“(c) Earnings on moneys in the fund.

“(d) Lottery bond proceeds.

“(e) Moneys from any other source.

“(3) **Except as provided in section 84 of this 2017 Act**, the department shall use moneys in the Connect Oregon Fund to provide grants for transportation projects as provided in ORS 367.080 to 367.086. Grants may be provided only for projects that involve one or more of the following modes of transportation:

“(a) Air;

“(b) Marine;

“(c) Rail; **and**

~~“[(d) Public transit; and]~~

~~“[(e)]~~ **(d)** Bicycle and pedestrian.

SECTION 89.

This section references a definition of “vehicle dealer” in ORS 822.043, however, that definition only implies to in-state vehicle dealers. We understand the legislature’s intent for Section 90 is to apply the privilege tax to both in-state and out-of-state dealers.

We defer to Legislative Counsel for the appropriate language to make this correction.

SECTION 110.

“Applicability. Section 109 of this 2017 Act applies to taxable motor vehicles purchased on or after ~~the effective date of this 2017 Act.~~ January 1, 2018.

SECTION 112

“Legislative intent; expedited judicial review to Supreme Court; expiration. (1) It is the intent of the Legislative Assembly that revenue from the privilege tax imposed under section 90 of this 2017 Act is not subject to the provisions of Article IX, section 3a, of the Oregon Constitution.

“(2) Original jurisdiction to determine whether section 90 of this 2017 Act imposes a tax or excise levied on the ownership, operation or use of motor vehicles that is subject to the provisions of Article IX, section 3a, of the Oregon Constitution, is conferred on the Supreme Court.

“(3)(a) Any person interested in or affected or aggrieved by section 90 of this 2017 Act may petition for judicial review under this section. A petition for review must be filed within 30 days after the effective date of this 2017 Act.

“(b) The petition must state facts showing how the petitioner is interested, affected or aggrieved and the grounds upon which the petition is based.

“(4) The Supreme Court shall give priority on its docket to a petition for review filed under this section.

“(5) The filing of a petition under this section shall stay the transfer under section 96 (2) of this 2017 Act of the balance of moneys received, pending the determination of the Supreme Court. The court may not stay the imposition of the tax under section 90 of this 2017 Act or the collection and enforcement of the tax under any provision of law.

“(6) In the event the Supreme Court determines that there are factual issues in the petition, the Supreme Court may appoint a special master to hear evidence and to prepare recommended findings of fact.

~~“(6) (7)~~ Judicial review under this section shall be limited to:

“(a) The provisions of this 2017 Act authorizing the imposition of the privilege tax; and

“(b) The legislative history and any supporting documents related to Article IX, section 3a, of the Oregon Constitution.

~~“(7)(8)~~ If the Supreme Court determines that section 90 of this 2017 Act imposes a tax or excise levied on the ownership, operation or use of motor vehicles that is subject to the provisions of Article IX, section 3a, of the Oregon Constitution:

“(a) Sections 7 to 13, 26, 27, 31 to 33, 36 to 39, 43, 47, 50, 53, 56, 59, 62, 65, 68, 71 to 71d, 75 to 77, 82 to 86, 89 to 111, 113, 119a to 119m, 119o, 120 to 122a, 122i to 123, 128 to 131, 134 to 137, 141 and 143 of this 2017 Act are repealed;

“(b) The amendments to statutes and session law by sections 1, 2, 5, 6, 14, 15, 18, 19, 20, 25, 27a, 28 to 30, 34, 35, 39a to 42, 44 to 46, 48, 49, 51, 52, 54, 55, 57, 58, 60, 61, 63, 64, 66, 67, 69, 70, 72 to 74, 78 to 81, 86 to 88, 115 to 118, 119n, 122b to 122h, 124 to 127, 132, 133 and 138 to 140 of this 2017 Act and the repeal of ORS 184.613, 184.616, 184.618, 184.889 and 367.017 and section 17, chapter 63, Oregon Laws 2012, by section 142 of this 2017 Act shall no longer be of any force or effect; and

“(c) The determination shall not apply to revenue from the privilege tax imposed under section 90 of this 2017 Act that, as of the date of the determination, has been expended or is irrevocably pledged for repayment of bonded indebtedness. Revenue that has been collected but not expended or so pledged shall be transferred to and held in the General Fund as miscellaneous receipts available generally to meet any expense or obligation of the State of Oregon lawfully incurred.

SECTION 119a.

(1) Each metropolitan planning organization as defined in ORS 197.629 is established as a congestion relief district for purposes of sections 119a to 119m of this 2017 Act as follows:

“(a) Metro is established as the Metro Congestion Relief District. The Metro Congestion Relief District shall not be considered a metropolitan service district for any purpose.

“(b) The Salem-Keizer Area Transportation Study is established as the Salem-Keizer Area Congestion Relief District.

“(c) The Albany Area Metropolitan Planning Organization is established as the Albany Area Congestion Relief District.

“(d) The Corvallis Area Metropolitan Planning Organization is established as the Corvallis Area Congestion Relief District.

“(e) The Central Lane Metropolitan Planning Organization is established as the Central Lane Congestion Relief District.

“(f) The Bend Metropolitan Planning Organization is established as the Bend Congestion Relief District.

“(g) The Middle Rogue Metropolitan Planning Organization is established as the Middle Rogue Congestion Relief District.

“(h) The Rogue Valley Metropolitan Planning Organization is established as the Rogue Valley Congestion Relief District.

“(2)(a) ~~Except as provided in paragraph (b) of this subsection, the~~ boundaries of each congestion relief district shall be the boundaries of the related metropolitan planning organization.

~~“(b) The boundaries of the Metro Congestion Relief District shall be the urban growth boundary of Metro.~~

“(3)(a) For purposes of all deliberations and actions undertaken as a congestion relief district under sections 119a to 119m of this 2017 Act:

“(A) The governing body of the Metro Congestion Relief District shall consist of all members of the Joint Policy Advisory Committee on Transportation who represent jurisdictions and agencies of this state.

“(B) The governing body of the Salem-Keizer Area Congestion Relief District shall be the Salem Keizer Area Transportation Study Policy Committee.

“(C) The governing body of the Albany Area Congestion Relief District shall be the Albany Area Metropolitan Planning Organization Policy Board.

“(D) The governing body of the Corvallis Area Congestion Relief District shall be the Corvallis Area Metropolitan Planning Organization Policy Board.

“(E) The governing body of the Central Lane Congestion Relief District shall be the Metropolitan Policy Committee.

“(F) The governing body of the Bend Congestion Relief District shall be the Bend Metropolitan Planning Organization Policy Board.

“(G) The governing body of the Middle Rogue Congestion Relief District shall be the Middle Rogue Valley Metropolitan Planning Organization Policy Committee.

“(H) The governing body of the Rogue Valley Congestion Relief District shall be the Rogue Valley Metropolitan Planning Organization Policy Committee.

~~“(b) The actions of the Rogue Valley Metropolitan Planning Organization Policy Committee when acting as the governing body of the Middle Rogue Congestion Relief District are separate for all purposes~~

from the actions of the committee when acting as the governing body of the Rogue Valley Congestion Relief District.

~~“(c) (b) Only members of a governing body listed in this subsection who are elected officials shall be voting members of the governing body.~~

“(4)(a) With respect to each metropolitan planning organization that is established as a congestion relief district and the related congestion relief district, the organization and the district:

“(A) Are not subject to any duty imposed on the other, or on any officer, employee or agent when acting on behalf of the other, by any provision of law.

“(B) Are not parties to any contract, intergovernmental agreement or memorandum of understanding entered into by the other, or by any officer, employee or agent when acting on behalf of the other.

“(C) May not be held liable in a court of law for any action or omission of the other, or of any officer, employee or agent when acting on behalf of the other.

“(D) May not be held liable in a court of law for any debt or other obligation of any kind incurred by the other, or by any officer, employee or agent when acting on behalf of the other.

“(E) Have no claim of any kind on the revenue or other property of the other and may not pledge the revenue or property of the other as security for any purpose.

“(F) May not exercise any right or authority granted to the other.

“(b) This subsection does not apply to express written agreements entered into between a metropolitan planning organization that is established as a congestion relief district and the congestion relief district.

“(5) Oregon MPO Consortium may not participate as an entity in any deliberations or actions undertaken by a congestion relief district under sections 119a to 119m of this 2017 Act.⁵

“(6) ORS 198.510 to 198.600 apply to the ordinances and resolutions of a congestion relief district.

⁵ We are uncertain of the purpose and need for the language in this subsection and would recommend deleting.

SECTION 119c

(1) On or before December 31, 2017, the Joint Policy Advisory Committee on Transportation, acting as the governing body of the Metro Congestion Relief District, may adopt an ordinance or resolution approving the following projects, in whole and not in part, for the Metro Congestion Relief District:

“(a) The I-5 Rose Quarter Project, at a cost not to exceed ~~\$338 million~~ \$506 million, to commence not later than December 31, 2022.

“(b) The I-205 Abernethy Bridge Project, at a cost not to exceed ~~\$152 million~~ \$214 million, to commence not later than December 31, 2020.

“(c) The I-205 Freeway Widening Project, at a cost not to exceed ~~\$188 million~~ \$307 million, to commence not later than December 31, 2020, or, with the approval of the Legislative Assembly, December 31, 2025.

“(d) The OR-217 Northbound Project, at a cost not to exceed ~~\$54 million~~ \$60 million, to commence not later than December 31, 2021, or at an earlier date, if the Oregon Transportation Commission determines that the earlier date will not delay or otherwise interfere with the I-5 Rose Quarter Project.

“(e) The OR-217 Southbound Project, at a cost not to exceed ~~\$44 million~~ \$48 million, to commence not later than December 31, 2023, or at an earlier date, if the Oregon Transportation Commission determines that the earlier date will not delay or otherwise interfere with the I-5 Rose Quarter Project.

“(2) Upon adoption of an ordinance or resolution approving the projects, the Joint Policy Advisory Committee on Transportation shall notify the Oregon Transportation Commission in writing of the adoption.

“(3) The Oregon Department of Transportation, when developing the projects in subsection (1) of this section for construction, shall engage in value engineering through the systematic application of recognized techniques by a multi-disciplined team to identify the function of a product or service, establish a worth for that function, generate alternatives through the use of creative thinking, and provide the needed functions to accomplish the original purpose of the project, reliably, and at the lowest life-cycle cost without sacrificing safety, necessary quality, and environmental attributes of the project.

~~“(3)(4)~~ The approval of the projects is not a land use decision, limited land use decision, or land use regulation as those terms are defined in ORS 197.015.

SECTION 119d

We understand it was the legislature's intent that the registration fees identified in this section were to be annual amounts. However, it appears that the language is written so that these amounts are instituted for the registration period which can be a 1, 2 or 4-year period, depending on the vehicle.

We defer to Legislative Counsel on how best to modify language to make these needed changes.

SECTION 119e.

“(1) This section applies if the Joint Policy Advisory Committee on Transportation adopts an ordinance or resolution approving the projects set forth in section 119c of this 2017 Act and imposing the fuel taxes and registration fees under section 119d of this 2017 Act.

“(2)(a) The Joint Policy Advisory Committee on Transportation shall enter into an intergovernmental agreement under ORS 190.010 with the Department of Transportation pursuant to which the department shall administer, collect and enforce the fuel taxes and the registration fees.

“(b) Revenue from the fuel taxes and the registration fees shall be paid over by the Department of Transportation to the State Treasurer and deposited in the Metro Congestion Relief District’s subfund within the Congestion Relief Fund established under section 119f of this 2017 Act.

“(3) The Joint Policy Advisory Committee on Transportation shall enter into an intergovernmental agreement under ORS 190.010 with the Oregon Transportation Commission pursuant to which the commission shall oversee the design and construction of the projects set forth in section 119c of this 2017 Act.

“(4) The costs of each project shall be funded as follows:

“(a) First, by federal discretionary grant funds dedicated to the project;

“(b) Second, by revenues from tolls, if any, collected under section 120 of this 2017 Act for the project; and

“(c) Third, in equal shares by:

“(A) Moneys in the Congestion Relief Fund established under section 119f of this 2017 Act, other than moneys in the subfunds of the congestion relief districts; and

“(B) Moneys in the Metro Congestion Relief District’s subfund within the Congestion Relief Fund.

SECTION 119f

“(1) The Congestion Relief Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Congestion Relief Fund shall be credited to the fund.

“(2) The Congestion Relief Fund consists of:

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

“(b) Net revenue from the privilege tax imposed under section 90 of this 2017 Act;

~~“(c) Net proceeds of tolls imposed under section 120 of this 2017 Act;~~

“(c) Net revenue from taxes and fees imposed by a congestion relief district;

~~“(d) Moneys received from federal sources or other state or local sources;~~

“(e) Amounts donated to the fund;

“(f) Investment earnings received on moneys in the fund; and

“(g) Other amounts deposited in the fund from any source.

“(3) Moneys in the Congestion Relief Fund and moneys in all subfunds are continuously appropriated to the Oregon Transportation Commission for the purposes of sections 119a to 119m of this 2017 Act.

“(4)(a) For the purpose of ensuring that there are sufficient moneys to complete the projects listed in section 119c (1)(a) to (c) of this 2017 Act, the Oregon Transportation Commission may transfer to a contingency subfund of the Congestion Relief Fund an amount not greater than 25 percent of:

“(A) Moneys described in subsection (2)(a) to (c) and (e) to (h) of this section; and

“(B) Net revenue from taxes and fees imposed by the Joint Policy Advisory Committee on Transportation under section 119d of this 2017 Act.

“(b) The moneys shall be maintained in the contingency subfund until expended by the Oregon Transportation Commission under section ___ of this 2017 Act or the date on which the projects listed in section 119c (1)(a) to (c) are completed. Any funds remaining in the subfund on the date on which the projects are completed shall be transferred to the Contingency Relief Fund.

“(5)(a) Moneys received by the Congestion Relief Fund that consist of net revenue described in subsection (2)(d) of this section, after transfer of moneys under subsection (4) of this section, shall be credited to a separate subfund within the Congestion Relief Fund in the name of the congestion relief district from which the revenue derives.

“(b) Notwithstanding subsection (1) of this section, interest earned by each subfund shall be credited to the subfund.

“(c) An amount equal to 0.5 percent of the moneys received in each subfund is continuously appropriated to the congestion relief district from which the revenue derives for the purpose of paying the operating expenses of the congestion relief district.

“(6) The Oregon Transportation Commission and the congestion relief districts may receive gifts, grants, contributions, bequests or other donations of any kind from any public or private source to carry out the provisions of sections 119a to 119m of this 2017 Act.

“(7) Moneys in the Congestion Relief Fund and the subfunds of the fund may be invested and reinvested as provided in ORS 293.701 to 293.857.

SECTION 120.

“(1) The Oregon Transportation Commission shall establish a traffic congestion relief program that uses value pricing and tolling to manage traffic, improve corridor reliability, mitigate congestion, and generate revenue to construct, operate, and maintain congestion relief projects.

“(2) The commission shall study implementing value pricing to improve reliability and reduce traffic congestion. Value pricing may include, but is not limited to, time-of-day pricing with variable tolls. may apply to the Federal Highway Administration of the United States Department of Transportation or other federal or state government agencies for participation in any traffic congestion reducing programs if required under federal law.

“(3) No later than December 31, 2018, the commission shall seek approval from the Federal Highway Administration to implement value pricing and tolling as described in this section.

“(4) After seeking and receiving approval from the Federal Highway Administration, if required by federal law, the commission shall:

“(a) Implement value pricing to reduce traffic congestion. Value pricing may include, but is not limited to, time-of-day pricing with variable tolls. At a minimum, the commission shall implement study value pricing in the following locations:

“(A) On Interstate 205, beginning at the Washington state line and ending where it intersects Interstate 5 in this state.

“(B) On Interstate 5, beginning at the Washington state line and ending where it intersects with Oregon Route 551 Interstate 205.

“(b) In studying value pricing of these corridors, the commission shall consider whether implementing value pricing on the entirety of the corridors as described in (2)(a)(A) and (2)(a)(B) of this section or a portion of these corridors will:

- (A) Raise sufficient revenue to cover the cost of ongoing operational expense, including the costs of maintenance and repairs of the value pricing facility and contribute to the cost of implementing value pricing on these corridors;**
- (B) Improve the traffic operations of the facility where value pricing has been implemented, including but not limited to increasing reliability and mitigating congestion;**
- (C) Impact the performance and operations of other transportation facilities, including both roads and transit service;**
- (D) Disproportionately impact low-income households;**
- (E) Impact the surrounding community, economy, and/or environment and the economy of the state in general;**
- (F) Impact the schedule for construction on projects listed under Section 119c or Section 120(7) of this 2017 Act; and**
- (G) Comply with existing Oregon Transportation Commission policies, state and federal laws, and planning regulations.**

“(b) (3) If imposing tolls is required to receive federal matching moneys, or the commission’s resources are unable to fully pay for the projects listed in this paragraph, the commission shall study tolling, which may include time-of-day pricing with variable tolls, to pay for the costs of widening the segment of Interstate 205 from Stafford Road to Oregon City by adding one travel lane in each direction and widening the Abernethy Bridge. impose and collect tolls to pay for the costs of the following:

“(A) Widening the segment of Interstate 205 from Stafford Road to Oregon City by adding one travel lane in each direction.

~~“(B) Replacing the Abernethy Bridge.~~

(a) In studying tolling to pay for these projects, the commission shall consider whether implementing tolling on these projects will:

(A) Raise revenue to cover an acceptable portion of the costs of widening the highway, the cost of implementing tolling, and ongoing operational expenses of the tolling system;

(B) Improve the traffic operations of the facility where tolling has been implemented, including but not limited to increasing reliability and mitigating congestion;

(C) Impact the performance and operations of other transportation facilities including both roads and transit service;

(D) Disproportionately impact low-income households;

(E) Impact the surrounding community, economy, and/or environment and the economy of the state in general;

(F) Comply with existing Oregon Transportation Commission policies, state and federal laws, and planning regulations.

(4) In studying tolling and value pricing under (2) and (3) of this section, the commission shall engage in a public outreach campaign to inform the public on the purposes and potential benefits of tolling and value pricing and gauge public interest.

(5) In studying tolling and value pricing under (2) and (3) of this section, the commission shall consult with any city, county, transit district, metropolitan planning organization, and other governing body that may be impacted by implementing value pricing, including tolling.

(6) Consistent with ORS 383.015, if based on studies conducted under (2) and (3) of this section, the public outreach campaign conducted under (4) of this section, and the consultation with local governing bodies under (5) of this section, the commission finds that tolling or value pricing of a facility is financially feasible and provides significant mobility, economic, and/or environmental benefits, the commission shall seek approval from the Federal Highway Administration to implement value pricing or tolling as described in this section.

~~“(5) (7) In addition to the amounts received from value pricing and tolling under subsection (4) section, ~~†~~the moneys in the Congestion Relief Fund established under section 119f of this section, other than moneys in the subfunds of the congestion relief districts, shall be used as follows:~~

“(a) No later than ~~March 31, 2018~~, **March 31, 2019** for the Interstate 205 Active Traffic Management Project, at a cost not to exceed \$15.2 million.

“(b) No later than ~~March 31, 2018~~, **March 31, 2019** for the Interstate 205 Corridor Bottleneck Project, at a cost not to exceed \$15.5 million.

“(c) No later than December 31, 2018, for ~~the a~~ **Zip Lane or other experimental traffic management** Pilot Project, \$10 million, subject to approval by the commission.

“(d) No later than ~~June 30, 2021~~ **December 31, 2019**, for the Value Pricing and Preconstruction Tolling Set-Up Project, to pay for the costs of implementing value pricing or tolling on the portions of Interstate 205 and Interstate 5 as described in subsection (4) of this section, at an estimated cost of \$33 million. Before imposing value pricing or tolling, the commission shall report to the Joint Committee on Transportation established under section 26 of this 2017 Act.

~~“(6) (8) The commission may enter into agreements with the State of Washington, or the State of Washington’s designee, relating to establishing, reviewing, adjusting and collecting tolls for the projects described in this section.~~

(9) Net proceeds of tolls imposed under this section of this 2017 Act shall be credited to the State Tollway Account as pursuant to ORS 383.009.

(10) The commission may adopt rules as necessary to administer provisions of this section.

Oregon Department of Transportation
Review of House Bill 2017 -3
June 6, 2017

SECTION 122L.

“Section 122a of this 2017 Act applies to tax periods beginning on or after ~~July~~ *January* 1, 2018.

SECTION 122m

“(1) The Statewide Transportation Improvement Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Statewide Transportation Improvement Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the Department of Transportation for payment of the department’s administrative costs of the program and to finance investments and improvements in public transportation services, except that the moneys may not be used for light rail.

“(2) The Statewide Transportation Improvement Fund consists of:

“(a) All moneys received from the tax imposed under section 122a of this 2017 Act;

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

“(c) Other moneys deposited in the fund from any source.

SECTION 122o.

“(1) The Oregon Transportation Commission shall distribute the moneys in the Statewide Transportation Improvement Fund as follows:

“(a) 85 percent to qualified entities, provided that each ~~qualified entity receives an annual amount of at least \$100,000;~~ county and transit district shall receive a share of available funds equal to its county's share of total statewide payroll, except that each county or transit district shall receive a minimum of \$100,000. Native American tribal governments shall receive the minimum of \$100,000. Funding for counties that include a transit district will go to the largest transit district located entirely or partially in that county. The transit district shall be entitled to a share of the county's funding equal to its share of the county's population and shall distribute funding to other transit providers in the county proportional to the population of their service territories.

“(b) 10 percent to qualified entities, other than mass transit districts, based on a competitive grant program adopted by the commission by rule;

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

“(d) One percent to the Department of Transportation to establish a statewide public transportation technical resource center, the purpose of which is to assist public transportation service providers in rural areas with training, transportation planning and information technology.

“(2) For purposes of the percentage distribution under subsection (1)(a) and (b) of this section, if more than one mass transit district or transportation district is located within a single county, the commission shall distribute the moneys to the larger district.

“(3) For purposes of the percentage distribution under subsection (1)(c) of this section, if the amounts available are insufficient to fund all costs of improving public transit connections for all intercity public transportation service providers, the commission shall make the funds available based on competitive grants in accordance with the program adopted by the commission by rule.

“(4) The commission shall adopt by rule:

“(a) A competitive grant program by which a qualified entity may apply for a percentage distribution under subsection (1)(b) and (c) of this section and prescribing the terms and conditions of grants.

“(b) Any other provisions or procedures that are necessary for the commission to carry out the provisions of sections 122n to 122r of this 2017 Act.

(5) The commission may take any action before the effective date of this 2017 Act that is necessary for the commission to exercise the duties, functions and powers conferred on the department by this 2017 Act.

SECTION 122q

“(1) The governing body of each recipient shall appoint an advisory committee to advise and assist the governing body in prioritizing **projects to be funded** ~~disbursements~~ from the moneys received under a percentage distribution under section 122o of this 2017 Act to public transit service providers that provide services within the jurisdiction of the recipient. **The Oregon Transportation Commission shall adopt by rule requirements for the composition of the advisory committees.** ~~The governing body shall determine the number and terms of the members of an advisory committee appointed under this section.~~

“(2) The advisory committee appointed under this section shall review every disbursement of moneys described in subsection (1) of this section made by the recipient. The advisory committee may propose any changes to the policies or practices of the governing body relating to the disbursement that the advisory committee considers necessary.

SECTION 122s.

“On or before February 1, ~~2020~~ ~~2019~~, the Oregon Transportation Commission shall submit a report in the manner provided by ORS 192.245 to the Joint Committee on Transportation established under section 26 of this 2017 Act on the implementation and outcomes of sections 122n to 122r of this 2017 Act.

SECTION 126.

“ORS 377.841, as amended by section 125 of this 2017 Act, is amended to read:

“377.841. **(1) For the purposes of this section, ‘roadside rest areas’ includes the following list of roadside rest areas in this state:**

- “(a) Suncrest, Interstate 5, near milepost 22.
- “(b) Manzanita, Interstate 5, near milepost 63.
- “(c) Cabin Creek, Interstate 5, near milepost 143.
- “(d) Gettings Creek, Interstate 5, near milepost 178.
- “(e) Oak Grove, Interstate 5, near milepost 206.
- “(f) Santiam River, Interstate 5, near milepost 241.
- “(g) French Prairie, Interstate 5, near milepost 282.
- “(h) Memaloose, Interstate 84, near milepost 73.
- “(i) Boardman, Interstate 84, near milepost 161.
- “(j) Stanfield, Interstate 84, near milepost 187.
- “(k) Deadman Pass, Interstate 84, near milepost 229.
- “(l) Charles Reynolds, Interstate 84, near milepost 269.
- “(m) Baker Valley, Interstate 84, near milepost 295.
- “(n) Weatherby, Interstate 84, near milepost 336.
- “(o) Ontario, Interstate 84, near milepost 377.
- “(p) The Maples, State Highway 22, near milepost 35.
- “(q) Tillamook River, U.S. Highway 101, near milepost 71.
- “(r) Sunset, U.S. Highway 26, near milepost 29.
- “(s) Cow Canyon, U.S. Highway 97, near milepost 69.
- “(t) Beaver Marsh, U.S. Highway 97, near milepost 207.
- “(u) Midland, U.S. Highway 97, near milepost 282.
- “(v) Government Camp, U.S. Highway 26, near milepost 54.

“(1) **(2)** The Travel Information Council shall manage, maintain, improve and develop for local economic development and other purposes identified in ORS 377.705 **the roadside rest areas listed in subsection (1) of this section.** *[along the following highways:]*

- “[(a) Interstate 5, northbound, near milepost 63.]
- “[(b) Interstate 5, southbound, near milepost 63.]
- “[(c) Interstate 5, northbound, near milepost 143.]
- “[(d) Interstate 5, southbound, near milepost 143.]
- “[(e) Interstate 5, northbound, near milepost 178.]
- “[(f) Interstate 5, southbound, near milepost 178.]
- “[(g) Interstate 5, northbound, near milepost 206.]
- “[(h) Interstate 5, southbound, near milepost 206.]
- “[(i) Interstate 5, northbound, near milepost 241.]
- “[(j) Interstate 5, southbound, near milepost 241.]
- “[(k) Interstate 5, northbound, near milepost 281.]
- “[(l) Interstate 5, southbound, near milepost 281.]
- “[(m) Interstate 84, eastbound, near milepost 73.]
- “[(n) Interstate 84, westbound, near milepost 73.]
- “[(o) Interstate 84, eastbound, near milepost 160.]
- “[(p) Interstate 84, westbound, near milepost 160.]

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“[(q) Interstate 84, eastbound, near milepost 187.]

“[(r) Interstate 84, westbound, near milepost 187.]

“[(s) Interstate 84, eastbound, near milepost 269.]

“[(t) Interstate 84, westbound, near milepost 269.]

“[(u) Interstate 84, eastbound, near milepost 295.]

“[(v) Interstate 84, westbound, near milepost 295.]

“[(w) Interstate 84, westbound, near milepost 336.]

“[(x) Interstate 84, westbound, near milepost 377.]

“[(y) U.S. Highway 26, westbound, near milepost 54.]

“[(z) U.S. Highway 101, southbound, near milepost 70.]

“(2) Subject to subsection (4) of this section, in carrying out the provisions of subsection (1) of this section, the council may enter into contracts necessary to accomplish the purposes of subsection (1) of this section.]

“(3) The Department of Transportation and the State Parks and Recreation Department shall:

“(a) **Except for the roadside rest area identified in (1)(v), maintain** ownership of [any] the roadside rest [area located along an interstate highway] **areas** that the council manages, maintains, improves and develops pursuant to subsection [(1)] **(2)** of this section; and

“(b) Enter into [an] intergovernmental [agreement] **agreements** with the council under which the council has the authority to manage, maintain, improve and develop those **roadside** rest areas owned by the [department that are listed in subsection (1) of this section] **departments**.

“(4) Under the intergovernmental [agreement] **agreements** entered into under subsection (3) of this section, the council shall conduct public contracting activities in accordance with the provisions of ORS 377.836.

“(5) For the purpose of funding the management, maintenance, improvement and development of roadside rest areas under this section, the Department **of Transportation** shall allocate to the council, for the period beginning on [January] **July** 1, 2018, and ending on June 30, [2018] **2019**, [\$3.33] **\$8.005** million, from the State Highway Fund.

“(6) The council may not use any moneys originating from a local transient lodging tax or a state transient lodging tax, as those terms are defined in ORS 320.300, for the purpose of funding the management, maintenance, improvement and development of roadside rest areas under this section.

SECTION 127

ORS 377.841, as amended by sections 125 and 126 of this 2017 Act, is amended to read:

“377.841. (1) For the purposes of this section, ‘roadside rest areas’ includes the following list of roadside rest areas in this state:

- “(a) Suncrest, Interstate 5, near milepost 22.
- “(b) Manzanita, Interstate 5, near milepost 63.
- “(c) Cabin Creek, Interstate 5, near milepost 143.
- “(d) Gettings Creek, Interstate 5, near milepost 178.
- “(e) Oak Grove, Interstate 5, near milepost 206.
- “(f) Santiam River, Interstate 5, near milepost 241.
- “(g) French Prairie, Interstate 5, near milepost 282.
- “(h) Memaloose, Interstate 84, near milepost 73.
- “(i) Boardman, Interstate 84, near milepost 161.
- “(j) Stanfield, Interstate 84, near milepost 187.
- “(k) Deadman Pass, Interstate 84, near milepost 229.
- “(l) Charles Reynolds, Interstate 84, near milepost 269.
- “(m) Baker Valley, Interstate 84, near milepost 295.
- “(n) Weatherby, Interstate 84, near milepost 336.
- “(o) Ontario, Interstate 84, near milepost 377.
- “(p) The Maples, State Highway 22, near milepost 35.
- “(q) Tillamook River, U.S. Highway 101, near milepost 71.
- “(r) Sunset, U.S. Highway 26, near milepost 29.
- “(s) Cow Canyon, U.S. Highway 97, near milepost 69.
- “(t) Beaver Marsh, U.S. Highway 97, near milepost 207.
- “(u) Midland, U.S. Highway 97, near milepost 282.
- “(v) Government Camp, U.S. Highway 26, near milepost 54.
- “(w) **Van Duzer Corridor State Park, State Highway 18, near milepost 10.**
- “(x) **Ellmaker Wayside State Park, U.S. Highway 20, near milepost 32.**
- “(y) **Peter Skene Ogden State Park, U.S. Highway 97, near milepost 113.**

“(2) The Travel Information Council shall manage, maintain, improve and develop for local economic development and other purposes identified in ORS 377.705 the roadside rest areas listed in subsection (1) of this section.

“(3) The Department of Transportation and the State Parks and Recreation Department shall:

“(a) **Except for the roadside rest area identified in (1)(v), maintain** ownership of the roadside rest areas that the council manages, maintains, improves and develops pursuant to subsection (2) of this section; and

“(b) Enter into intergovernmental agreements with the council under which the council has the authority to manage, maintain, improve and develop those roadside rest areas owned by the departments.

“(4) Under the intergovernmental agreements entered into under subsection (3) of this section, the council shall conduct public contracting activities in accordance with the provisions of ORS 377.836.

“(5) For the purpose of funding the management, maintenance, improvement and development of roadside rest areas under this section, the Department of Transportation shall allocate to the council, *[for the period beginning on July 1, 2018, and ending on June 30, 2019, \$8.005]* **no later than July 1 of each year, \$9.16 million**, from the State Highway Fund.

“(6) The council may not use any moneys originating from a local transient lodging tax or a state transient lodging tax, as those terms are defined in ORS 320.300, for the purpose of funding the management, maintenance, improvement and development of roadside rest areas under this section.

SECTION 134.

~~“The Department of Transportation shall enter into a memorandum of understanding with:~~

“(1) The ~~Department of Transportation shall~~ City of Portland ~~to~~ transfer jurisdiction of Southeast Powell Boulevard beginning where the highway intersects with Southeast 9th Avenue and ending where the highway intersects with the city limits just east of Southeast 174th Avenue from the department to the ~~€~~City of Portland.

“(2) ~~Lane County~~ The department shall ~~to~~ transfer jurisdiction of the portion of Territorial Highway that is located within ~~the~~ Lane county from the department to the county.

“(3) Lane County ~~shall~~ ~~to~~ transfer jurisdiction of the portion of Delta Highway beginning where the highway intersects with Interstate 105 and ending where the highway intersects with the Randy Pape Beltline from the county to the department.

“(4) Multnomah County and Washington County ~~shall~~ ~~to~~ transfer jurisdiction of the portion of Cornelius Pass Road beginning where the highway intersects with U.S. Highway 30 and ending where the highway intersects with U.S. Highway 26 from the counties to the department.

SECTION 136

The Oregon Transportation Commission shall develop a statewide winter maintenance strategy and policy that includes the use of rock salt or similar solid salt products. This strategy will focus on the Interstate and freeways and will be consistent with environmental best practices.

~~“(1) If at least two inches of snow accumulates on the ground within a 12-hour period, the Department of Transportation shall salt the highways and use snowplows in the areas affected by the adverse weather. The department shall continue to salt the highways and use snowplows on the affected highways until the department determines it is safe to drive on the highways.~~

~~“(2) This section applies only to highways under the department’s jurisdiction as a road authority under ORS 810.010.~~

ROAD USAGE CHARGE RATE ADJUSTMENT

NEW SECTION

ORS 319.885(2) is amended to read:

(2) The per-mile road usage charge is 1.5 cents per mile **with the following rate increases.**

- (a) **For the period beginning on January 1, 2018, and ending on December 31, 2019, 1.8 cents per mile.**
- (b) **For the period beginning on January 1, 2020, and ending on December 31, 2021, 1.9 cents per mile.**
- (c) **For the period beginning on January 1, 2022, and ending on December 31, 2023, 2 cents per mile.**
- (d) **For the period beginning on January 1, 2024, and ending on December 31, 2025, 2.1 cents per mile.**

NEW SECTION

New Section above is amended to read:

(2) The per-mile road usage charge is ~~1.5~~**2.2** cents per mile ~~with the following rate increases.~~

- ~~(a) For the period beginning on January 1, 2018, and ending on December 31, 2019, 1.8 cents per mile.~~
- ~~(b) For the period beginning on January 1, 2020, and ending on December 31, 2021, 1.9 cents per mile.~~
- ~~(c) For the period beginning on January 1, 2022, and ending on December 31, 2023, 2 cents per mile.~~
- ~~(d) For the period beginning on January 1, 2024, and ending on December 31, 2025, 2.1 cents per mile.~~

NEW SECTION

The amendments to ORS 319.885(2) by the new section above apply to the per-mile road usage charge rate imposed on or after January 1, 2026.