

Enrolled
House Bill 4059

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Joint Committee on Transportation)

CHAPTER

AN ACT

Relating to transportation; creating new provisions; amending ORS 184.620, 184.661, 184.751, 184.758, 184.761, 184.766, 316.189, 320.400, 320.405, 320.415, 320.445, 320.455, 320.490, 320.550, 366.155, 366.483, 366.772, 367.095, 377.725, 377.756, 801.041, 801.042, 803.445, 805.045, 805.205, 811.215, 811.485, 818.225, 818.270, 825.450 and 825.480 and section 2, chapter 823, Oregon Laws 2009, section 18, chapter 30, Oregon Laws 2010, and sections 45, 71d, 85, 122r, 139, 149 and 150, chapter 750, Oregon Laws 2017; repealing section 2, chapter 646, Oregon Laws 2017, and sections 56, 59 and 119, chapter 750, Oregon Laws 2017; and prescribing an effective date.

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

SECTION 1. ORS 184.620 is amended to read:

184.620. (1) The Department of Transportation shall be under the supervision of a Director of Transportation. The Oregon Transportation Commission shall appoint the director, after consultation with the Governor. The director serves at the pleasure of the commission.

(2) The appointment of the director shall be subject to confirmation by the Senate in the manner provided [by ORS 171.562 and 171.565] **in section 2 of this 2018 Act.**

(3) The director may appoint:

(a) Deputy directors with full authority to act for the director, but subject to the director's control. The appointment of a deputy director shall be by written order filed with the Secretary of State. A deputy director shall be in the unclassified services for purposes of the State Personnel Relations Law.

(b) All subordinate officers and employees of the department and may prescribe their duties, assignments and reassignments and fix their compensation, subject to any applicable provisions of the State Personnel Relations Law.

(4) Subject to the approval of the commission, the director may organize and reorganize the department as the director considers necessary to properly conduct the work of the department. As directed by the chairperson of the commission, the director shall assign employees of the department to staff the commission.

(5) When service of summons or other process is required by statute to be served on the Director of Transportation, the Department of Transportation or the Oregon Transportation Commission, such service shall be made upon the office of the director.

SECTION 2. (1) **The executive appointment of the Director of Transportation by the Oregon Transportation Commission under ORS 184.620 is subject to confirmation by the Senate. Confirmation requires the affirmative vote of a majority of the members of the Senate.**

(2) If an appointment made under ORS 184.620 is not confirmed by the Senate, the commission shall make another appointment, subject to confirmation by the Senate.

(3) The name of the individual to be appointed or reappointed shall be submitted to the Senate by the commission under ORS 184.620. The Senate shall take up the question of confirmation as soon after the convening of a regular or special session as is appropriate. The question of confirmation may be referred to committee or may be acted upon without a referral.

(4) If the name of an individual to be appointed or reappointed submitted by the commission is not acted upon during the term of the Legislative Assembly to which it is submitted, the name may be resubmitted to the subsequent term by the commission on or after the date the Legislative Assembly convenes in the subsequent regular session.

SECTION 3. ORS 805.045 is amended to read:

805.045. (1) If approval is granted under ORS 283.390, the Department of Transportation may issue:

(a) Registration plates or other evidence of registration from any regular series rather than from any specially designed government series for a vehicle owned or operated by any state department or institution; or

(b) Wine country registration plates for a vehicle operated by a member of the Oregon Wine Board in discharging the board's duties if requested to do so by the board.

(2) The registration period for a vehicle described under this section shall be the same as the regular registration period for the type of vehicle registered.

(3)(a) The fee for registration or renewal of a regular series registration plate for a vehicle under subsection (1)(a) of this section is the fee established under ORS 803.420 for registration or renewal of a state-owned vehicle registered under [*ORS 805.040*] **this section**.

(b) The fee for registration or renewal of a wine country registration plate for a vehicle under subsection (1)(b) of this section is the fee established under ORS 803.420 for that type of vehicle, and not for renewal of a state-owned vehicle registered under [*ORS 805.040*] **this section**. Additionally, the applicant shall pay the surcharge described under ORS 805.266.

(4) Any vehicle registered under this section and not exempted under ORS 815.300 must meet the requirements for certification of compliance with pollution control under ORS 815.310.

SECTION 4. ORS 805.205 is amended to read:

805.205. (1) Except as provided in subsection (7) of this section, the Department of Transportation shall provide for issuance of registration plates described in this section for nonprofit groups meeting the qualifications for tax exempt status under section 501(c)(3) of the Internal Revenue Code and for institutions of higher education. Plates issued under this section may be issued to owners of motor vehicles registered under the provisions of ORS 803.420 (6)(a). Plates issued under this section may not contain expressions of political opinion or religious belief. Rules adopted under this section shall include, but need not be limited to, rules that:

(a) Specify circumstances under which the department may cease to issue plates for any particular group.

(b) Require each group for which plates are issued to file an annual statement on a form designed by the department showing that the group is a nonprofit group or is an institution of higher education and that the group or institution otherwise meets the qualifications imposed for eligibility for plates issued under this section. The statement shall include names and addresses of current directors or officers of the group or institution or of other persons authorized to speak for the group or institution on matters affecting plates issued under this section.

(2)(a) Except as otherwise provided in paragraphs (b) and (c) of this subsection, in addition to any other fee authorized by law, upon issuance of a plate under this section and upon renewal of registration for a vehicle that has plates issued under this section, the department shall collect a surcharge for each year of the registration period. The surcharge shall be determined by the department by rule and may not be less than \$2.50 per plate or more than \$16 per plate. In setting the

amount of the surcharge, the department shall consult with the nonprofit group for which the plates are issued.

(b) In addition to any other fee authorized by law, upon issuance of a plate under this section that recognizes an institution of higher education in this state, and upon renewal of registration for a vehicle that has such plates, the department shall collect a surcharge of \$8 per plate for each year of the registration period.

(c) In addition to any other fee authorized by law, upon issuance of a Share the Road registration plate the department shall collect a surcharge of \$5 per year of registration.

(3) Plates issued under this section shall be from the current regular issue of plates except that:

(a) If the group requesting the plates is an institution of higher education, the plates shall, upon request, contain words that indicate the plates are issued to recognize the institution or shall contain the institution's logo or an image of the institution's mascot; or

(b) If the group requesting the plates is a group that recognizes fallen public safety officers, the plates shall, upon request, contain a decal that indicates the plates are issued to recognize fallen public safety officers.

(4) Except as otherwise required by the design chosen, the plates shall comply with the requirements of ORS 803.535. The department shall determine how many sets of plates shall be manufactured for each group approved under this section. If the department does not sell or issue renewal for 500 sets of plates for a particular group in any one year, the department shall cease production of those plates.

(5) Except as otherwise provided in subsection (6) of this section, each group that is found by the department to be eligible for plates issued under this section may designate an account into which the net proceeds of the surcharge collected by the department under subsection (2) of this section are to be deposited. The department shall keep accurate records of the number of plates issued for each group that qualifies. After payment of administrative expenses of the department, moneys collected under this section for each group shall be deposited by the department into an account specified by that group. If any group does not specify an account for the moneys collected from the sale of plates issued under this section, the department shall deposit moneys collected for those plates into the Passenger Rail Transportation Account established under ORS 802.100 to be used as other moneys in the account are used. Deposits under this subsection shall be made at least quarterly.

(6)(a) Each institution of higher education that requests a plate under this section shall designate an account in the general fund of the institution, and the proceeds in the account shall be used for the purpose of academic enrichment at the institution.

(b) Net proceeds of the surcharge collected by the department for Share the Road registration plates shall be deposited into two accounts designated by The [*Bicycle Transportation Alliance*] **Street Trust Community Fund** and Cycle Oregon. The department shall evenly distribute the net proceeds to each account. Deposits under this paragraph shall be made at least quarterly. At any time that the department determines that the accounts designated by The [*Bicycle Transportation Alliance*] **Street Trust Community Fund** and Cycle Oregon cease to exist, the department may deposit the proceeds into the Passenger Rail Transportation Account established under ORS 802.100.

(c) Net proceeds of the surcharge collected by the department for Keep Kids Safe registration plates shall be deposited into an account designated by the Children's Trust Fund of Oregon Foundation to fund strategies and approaches shown to prevent or reduce child abuse. Deposits made under this paragraph shall be made at least quarterly. At any time that the department determines that the account designated by the Children's Trust Fund of Oregon Foundation ceases to exist, the department shall deposit the proceeds into the Keep Kids Safe Registration Plate Account established in ORS 805.207. At the beginning of each biennium, the Early Learning Council shall evenly distribute the moneys in the Keep Kids Safe Registration Plate Account to the counties in this state, until each county receives \$1,000. After each county has received \$1,000, the council shall distribute any remaining moneys to each county in an amount equal to the percentage of Keep Kids Safe registration plates sold in that county. Each county shall use the moneys received under this para-

graph solely for the purpose of funding strategies and approaches shown to prevent or reduce child abuse.

(7) The department may not accept applications to create new group registration plates on or after August 12, 2015.

SECTION 5. Section 71d, chapter 750, Oregon Laws 2017, is amended to read:

Sec. 71d. (1) **On and after January 1, 2020**, the Oregon Transportation Commission shall use the proceeds of bonds, as defined in ORS 367.010, authorized under ORS 367.620 (3)(d) to finance the transportation projects listed in this section. The commission shall determine the order of completion for the projects listed in subsection (2) of this section.

(2) No later than January 1, 2024, the commission shall allocate the following amounts to each region, as described in ORS 366.805, for the projects listed below, provided that the commission determines that the projects could constitutionally be funded by revenues described in Article IX, section 3a, of the Oregon Constitution:

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- (a) Region 1:..... \$ 249,700,000
 - (A) State Highway 211 improvements beginning where the highway intersects with State Highway 213 and ending where the highway intersects Molalla Avenue in the City of Molalla
 - (B) WaNaPa Street improvements in the City of Cascade Locks
 - (C) Port of Hood River bridge replacement environmental impact study
 - (D) Columbia Boulevard pedestrian safety
 - (E) Southeast Powell Boulevard jurisdiction transfer as described under [section 134] **of this 2017 Act] ORS 366.483**
 - (F) Interstate 205 active traffic management project
 - (G) Interstate 205 corridor bottleneck project
 - (H) State Highway 217 Northbound project
 - (I) State Highway 217 Southbound project
 - (J) Improvements to Graham Road where it intersects with Interstate 84 in the City of Troutdale
 - (b) Region 2:..... \$ 201,950,000
 - (A) Oregon Manufacturing Innovation Center Access Roads in Columbia

- County
- (B) Interstate 5 at the Aurora-Donald interchange, Phase I
- (C) State Highway 99E in the City of Halsey
- (D) State Highway 214 pedestrian safety improvements at the intersection with Jefferson Street in the City of Silverton
- (E) Territorial Highway jurisdiction transfer as described under [section 134 of this] [this 2017 Act] **ORS 366.483**
- (F) U.S. Highway 20 safety upgrades from the City of Albany to the City of Corvallis
- (G) State Highway 58, adding passing lanes west of the City of Oakridge
- (H) State Highway 22 and Center Street Bridge, seismic retrofit in the City of Salem
- (I) State Highway 99 in City of Eugene jurisdiction transfer as described under [section 134 of] [this 2017 Act] **ORS 366.483**
- (J) State Highway 126 Florence-Eugene Highway for environmental impact study
- (K) 42nd Street in the City of Springfield
- (L) Newberg and Dundee Bypass, State Highway 99W, Phase II, [design only] **shovel ready preparations**
- (c) Region 3:..... \$ 75 million
- (A) Scottsburg Bridge on State Highway 38 in Douglas County
- (B) Southern Oregon seismic triage transportation project
- (d) Region 4:..... \$ 76,493,000

- (A) U.S. Highway 97 Cooley Road mid-term improvements
- (B) U.S. Highway 97 at [Terrabonne] **Terrebonne**
- (C) Improvements to Alder Creek Road in Wheeler County
- (D) Pedestrian safety improvements in the City of Dufur
- (E) Pedestrian safety improvements in the City of Prineville
- (F) Tom McCall Road roundabout
- (G) Pedestrian safety improvements in the City of Arlington
- (e) Region 5:..... \$ 43,647,000
- (A) Port of Umatilla Road
- (B) Hermiston North First Place Project in the City of Hermiston
- (C) State Highway 30 and Hughes Lane intersection in Baker County
- (D) Eastern Oregon Trade and Event Center access road
- (E) Pedestrian safety improvements in the City of Heppner
- (F) Pedestrian safety improvements in the City of Milton-Freewater
- (G) Columbia Development Authority Access Road
- (H) Pedestrian safety improvements in the City of Burns
- (I) Pedestrian safety improvements in the City of Irrigon
- (J) U.S. Highway 20 freight mobility enhancements
- (K) Cedar Street and Hughes Lane enhancements in Baker County

(3)(a) When the commission determines that a project described in this section is completed, the commission shall reallocate any amount remaining from the allocation made under this section to another project described in the same region.

(b) When the commission determines that all of the projects within a region are completed, the commission shall reallocate any amount remaining from the allocation made under this section to any other project listed in this section.

(4) The amounts described in this section for jurisdiction transfers described in [section 134 of this 2017 Act] **ORS 366.483** may not be allocated until after the transfer for which the allocation is dedicated occurs.

SECTION 6. ORS 366.772 is amended to read:

366.772. (1) Not later than July 31 in each calendar year, the sum of \$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 transferred to a separate account to be administered by the Department of Transportation.

(2) Not later than July 31 in each calendar year, the sum of \$5,750,000 shall be withdrawn from the separate account described in subsection (1) of this section and distributed to 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] **based on a ratio of road miles maintained by each county to registered vehicles.**

(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.

SECTION 7. ORS 366.155 is amended to read:

366.155. (1) The Department of Transportation shall, among other things:

(a) So far as practicable, compile statistics relative to the public highways of the state and collect all information in regard thereto which the Director of Transportation may deem important or of value in connection with highway location, construction, maintenance, improvement or operation.

(b) Keep on file in the office of the department copies of all plans, specifications and estimates prepared by the department.

(c) Make all necessary surveys for the location or relocation of highways and cause to be made and kept in the department a general highway plan of the state.

(d) Collect and compile information and statistics relative to the mileage, character and condition of highways and bridges in the different counties in the state, both with respect to state and county highways.

(e) Investigate and determine the methods of road construction best adapted in the various counties or sections of the state, giving due regard to the topography, natural character and availability of road-building materials and the cost of building and maintaining roads under this Act.

(f) Prepare surveys, plans, specifications and estimates for the construction, reconstruction, improvement, maintenance and repair of any bridge, street, road and highway. In advertising for bids on any such project the director shall invite bids in conformity with such plans and specifications.

(g) Keep an accurate and detailed account of all moneys expended in the location, survey, construction, reconstruction, improvement, maintenance or operation of highways, roads and streets, including costs for rights of way, under this Act, and keep a record of the number of miles so located, constructed, maintained or operated in each county, the date of construction, the width of such highways and the cost per mile for the construction and maintenance of the highways.

(h) Upon request of a county governing body, assist the county on matters relating to road location, construction or maintenance. Plans and specifications for bridges or culverts that are provided under this paragraph shall be provided without cost to the 10 counties with the lowest ratio of [*registered vehicles to road miles maintained by each county*] **road miles maintained by each county to registered vehicles**. Standard specifications for road projects shall be provided without cost to all counties. The Department of Transportation shall determine an amount to be charged for assistance under this paragraph in establishing specifications and standards for roads under ORS 368.036. The costs of assistance not specifically provided for under this paragraph shall be paid as provided by agreement between the county governing body and the director.

(i) Upon request of the State Parks and Recreation Department, assist the State Parks and Recreation Department in evaluating the potential need for construction, reconstruction, improvement, maintenance or operation of highways, roads and streets that would result if the State Parks and Recreation Commission acquired and developed a new historic site, park or recreation area under the criteria established pursuant to ORS 390.112 or any other criteria for acquisition established by the State Parks and Recreation Commission.

(2) The director may require duties with respect to audits and accounting procedures provided for in this section and ORS 366.165 to be performed and responsibilities to be assumed by the fiscal officer of the department appointed under ORS 184.637.

(3) In carrying out the duties set forth in this section, the director shall act in a manner that is consistent with the goal set forth in ORS 468B.155.

SECTION 8. Section 85, chapter 750, Oregon Laws 2017, is amended to read:

Sec. 85. (1) The Oregon Transportation Commission shall pursue methods to streamline the process for submitting applications under ORS 367.080 to 367.086.

(2) The Oregon Transportation Commission shall report to the Joint Committee on Transportation established under [*section 26 of this 2017 Act*] **ORS 171.858** no later than September 15, [2017] **2018**, on the implementation of this section.

SECTION 9. Any report due no later than September 15, 2017, under section 85, chapter 750, Oregon Laws 2017, and filed on or before September 15, 2018, is considered to be filed timely.

SECTION 10. ORS 320.400 is amended to read:

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

(1)(a) "Bicycle" means a vehicle that is designed to be operated on the ground on wheels and is propelled exclusively by human power.

(b) "Bicycle" includes an electric assisted bicycle as defined in ORS 801.258.

[(b)] (c) "Bicycle" does not include durable medical equipment.

[(2) "*New motor vehicle*" has the meaning given that term in ORS 803.350 (8)(c).]

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

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

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

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

[4] (3) "Seller" means:

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

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

[5] (4) "Taxable bicycle" means a new bicycle that has *[wheels of at least 26 inches in diameter and]* a retail sales price of \$200 or more.

[6] (5) "Taxable motor vehicle" means a *[new motor]* vehicle *[with]* **that:**

(a) Has a gross vehicle weight rating of 26,000 pounds or less *[that is:]*;

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

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

(c) Is:

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

[(b)] **A bus trailer as defined in ORS 801.165;**

[(c)] **(B)** A camper as defined in ORS 801.180;

[(d)] **(C)** A commercial bus as defined in ORS 801.200;

[(e)] **(D)** A commercial motor vehicle as defined in ORS 801.208;

[(f)] **(E)** A commercial vehicle as defined in ORS 801.210;

[(g)] **An electric assisted bicycle as defined in ORS 801.258;**

[(h)] **(F)** A fixed load vehicle as defined in ORS 801.285;

[(i)] **(G)** A moped as defined in ORS 801.345;

[(j)] **A motor assisted scooter as defined in ORS 801.348;**

[(k)] **(H)** A motor home as defined in ORS 801.350;

[(L)] **(I)** A motor truck as defined in ORS 801.355;

[(m)] **(J)** A tank vehicle as defined in ORS 801.522;

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

[(n)] **(L)** A truck tractor as defined in ORS 801.575; **or**

[(o)] **A truck trailer as defined in ORS 801.580; or]**

[(p)] **(M)** A worker transport bus as defined in ORS 801.610.

[7] (6) "Taxable vehicle" means a taxable bicycle or a taxable motor vehicle.

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

[9(a)] (8)(a) "Vehicle dealer" means:

(A) A person engaged in business in this state that *[has been issued]* **is required to obtain** a vehicle dealer certificate under ORS *[822.020]* **822.005;** and

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

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

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

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

SECTION 11. ORS 320.405 is amended to read:

320.405. (1) A tax is imposed on each vehicle dealer for the privilege of engaging in the business of selling taxable motor vehicles at retail in this state.

(2)(a) The privilege tax shall be computed at the rate of 0.5 percent of the retail sales price of the taxable motor vehicle. The tax may be rounded to the nearest whole cent.

(b) The privilege tax becomes due upon the sale at retail of a taxable motor vehicle that:

(A) Has never been registered in this state; or

(B) Has been registered only to a vehicle dealer for use as a demonstrator in the course of the vehicle dealer's business.

(3)(a) A vehicle dealer may collect the amount of the privilege tax computed on the retail sales price of a taxable motor vehicle from the purchaser of the taxable motor vehicle.

(b) Notwithstanding paragraph (a) of this subsection, the purchaser of a taxable motor vehicle from whom the privilege tax is collected is not considered a taxpayer for purposes of the privilege tax imposed under this section.

SECTION 12. ORS 320.415 is amended to read:

320.415. (1) An excise tax of \$15 is imposed on each sale at retail in this state of a taxable bicycle **and becomes due upon the sale.**

(2) The excise tax is a liability of the purchaser of the taxable bicycle.

(3) The amount of the excise tax shall be separately stated on an invoice, receipt or other similar document that the seller provides to the purchaser or shall be otherwise disclosed to the purchaser.

(4) A seller shall collect the excise tax at the time of the taxable sale.

(5) A purchaser's liability for the excise tax is satisfied by a valid receipt given to the purchaser by the seller of the taxable bicycle **showing payment of the excise tax.**

SECTION 13. ORS 320.445 is amended to read:

320.445. (1) Except as otherwise provided in ORS 320.400 to 320.490 and 803.203, the use tax imposed under ORS 320.410 and the excise tax imposed under ORS 320.415 shall be collected at the point of sale and remitted by each seller that engages in the retail sale of taxable vehicles. Each tax is considered a tax upon the seller that is required to collect the tax, and the seller is considered a taxpayer.

(2) Each seller of taxable vehicles that is liable for transportation project taxes shall file a return with the Department of Revenue, in the form and manner prescribed by the department, on or before the last day of January, April, July and October of each year for the previous calendar quarter. **The return shall show the amount of transportation project taxes due for retail sales made during the calendar quarter to which the return relates.**

(3) Each seller shall pay the applicable transportation project taxes to the department in the form and manner prescribed by the department, but not later than the date of submitting each quarterly return, without regard to extensions under subsection (5) of this section.

(4) Sellers of taxable vehicles shall file the returns required under this section with respect to the privilege tax imposed under ORS 320.405 and the excise tax imposed under ORS 320.415 regardless of whether any taxes are owed.

(5) The department may extend the time for making any return required under this section if a written request is filed with the department during or prior to the period for which the extension may be granted. The department may not grant an extension of more than 30 days.

(6) Interest shall be added to delinquent tax amounts at the rate established under ORS 305.220 from the time the return to which the delinquent tax amounts relate was originally required to be filed to the time of payment.

SECTION 14. ORS 320.455 is amended to read:

320.455. Any purchaser liable for the use tax imposed under ORS 320.410 or the excise tax imposed under ORS 320.415 and from whom the tax has not been collected shall, on or before the *[20th day of the month following the close of the month in]* **30th day following the date on** which the tax became due, file with the Department of Revenue a report of the amount of tax due from the purchaser in a form and manner prescribed by the department. The purchaser shall remit the amount of tax due with the report.

SECTION 15. ORS 320.490 is amended to read:

320.490. (1) A local government may not impose a tax described in subsection (2) of this section unless the tax is:

(a) Authorized by statute; or

(b) Approved by the governing body of the local government and in effect on or before October 6, 2017.

(2) This section applies to:

(a) A tax **imposed** on the privilege of engaging in the business of selling taxable motor vehicles at retail; and

(b) Any *[other]* privilege, excise, sales or use tax **imposed on or with respect to** taxable motor vehicles.

SECTION 16. ORS 320.550 is amended to read:

320.550. (1) As used in this section:

(a) "Employer" has the meaning given that term in ORS 316.162.

(b) "Resident of this state" has the meaning given that term in ORS 316.027.

(c) "Wages" has the meaning given that term in ORS 316.162.

(2) A tax is imposed at the rate of one-tenth of one percent of[:]

[(a)] the wages of an employee who is:

[(A)] **(a)** A resident of this state, regardless of where services are performed.

[(B)] **(b)** Not a resident of this state, for services performed in this state.

[(b) The periodic payments under ORS 316.189.]

(3) Every employer at the time of the payment of wages shall deduct and withhold from the total amount of the wages paid for services described under subsection (2) of this section an amount equal to the total amount of wages~~], without exemption or deduction,~~ multiplied by the rate of tax imposed under subsection (2) of this section.

[(4) Every payer at the time of making a periodic payment under ORS 316.189 shall deduct and withhold from the payment an amount equal to the total amount of the payment, without exemption or deduction, multiplied by the rate of tax imposed under subsection (2) of this section.]

[(5)] **(4)** An employer *[or payer]* shall report and pay the tax imposed under this section to the Department of Revenue at the time and in the manner determined by the department by rule.

[(6)] **(5)** For purposes of the tax imposed under this section, an employer *[or payer]* is considered a taxpayer.

[(7)] **(6)** If a lender, surety or other person who supplies funds to or for the account of an employer for the purpose of paying wages of the employees of such employer has actual notice or knowledge that such employer does not intend to or will not be able to make timely payment or deposit of the tax required to be deducted and withheld, such lender, surety or other person shall be liable to the State of Oregon in a sum equal to the taxes, together with interest, that are not timely paid over to the Department of Revenue. Such liability shall be limited to the principal amount supplied by the lender, surety or other person, and any amounts so paid to the department shall be credited against the liability of the employer.

[(8(a)] **(7)(a)** An employer *[or payer]* shall submit an annual return pursuant to ORS 316.202 to the Department of Revenue. The amounts deducted from the wages during any calendar year in accordance with this section shall be considered to be in payment of the tax imposed under subsection (2) of this section.

(b) The return submitted by the employer shall be accepted by the Department of Revenue as evidence in favor of the employee of the amounts so deducted from the employee's wages.

[(9)] **(8)** Nothing in this section prohibits the Department of Revenue from including the tax imposed under this section in the combined quarterly tax report required under ORS 316.168.

[(10)] **(9)** An employer that fails to deduct and withhold the tax required under this section:

(a) Is deemed responsible for the payment of the tax obligation in an amount equal to the amount required to be withheld from the employee's wages and remitted to the Department of Revenue; and

(b) Is subject to a penalty of \$250 per employee, up to a maximum penalty of \$25,000, if the employer knowingly fails to deduct and withhold the tax.

[(11)] **(10)** Residents subject to the tax imposed under this section on wages earned outside this state from an employer not doing business within this state shall report and pay the tax **in an amount not to exceed one-tenth of one percent of the wages earned outside this state, and** at the time and in the manner, **as** determined by the Department of Revenue by rule.

SECTION 17. ORS 316.189 is amended to read:

316.189. (1) As used in this section:

(a) "Commercial annuity" means an annuity, endowment or life insurance contract issued by an insurance company authorized to transact insurance in the State of Oregon.

(b) "Department" means the Oregon Department of Revenue.

(c) "Designated distribution" means any distribution or payment from or under an employer deferred compensation plan, an individual retirement plan or a commercial annuity. "Designated distribution" does not include any amount treated as wages as defined in ORS 316.162, the portion of any distribution or payment that is not includable in the gross income of the recipient or any distribution or payment made under section 404(k)(2) of the Internal Revenue Code.

(d) "Employer deferred compensation plan" means any pension, annuity, profit-sharing or stock bonus plan or other plan deferring the receipt of compensation.

(e) "Individual retirement plan" means an individual retirement account described in section 408(a) of the Internal Revenue Code or an individual retirement annuity described in section 408(b) of the Internal Revenue Code.

(f) "Nonperiodic distribution" means any designated distribution which is not a periodic payment.

(g) "Payer" means any payer of a designated distribution doing business in or making payments or distributions from sources in this state.

(h) "Periodic payment" means a designated distribution which is an annuity or similar periodic payment.

(i) "Plan administrator" means a plan administrator as described in section 414(g) of the Internal Revenue Code, who is the administrator of a plan created by an Oregon employer.

(j) "Qualified total distribution" means any designated distribution made under a retirement, annuity or deferred compensation plan described in section 401(a), 403(a) or 457(b) of the Internal Revenue Code, that consists of the balance to the credit of the employee, exclusive of accumulated deductible employee contributions, made within one tax year of the recipient.

(2)(a) The payer of any periodic payment shall withhold from such payment the amount which would be required to be withheld from such payment under ORS 316.167 [or 320.550] if the payment were wages paid by an employer to an employee. The time and manner of payment of withheld amounts to the department shall be the same as that required under ORS 316.197 for withholding of income taxes from wages.

(b) The payer of any nonperiodic distribution shall withhold from such distribution an amount determined under tables prescribed by the department.

(c) The maximum amount to be withheld under this section on any designated distribution shall not exceed 10 percent of the amount of money and the fair market value of other property received in the distribution. If the distribution is not subject to withholding for federal income tax purposes under section 3405 of the Internal Revenue Code, it shall not be subject to withholding under this section.

(3)(a) Except as provided in paragraph (b) of this subsection, the payer of a designated distribution shall withhold and be liable for payment of amounts required to be withheld under this section.

(b) In the case of any plan described in section 401(a), 403(a) or 457(b) of the Internal Revenue Code, or section 301(d) of the Tax Reduction Act of 1975, the plan administrator shall withhold and be liable for payment of amounts required to be withheld under this section, unless the plan administrator has directed the payer to withhold the tax and has provided the payer with the information required by rule of the department.

(4)(a) An individual may elect to have no withholding by a payer under subsection (2) of this section. If an individual has elected to have no federal withholding from payments or distributions described in this section the individual shall be deemed to have elected no withholding for state purposes, unless the individual notifies the payer otherwise.

(b) An election made under this subsection shall be effective as provided under rules promulgated by the department. The rules required under this paragraph shall provide the manner in which an election may be revoked and when such revocation shall be effective.

[(c) An election made under this subsection does not apply to amounts required to be withheld under ORS 320.550.]

(5) The payer of any periodic payment or nonperiodic distribution shall give notice to the payee of the right to make an election to have no state withholding from the payment or distribution. The department shall provide by rule for the time and manner of giving the notice required under this subsection.

(6) Any rules permitted or required to be promulgated by the department under this section shall, insofar as is practicable, be consistent with corresponding provisions of section 3405 of the Internal Revenue Code and regulations promulgated thereunder.

(7) Any designated distribution shall be treated as if it were wages paid by an employer to an employee within the meaning of ORS 316.162 to 316.221 *[and 320.550]* for all other purposes of ORS 316.162 to 316.221 *[and 320.550]*. In the case of any designated distribution not subject to withholding by reason of an election under subsection (4) of this section, the amount withheld shall be treated as zero.

SECTION 18. Sections 148 to 152, chapter 750, Oregon Laws 2017, are added to and made a part of ORS chapter 468.

SECTION 19. Section 149, chapter 750, Oregon Laws 2017, is amended to read:

Sec. 149. (1) The Department of Environmental Quality shall establish a program for providing rebates to persons that purchase **or lease** qualifying vehicles for use in this state. The Director of the Department of Environmental Quality may hire or contract with a third-party *[nonprofit]* organization to implement and serve as the administrator of the program required by this section.

(2) The department may:

(a) Specify design features for the program; and

(b) Establish procedures to:

(A) Prioritize available moneys for specific qualifying vehicles; and

(B) Limit the number of rebates available for each type of qualifying vehicle.

(3) The purchaser or lessee of a qualifying vehicle may apply for a rebate for a portion of the purchase price or may choose to assign the rebate to a vehicle dealer or lessor.

(4) Rebates under the program shall be made from moneys credited to or deposited in the Zero-Emission Incentive Fund established under section 152, **chapter 750, Oregon Laws 2017** *[of this 2017 Act]*. A rebate may not be made until there are sufficient moneys available in the fund to make the rebate.

(5) The department shall prescribe the rebate application procedure for purchasers and lessees. All rebate applications must include a declaration under penalty of perjury in the form required by ORCP 1 E.

(6) Rebates for qualifying vehicles shall be set annually by the department as follows:

(a) For light-duty zero-emission vehicles and plug-in hybrid electric vehicles with an electrochemical energy storage capacity of 10 kilowatt hours or more, up to \$2,500 but not less than \$1,500.

(b) For light-duty zero-emission vehicles or plug-in hybrid electric vehicles with an electrochemical energy storage capacity of less than 10 kilowatt hours, up to \$1,500 but not less than \$750.

(7) To be eligible for a rebate, a person requesting a rebate under the program shall:

(a) Purchase or lease a qualifying vehicle. A lease must have a minimum term of 24 months.

(b) Provide proof of an intent to use the qualifying vehicle primarily on the public highways of this state, which may be satisfied by providing proof of registration of the qualifying vehicle in Oregon.

(c) Submit an application for a rebate to the administrator of the program within six months after the date of purchase of the qualifying vehicle or six months after the date the lease of the qualifying vehicle begins.

(d) Retain registration of the qualifying vehicle for a minimum of 24 consecutive months after the date of purchase or the date the lease begins.

(8) A rebate recipient may not make or allow any modifications to the qualifying vehicle's emissions control systems, hardware, software calibrations or hybrid system.

(9) If a rebate recipient [*intends to sell the qualifying vehicle, or terminate*] **sells the qualifying vehicle, or terminates** the qualifying vehicle lease before the end of 24 months, the rebate recipient shall notify the administrator of the program of the [*recipient's intent to sell the vehicle or terminate the lease*] **sale or termination** and shall reimburse the administrator for the entire rebate amount.

(10) Rebate recipients may be requested to participate in ongoing research efforts.

(11) The administrator of the program shall work to ensure timely payment of rebates with a goal of paying rebates within 60 days after receiving an application for a rebate.

(12) A vehicle dealer may advertise the program on the premises owned or operated by the vehicle dealer. If no moneys are available from the program or the program otherwise changes, a vehicle dealer who advertises the program may not be held liable for advertising false or misleading information.

(13) The Environmental Quality Commission may adopt any rules necessary to carry out the provisions of this section.

SECTION 20. Section 149, chapter 750, Oregon Laws 2017, as amended by section 155, chapter 750, Oregon Laws 2017, is amended to read:

Sec. 149. (1) The Department of Environmental Quality shall establish a program for providing rebates to persons that purchase **or lease** qualifying vehicles for use in this state. The Director of the Department of Environmental Quality may hire or contract with a third-party [*nonprofit*] organization to implement and serve as the administrator of the program required by this section.

(2) The department may:

(a) Specify design features for the program; and

(b) Establish procedures to:

(A) Prioritize available moneys for specific qualifying vehicles; and

(B) Limit the number of rebates available for each type of qualifying vehicle.

(3) The purchaser or lessee of a qualifying vehicle may apply for a rebate for a portion of the purchase price or may choose to assign the rebate to a vehicle dealer or lessor.

(4) Rebates under the program shall be made from moneys credited to or deposited in the Zero-Emission Incentive Fund established under section 152, **chapter 750, Oregon Laws 2017** [*of this 2017 Act*]. A rebate may not be made until there are sufficient moneys available in the fund to make the rebate.

(5) The department shall prescribe the rebate application procedure for purchasers and lessees. All rebate applications must include a declaration under penalty of perjury in the form required by ORCP 1 E.

(6) Rebates for qualifying vehicles shall be set annually by the department as follows:

(a) For light-duty zero-emission vehicles and plug-in hybrid electric vehicles with an electrochemical energy storage capacity of 10 kilowatt hours or more, up to \$2,500 but no less than \$1,500.

(b) For light-duty zero-emission vehicles or plug-in hybrid electric vehicles with an electrochemical energy storage capacity of less than 10 kilowatt hours, up to \$1,500 but no less than \$750.

(c) For neighborhood electric vehicles, up to \$750 but not less than \$375.

(d) For zero-emission motorcycles, up to \$750 but not less than \$375.

(7) To be eligible for a rebate, a person requesting a rebate under the program shall:

(a) Purchase or lease a qualifying vehicle. A lease must have a minimum term of 24 months.

(b) Provide proof of an intent to use the qualifying vehicle primarily on the public highways of this state, which may be satisfied by providing proof of registration of the qualifying vehicle in Oregon.

(c) Submit an application for a rebate to the administrator of the program within six months after the date of purchase of the qualifying vehicle or six months after the date the lease of the qualifying vehicle begins.

(d) Retain registration of the qualifying vehicle for a minimum of 24 consecutive months after the date of purchase or the date the lease begins.

(8) A rebate recipient may not make or allow any modifications to the qualifying vehicle's emissions control systems, hardware, software calibrations or hybrid system.

(9) If a rebate recipient [*intends to sell the qualifying vehicle, or terminate*] **sells the qualifying vehicle, or terminates** the qualifying vehicle lease before the end of 24 months, the rebate recipient shall notify the administrator of the program of the [*recipient's intent to sell the vehicle or terminate the lease*] **sale or termination** and shall reimburse the administrator for the entire rebate amount.

(10) Rebate recipients may be requested to participate in ongoing research efforts.

(11) The administrator of the program shall work to ensure timely payment of rebates with a goal of paying rebates within 60 days after receiving an application for a rebate.

(12) A vehicle dealer may advertise the program on the premises owned or operated by the vehicle dealer. If no moneys are available from the program or the program otherwise changes, a vehicle dealer who advertises the program may not be held liable for advertising false or misleading information.

(13) The Environmental Quality Commission may adopt any rules necessary to carry out the provisions of this section.

SECTION 21. Section 150, chapter 750, Oregon Laws 2017, is amended to read:

Sec. 150. (1) As used in this section:

(a) "Area median income" means the median income for the metropolitan statistical area in which a household is located or, if the household is not located within a metropolitan statistical area, for the metropolitan statistical area in closest proximity to the location of the household, as determined by the Housing and Community Services Department, adjusted for household size.

(b) "Charge ahead rebate" means a rebate for the purchase **or lease** of a new or used light-duty zero-emission vehicle issued through the Charge Ahead Oregon Program established under this section.

[(c) "*High-emission passenger motor vehicle*" means a motor vehicle that is:]

[(A) *Designed primarily for the transportation of persons; and*]

[(B) *Powered by an internal combustion engine that is 20 years old or older.*]

[(d)] (c) "Low income household" means a household with income less than or equal to 80 percent of the area median income.

[(e)] (d) "Moderate income household" means a household with income less than or equal to 120 percent and greater than 80 percent of the area median income.

(2) The Department of Environmental Quality shall establish a Charge Ahead Oregon Program to provide for charge ahead rebates to low income households and moderate income households [*that voluntarily retire or scrap high-emission passenger motor vehicles and replace those motor vehicles with new or used light-duty zero-emission vehicles*]. The Director of the Department of Environmental Quality may hire or contract with a third-party [*nonprofit*] organization to implement and serve as the administrator of the program required by this section.

(3) The department may:

(a) Specify design features for the program; and

(b) Establish procedures to:

(A) Prioritize available moneys to specific income levels or geographic areas; and

(B) Limit the number of charge ahead rebates available.

(4) An eligible purchaser or lessee of a new or used light-duty zero-emission vehicle may apply for a charge ahead rebate for a portion of the purchase price or may choose to assign the charge ahead rebate to a vehicle dealer or lessor.

(5) Rebates under the Charge Ahead Oregon Program shall be made from moneys credited to or deposited in the Zero-Emission Incentive Fund established under section 152, **chapter 750, Oregon Laws 2017** [of this 2017 Act]. A rebate may not be made until there are sufficient moneys available in the fund to make the rebate.

(6) The department shall prescribe the rebate application procedure for purchasers and lessees. All rebate applications must include a declaration under penalty of perjury in the form required by ORCP 1 E.

(7) Charge ahead rebates shall be in an amount up to \$2,500, but not less than \$1,250.

(8) To be eligible for a charge ahead rebate, a person requesting a rebate under the program must:

(a) Be a member of a low income household or a moderate income household.

[(b) Reside in an area of this state that has elevated concentrations of air contaminants commonly attributable to motor vehicle emissions, such as particulate matter, benzene and nitrogen oxides, relative to other areas of the state.]

[(c) Document that the person will scrap or otherwise render inoperable a high-emission passenger motor vehicle that, on the date of the rebate application, is registered as operable and has been continuously registered for the last two years.]

[(d)] (b) Purchase or lease a new or used light-duty zero-emission vehicle. A lease must have a minimum term of 24 months.

[(e)] (c) Provide proof of an intent to use the light-duty zero-emission vehicle primarily on the public highways of this state, which may be satisfied by providing proof of registration of the vehicle in Oregon.

[(f)] (d) Submit an application for a charge ahead rebate to the administrator of the program within six months of the date of purchase or six months from the date the lease begins.

[(g)] (e) Retain registration of the light-duty zero-emission vehicle for a minimum of 24 consecutive months following the date of purchase or following the date the lease begins.

(9) A person that receives a charge ahead rebate may not make or allow any modifications to the vehicle's emissions control systems, hardware, software calibrations or hybrid system.

(10) If a charge ahead rebate recipient *[intends to sell the vehicle, or otherwise terminate]* **sells the vehicle, or terminates** the vehicle lease before the end of 24 months, the charge ahead rebate recipient shall notify the administrator of the program of the *[recipient's intent to sell the vehicle or terminate a lease]* **sale or termination** and shall reimburse the administrator for the entire charge ahead rebate amount.

(11) Charge ahead rebate recipients may be requested to participate in ongoing research efforts.

(12) The administrator of the program shall work to ensure timely payment of charge ahead rebates with a goal of paying rebates within 60 days of receiving an application for a charge ahead rebate.

(13) In establishing the Charge Ahead Oregon Program, the department shall provide opportunities for public comment by low income households, moderate income households and *[community based]* **community-based** organizations that are located in areas of this state that have elevated concentrations of air contaminants attributable to motor vehicle emissions, relative to other areas of the state. The department shall use the comments received pursuant to this subsection to inform, evaluate[,] and strengthen the design of the program in order to increase the usage of light-duty zero-emission vehicles.

(14) The administrator of the program shall, throughout the course of implementing the program, conduct community outreach to low income households, moderate income households and *[community based]* **community-based** organizations that are located in areas of this state that have elevated concentrations of air contaminants attributable to motor vehicle emissions, relative to other areas of the state, in order to:

(a) Solicit feedback on program implementation; and

(b) Take steps to ensure that the program is promoted effectively.

(15) A vehicle dealer may advertise the Charge Ahead Oregon Program on the premises owned or operated by the vehicle dealer. If no moneys are available from the program or the program otherwise changes, a vehicle dealer who advertises the program may not be held liable for advertising false or misleading information.

(16) A charge ahead rebate may be combined with a rebate described in section 149, **chapter 750, Oregon Laws 2017** [of this 2017 Act].

(17) An organization that the department has hired or contracted with to implement and serve as the administrator of the program may offer expanded financing mechanisms for program participants, including, but not limited to, a loan or loan-loss reserve credit enhancement program to increase consumer access to new or used light-duty zero-emission vehicles.

(18) The Environmental Quality Commission may adopt any rules necessary to carry out the provisions of this section.

SECTION 22. ORS 184.661 is amended to read:

184.661. (1) The Oregon Transportation Commission, through the 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 **with a population of 5,000 or greater** and **all** 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 ORS 184.657.

(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 23. ORS 803.445 is amended to read:

803.445. (1) The governing body of a county may impose registration fees for vehicles as provided in ORS 801.041.

(2) The governing body of a district may impose registration fees for vehicles as provided in ORS 801.042.

(3) The Department of Transportation shall provide by rule for the administration of laws authorizing county and district registration fees and for the collection of those fees.

(4) Any registration fee imposed under this section shall be imposed in a manner consistent with ORS 803.420.

(5) [No county or district] **A county or district may not** impose a vehicle registration fee that would by itself, or in combination with any other vehicle registration fee imposed under this section, exceed the [amount] **sum** of the fee imposed under ORS 803.420 (6)(a) **and the fee applicable to the registered vehicle under ORS 803.422**. The owner of any vehicle subject to multiple fees under this section shall be allowed a credit or credits with respect to one or more of such fees so that the total of such fees does not exceed the [amount] **sum** of the fee imposed under ORS 803.420 (6)(a) **and the fee applicable to the registered vehicle under ORS 803.422**.

SECTION 24. ORS 801.041 is amended to read:

801.041. The following apply to the authority granted to counties by ORS 801.040 to establish registration fees for vehicles:

(1) An ordinance establishing registration fees under this section must be enacted by the county imposing the registration fee and filed with the Department of Transportation. Notwithstanding ORS 203.055 or any provision of a county charter, the governing body of a county with a population of 350,000 or more may enact an ordinance establishing registration fees. The governing body of a county with a population of less than 350,000 may enact an ordinance establishing registration fees after submitting the ordinance to the electors of the county for their approval. The governing body of the county imposing the registration fee shall enter into an intergovernmental agreement under ORS 190.010 with the department by which the department shall collect the registration fees, pay them over to the county and, if necessary, allow the credit or credits described in ORS 803.445 (5). The intergovernmental agreement must state the date on which the department shall begin collecting registration fees for the county.

(2) The authority granted by this section allows the establishment of registration fees in addition to those described in ORS 803.420 **and 803.422**. There is no authority under this section to affect registration periods, qualifications, cards, plates, requirements or any other provision relating to vehicle registration under the vehicle code.

(3) Except as otherwise provided for in this subsection, when registration fees are imposed under this section, they must be imposed on all vehicle classes. Registration fees as provided under this section may not be imposed on the following:

- (a) Snowmobiles and Class I all-terrain vehicles.
- (b) Fixed load vehicles.
- (c) Vehicles registered under ORS 805.100 to disabled veterans.
- (d) Vehicles registered as antique vehicles under ORS 805.010.
- (e) Vehicles registered as vehicles of special interest under ORS 805.020.
- (f) Government-owned or operated vehicles registered under ORS 805.040 or 805.045.
- (g) School buses or school activity vehicles registered under ORS 805.050.
- (h) Law enforcement undercover vehicles registered under ORS 805.060.
- (i) Vehicles registered on a proportional basis for interstate operation.
- (j) Vehicles with a registration weight of 26,001 pounds or more described in ORS 803.420 (14)(a) or (b).
- (k) Vehicles registered as farm vehicles under the provisions of ORS 805.300.
- (L) Travel trailers, campers and motor homes.
- (m) Vehicles registered to an employment address as provided in ORS 802.250 when the eligible public employee or household member's residence address is not within the county of the employment address. The department may adopt rules it considers necessary for the administration of this paragraph.
- (n) Vehicles registered under ORS 805.110 to former prisoners of war.

(4) Any registration fee imposed by a county must be a fixed amount not to exceed, with respect to any vehicle class, **the sum of** the registration fee established under ORS 803.420 (6)(a) **and the fee applicable to the registered vehicle under ORS 803.422**. For vehicles on which a flat fee is imposed under ORS 803.420, the fee must be a whole dollar amount.

(5) Moneys from registration fees established under this section must be paid to the county establishing the registration fees as provided in ORS 802.110. The county ordinance shall provide for payment of at least 40 percent of the moneys to cities within the county unless a different distribution is agreed upon by the county and the cities within the jurisdiction of the county. The moneys for the cities and the county shall be used for any purpose for which moneys from registration fees may be used, including the payment of debt service and costs related to bonds or other obligations issued for such purposes.

(6) Two or more counties may act jointly to impose a registration fee under this section. The ordinance of each county acting jointly with another under this subsection must provide for the distribution of moneys collected through a joint registration fee.

SECTION 25. ORS 801.042 is amended to read:

801.042. The following apply to the authority granted to a district by ORS 801.040 to establish registration fees for vehicles:

(1) Before the governing body of a district can impose a registration fee under this section, it must submit the proposal to the electors of the district for their approval and, if the proposal is approved, enter into an intergovernmental agreement under ORS 190.010 with the governing bodies of all counties, other districts and cities with populations of over 300,000 that overlap the district. The intergovernmental agreement must state the registration fees and, if necessary, how the revenue from the fees shall be apportioned among counties and the districts. Before the governing body of a county can enter into such an intergovernmental agreement, the county shall consult with the cities in its jurisdiction.

(2) If a district raises revenues from a registration fee for purposes related to highways, roads, streets and roadside rest areas, the governing body of that district shall establish a Regional Arterial Fund and shall deposit in the Regional Arterial Fund all such registration fees.

(3) Interest received on moneys credited to the Regional Arterial Fund shall accrue to and become a part of the Regional Arterial Fund.

(4) The Regional Arterial Fund must be administered by the governing body of the district referred to in subsection (2) of this section and such governing body by ordinance may disburse moneys in the Regional Arterial Fund. Moneys within the Regional Arterial Fund may be disbursed only for a program of projects recommended by a joint policy advisory committee on transportation consisting of local officials and state agency representatives designated by the district referred to in subsection (2) of this section. The projects for which the joint policy advisory committee on transportation can recommend funding must concern arterials, collectors or other improvements designated by the joint policy advisory committee on transportation.

(5) Ordinances establishing registration fees under this section must be filed with the Department of Transportation. The governing body of the district imposing the registration fee shall enter into an intergovernmental agreement under ORS 190.010 with the department by which the department shall collect the registration fees, pay them over to the district and, if necessary, allow the credit or credits described in ORS 803.445 (5). The intergovernmental agreement must state the date on which the department shall begin collecting registration fees for the district.

(6) The authority granted by this section allows the establishment of registration fees in addition to those described in ORS 803.420 **and 803.422**. There is no authority under this section to affect registration periods, qualifications, cards, plates, requirements or any other provision relating to vehicle registration under the vehicle code.

(7) Except as otherwise provided for in this subsection, when registration fees are imposed under this section, the fees must be imposed on all vehicle classes. Registration fees as provided under this section may not be imposed on the following:

- (a) Snowmobiles and Class I all-terrain vehicles.
- (b) Fixed load vehicles.
- (c) Vehicles registered under ORS 805.100 to disabled veterans.
- (d) Vehicles registered as antique vehicles under ORS 805.010.
- (e) Vehicles registered as vehicles of special interest under ORS 805.020.
- (f) Government-owned or operated vehicles registered under ORS 805.040 or 805.045.
- (g) School buses or school activity vehicles registered under ORS 805.050.
- (h) Law enforcement undercover vehicles registered under ORS 805.060.
- (i) Vehicles registered on a proportional basis for interstate operation.
- (j) Vehicles with a registration weight of 26,001 pounds or more described in ORS 803.420 (14)(a) or (b).
- (k) Vehicles registered as farm vehicles under the provisions of ORS 805.300.

(L) Travel trailers, campers and motor homes.

(m) Vehicles registered to an employment address as provided in ORS 802.250 when the eligible public employee or household member's residence address is not within the county of the employment address. The department may adopt rules it considers necessary for the administration of this paragraph.

(n) Vehicles registered under ORS 805.110 to former prisoners of war.

(8) Any registration fee imposed by the governing body of a district must be a fixed amount not to exceed, with respect to any vehicle class, the registration fee established under ORS 803.420 (6)(a) **and the fee applicable to the registered vehicle under ORS 803.422**. For vehicles on which a flat fee is imposed under ORS 803.420, the fee must be a whole dollar amount.

SECTION 26. ORS 818.225 is amended to read:

818.225. (1) As used in this section, "equivalent single-axle load" means the relationship between actual or requested weight and an 18,000 pound single-axle load as determined by the American Association of State Highway and Transportation Officials Road Tests reported at the Proceedings Conference of 1962.

(2)(a) In addition to any fee for a single-trip nondivisible load permit, a person who is issued the permit or who operates a vehicle in a manner that requires the permit is liable for payment of a road use assessment fee computed on the basis of the following rates per equivalent single-axle load mile traveled:

(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, eight and five-tenths cents.

(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, nine and *[five-tenths]* **three-tenths** cents.

(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, ten and *[five-tenths]* **three-tenths** cents.

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

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

(3) The department may adopt rules:

(a) To standardize the determination of equivalent single-axle load computation based on average highway conditions; and

(b) To establish procedures for payment, collection and enforcement of the fees and assessments established by this chapter.

SECTION 27. ORS 818.225, as amended by section 52, chapter 750, Oregon Laws 2017, is amended to read:

818.225. (1) As used in this section, "equivalent single-axle load" means the relationship between actual or requested weight and an 18,000 pound single-axle load as determined by the American Association of State Highway and Transportation Officials Road Tests reported at the Proceedings Conference of 1962.

(2)(a) In addition to any fee for a single-trip nondivisible load permit, a person who is issued the permit or who operates a vehicle in a manner that requires the permit is liable for payment of a road use assessment fee of *[eleven and eight-tenths]* **ten and nine-tenths** cents per equivalent single-axle load mile traveled.

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

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

(3) The department may adopt rules:

(a) To standardize the determination of equivalent single-axle load computation based on average highway conditions; and

(b) To establish procedures for payment, collection and enforcement of the fees and assessments established by this chapter.

SECTION 28. ORS 818.270, as amended by section 55, chapter 750, Oregon Laws 2017, is amended to read:

818.270. (1) The fee for issuance of a variance permit under ORS 818.200 may be any amount determined by a road authority, not to exceed ~~[\$10]~~ **\$8**. If the variance permit is issued by a private contractor, the contractor may charge an additional fee not to exceed ~~[\$7]~~ **\$5**.

(2) The fee for issuance of a sifting or leaking load permit under ORS 818.230 is ~~[\$10]~~ **\$8**.

(3) The fee for issuance of a dragging permit under ORS 818.240 is ~~[\$10]~~ **\$8**.

(4) The fee for issuance of a permit under ORS 818.260 for the use of bus safety lights is a fee established by rule by the Department of Transportation. Any fee established for purposes of this subsection may not exceed the actual costs of issuing the permit.

SECTION 28a. ORS 825.450, as amended by section 58, chapter 750, Oregon Laws 2017, is amended to read:

825.450. (1) Except as otherwise permitted under ORS 825.470, the Department of Transportation shall issue a receipt stating the combined weight of each self-propelled or motor-driven vehicle and any train or combination of vehicles to be used with the self-propelled or motor-driven vehicle.

(2) A person may not load any motor vehicle in excess of its combined weight permit rating determined under subsection (1) of this section except as variations may necessarily result in passenger loading. A fee of ~~[\$10]~~ **\$8** shall be paid to the department for each weight receipt issued.

(3) Receipts issued under this section are valid from the first day of any calendar quarter to the last day of the fourth consecutive calendar quarter. Each carrier may select the calendar quarter in which the period will begin except that, if necessary for administrative convenience, the department may require a carrier to adopt a starting date chosen by the department.

(4) All vehicles operating under the carrier's authority shall have the same four-quarter period of receipt validity. The department may allow a carrier to operate with expired receipts for up to one extra quarter if the renewal application has been submitted and the required fees have been paid on or before the last day of the period of validity of the receipt. The extension of time allowed by this subsection shall be granted only if the department determines that the extension is necessary for the administrative convenience of the department.

(5) The department may adopt rules necessary to administer the provisions of this section.

SECTION 29. ORS 825.480 is amended to read:

825.480. (1)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in operating motor vehicles in the transportation of logs, poles, peeler cores or piling may pay annual fees for such operation computed at the following rate for each 100 pounds of declared combined weight:

(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$9.10.

(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, ~~[\$10.20]~~ **\$10**.

(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, ~~[\$11.30]~~ **\$11**.

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

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

month's operations. A monthly report shall be made on all vehicles on the annual fee basis including any vehicle not operated for the month.

(3)(a) In lieu of the fees provided in ORS 825.470 to 825.474, motor vehicles described in ORS 825.024 with a combined weight of less than 46,000 pounds that are being operated under a permit issued under ORS 825.102 may pay annual fees for such operation computed at the following rate for each 100 pounds of declared combined weight:

(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$7.50.

(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, [~~\$8.30~~]
\$8.20.

(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, [~~\$9.30~~]
\$9.

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

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

(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$9.10.

(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, [~~\$10.20~~]
\$9.90.

(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, [~~\$11.30~~]
\$10.90.

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

(5)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in operating motor vehicles in the transportation of wood chips, sawdust, barkdust, hog fuel or shavings may pay annual fees for such operation computed at the following rate for each 100 pounds of declared combined weight:

(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$36.80.

(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, [~~\$41.00~~]
\$40.20.

(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, [~~\$45.50~~]
\$44.30.

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

SECTION 29a. ORS 825.480, as amended by section 67, chapter 750, Oregon Laws 2017, is amended to read:

825.480. (1)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in operating motor vehicles in the transportation of logs, poles, peeler cores or piling may pay annual fees for such operation computed at the rate of [~~\$12.60~~]
\$11.60 for each 100 pounds of declared combined weight.

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

(2) The annual fees provided in subsections (1), (4) and (5) of this section may be paid on a monthly basis. Any carrier electing to pay fees under this method may not change an election during

the same calendar year in which the election is made, but may be relieved from the payment due for any month during which a motor vehicle is not operated. A carrier electing to pay fees under this method shall report and pay these fees on or before the 10th of each month for the preceding month's operations. A monthly report shall be made on all vehicles on the annual fee basis including any vehicle not operated for the month.

(3)(a) In lieu of the fees provided in ORS 825.470 to 825.474, motor vehicles described in ORS 825.024 with a combined weight of less than 46,000 pounds that are being operated under a permit issued under ORS 825.102 may pay annual fees for such operation computed at the rate of [~~\$10.30~~] **\$9.60** for each 100 pounds of declared combined weight.

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

(4)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in the operation of motor vehicles equipped with dump bodies and used in the transportation of sand, gravel, rock, dirt, debris, cinders, asphaltic concrete mix, metallic ores and concentrates or raw nonmetallic products, whether crushed or otherwise, moving from mines, pits or quarries may pay annual fees for such operation computed at the rate of [~~\$12.60~~] **\$11.50** for each 100 pounds of declared combined weight.

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

(5)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in operating motor vehicles in the transportation of wood chips, sawdust, barkdust, hog fuel or shavings may pay annual fees for such operation computed at the rate of [~~\$50.80~~] **\$47** for each 100 pounds of declared combined weight.

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

SECTION 30. Sections 56 and 59, chapter 750, Oregon Laws 2017, are repealed.

SECTION 30a. The amendments to ORS 818.270 and 825.450 by sections 28 and 28a of this 2018 Act become operative on January 1, 2020.

SECTION 30b. The amendments to ORS 818.270 and 825.450 by sections 28 and 28a of this 2018 Act apply to fees imposed on or after January 1, 2020.

SECTION 30c. ORS 367.095 is amended to read:

367.095. (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 section 45, chapter 750, Oregon Laws 2017, and the amendments to ORS 319.020 and 319.530 by sections 40 to 43, chapter 750, Oregon Laws 2017.

(b) The amount attributable to the vehicle registration and title fees imposed under ORS 803.091 and 803.422.

(c) The amount attributable to the increase in taxes and fees by the amendments to ORS 803.420, 803.645, 818.225, 818.270, 825.450, 825.476, 825.480 and 826.023 by sections 34, 35, 48, 49, 51, 52, 54, [55,] 57, [58,] 63, 64, 66, 67 and 70, chapter 750, Oregon Laws 2017.

(2) The amounts described in subsection (1) of this section shall be distributed in the following order and for the following purposes:

(a) For calendar years beginning on or after January 1, 2022, \$30 million shall be used for the Interstate 5 Rose Quarter Project. This amount shall be used for the Interstate 5 Rose Quarter Project only until the later of the date on which the project is completed or on which all bonds issued to fund the project have been repaid.

(b) \$10 million per year shall be deposited into the Safe Routes to Schools Fund for the purpose of providing Safe Routes to Schools matching grants under ORS 184.742. The remainder of the moneys shall be distributed as described in subsection (3) of this section.

(3) The moneys described in subsection (1) of this section that remain after the allocation of moneys described in subsection (2) of this section shall be allocated 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.

(4) The moneys described in subsection (3)(a) of this section or equivalent amounts that become available to the Department of Transportation shall be allocated as follows:

(a) \$10 million for safety.

(b) Of the remaining balance:

(A) Forty percent for bridges.

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

(C) Twenty-four percent for state highway pavement preservation and culverts.

(D) Six percent for state highway maintenance and safety improvements.

SECTION 30d. ORS 367.095, as amended by section 71b, chapter 750, Oregon Laws 2017, is amended to read:

367.095. (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 section 45, chapter 750, Oregon Laws 2017, and the amendments to ORS 319.020 and 319.530 by sections 40 to 43, chapter 750, Oregon Laws 2017.

(b) The amount attributable to the vehicle registration and title fees imposed under ORS 803.091 and 803.422.

(c) The amount attributable to the increase in taxes and fees by the amendments to ORS 803.420, 803.645, 818.225, [818.270, 825.450,] 825.476, 825.480 and 826.023 by sections 34, 35, 48, 49, 51, 52, [54, 55, 57, 58,] 63, 64, 66, 67 and 70, chapter 750, Oregon Laws 2017.

(2) The amounts described in subsection (1) of this section shall be distributed in the following order and for the following purposes:

(a) \$30 million shall be used for the Interstate 5 Rose Quarter Project. This amount shall be used for the Interstate 5 Rose Quarter Project only until the later of the date on which the project is completed or on which all bonds issued to fund the project have been repaid.

(b) \$15 million per year shall be deposited into the Safe Routes to Schools Fund for the purpose of providing Safe Routes to Schools matching grants under ORS 184.742. The remainder of the moneys shall be distributed as described in subsection (3) of this section.

(3) The moneys described in subsection (1) of this section that remain after the allocation of moneys described in subsection (2) of this section shall be allocated 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.

(4) The moneys described in subsection (3)(a) of this section or equivalent amounts that become available to the Department of Transportation shall be allocated as follows:

(a) \$10 million for safety.

(b) Of the remaining balance:

(A) Forty percent for bridges.

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

(C) Twenty-four percent for state highway pavement preservation and culverts.

(D) Six percent for state highway maintenance and safety improvements.

SECTION 31. Section 139, chapter 750, Oregon Laws 2017, is amended to read:

Sec. 139. [(1) Sections 32 and 37 of this 2017 Act and the amendments to ORS 803.420, 803.645, 818.225, 818.270, 825.450, 825.476 and 825.480 by sections 34, 48, 51, 54, 57, 63 and 66 of this 2017 Act become operative on January 1, 2018.]

[2] (1) The amendments to ORS 826.023 by section 70, **chapter 750, Oregon Laws 2017**, [of this 2017 Act] become operative on January 1, 2020.

[3] *The amendments to sections 32 and 37 of this 2017 Act by sections 33 and 38 of this 2017 Act and the amendments to ORS 803.420 by section 35 of this 2017 Act become operative on January 1, 2022.*

(2) The amendments to ORS 803.091, 803.420 and 803.422 by sections 33, 35 and 38, chapter 750, Oregon Laws 2017, become operative on January 1, 2022.

[4] (3) The amendments to ORS 803.645, 818.225, [818.270, 825.450,] 825.476 and 825.480 by sections 49, 52, [55, 58,] 64 and 67, **chapter 750, Oregon Laws 2017**, [of this 2017 Act] become operative on January 1, 2024.

SECTION 32. Section 18, chapter 30, Oregon Laws 2010, as amended by section 71L, chapter 750, Oregon Laws 2017, is amended to read:

Sec. 18. (1) The Department of Transportation shall report [quarterly] **semiannually** to the legislative committees on revenue if the Legislative Assembly is in session or, if the Legislative Assembly is not in session, to the Legislative Revenue Officer. The department's report shall include an estimate of the amounts received in the previous [quarter] **two quarters** from the increased taxes and fees established in chapter 865, Oregon Laws 2009, and an estimate of the projected revenue in the current quarter from the increased taxes and fees established in chapter 865, Oregon Laws 2009.

(2) In addition to the report described in subsection (1) of this section, the Department of Transportation shall report [quarterly] **semiannually** to the legislative committees on revenue if the Legislative Assembly is in session or, if the Legislative Assembly is not in session, to the Legislative Revenue Officer. The department's report shall include:

(a) An estimate of the amounts received in the previous [quarter] **two quarters** from the increased taxes and fees established in [sections 32, 33, 37, 38 and 45 of this 2017 Act] **ORS 803.091 and 803.422 and section 45, chapter 750, Oregon Laws 2017**, and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270, 825.450, 825.476, 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, [55,] 57, [58,] 63, 64, 66, 67 and 70, **chapter 750, Oregon Laws 2017** [of this 2017 Act], and an estimate of the projected revenue in the current quarter **and the next quarter** from the increased taxes and fees established in [sections 32, 33, 37, 38 and 45 of this 2017 Act] **ORS 803.091 and 803.422 and section 45, chapter 750, Oregon Laws 2017**, and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270, 825.450, 825.476, 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, [55,] 57, [58,] 63, 64, 66, 67 and 70, **chapter 750, Oregon Laws 2017** [of this 2017 Act].

(b) An estimate of the amounts received in the previous biennium to date from the increased taxes and fees established in [sections 32, 33, 37, 38 and 45 of this 2017 Act] **ORS 803.091 and 803.422 and section 45, chapter 750, Oregon Laws 2017**, and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270, 825.450, 825.476, 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, [55,] 57, [58,] 63, 64, 66, 67 and 70, **chapter 750, Oregon Laws 2017** [of this 2017 Act], and an estimate of the projected revenue in the remaining current biennium from the increased taxes and fees established in [sections 32, 33, 37, 38 and 45 of this 2017 Act] **ORS 803.091 and 803.422 and section 45, chapter 750, Oregon Laws 2017**, and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270, 825.450, 825.476, 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, [55,] 57, [58,] 63, 64, 66, 67 and 70, **chapter 750, Oregon Laws 2017** [of this 2017 Act].

(c) Information about the expenditures and distributions made under [section 71a of this 2017 Act] **ORS 367.095**, including but not limited to:

(A) Information about the department's total funds as well as the funds raised separately by the increased taxes and fees established in [sections 32, 33, 37, 38 and 45 of this 2017 Act] **ORS 803.091 and 803.422 and section 45, chapter 750, Oregon Laws 2017**, and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270, 825.450, 825.476, 825.480 and 826.023 by sections 34, 35,

40 to 43, 48, 49, 51, 52, 54, [55,] 57, [58,] 63, 64, 66, 67 and 70, **chapter 750, Oregon Laws 2017**, [of this 2017 Act] and expended as described in [section 71a (3)(c) of this 2017 Act] **ORS 367.095 (3)(c)**.

(B) [Quarterly] **Semiannual** amounts that include all the actual and forecasted expenditures and distributions made under [section 71a of this 2017 Act] **ORS 367.095** for each quarter of the current biennium and the forecasted expenditures and distributions for the following biennium.

SECTION 33. ORS 184.751 is amended to read:

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

(2) The Statewide Transportation Improvement Fund consists of:

- (a) All moneys received from the tax imposed under ORS 320.550;
- (b) Moneys appropriated or otherwise transferred to the fund by the Legislative Assembly; and
- (c) Other moneys deposited in the fund from any source.

SECTION 34. ORS 184.758 is amended to read:

184.758. (1) The Oregon Transportation Commission shall distribute the moneys in the Statewide Transportation Improvement Fund established under ORS 184.751 as follows:

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

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

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

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

(2) For purposes of the percentage distributions under subsection (1)(a) of this section:

(a) Each distribution must be in such shares that the amount of tax paid, as required under ORS 320.550, in the area of each qualified entity bears to the total amount of the tax paid statewide, provided that each qualified entity receives an annual amount of at least \$100,000.

[*(b) Each public transportation service provider that receives funding under this section shall receive at least a share that the amount of the tax paid, as required under ORS 320.550, in the area served by the provider bears to the amount of tax paid in the area of the respective qualified entity in which the public transportation service provider provides services.*]

[*(c)*] (b) 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) The commission shall adopt by rule:

(a) A competitive grant program, by which a public transportation service provider may apply for a percentage distribution under subsection (1)(b) of this section, and the terms and conditions of grants.

(b) A competitive grant program, by which a public transportation service provider may apply for a percentage distribution under subsection (1)(c) of this section, and the terms and conditions of grants.

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

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

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

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

(5) At a minimum, a public transportation improvement plan submitted under this section must include:

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

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

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

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

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

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

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

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

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

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

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

~~[(6)]~~ (7) After the commission makes a distribution under subsection (1) of this section, qualified entities may enter into intergovernmental agreements under ORS chapter 190 to combine the moneys received for public transportation improvements.

~~[(7)]~~ (8) If the commission rejects a public transportation improvement plan or a grant application submitted under this section, the commission shall notify the entity or provider in writing and state the reasons for the rejection.

~~[(8)]~~ (9) The Department of Transportation shall make all grant applications submitted under this section available to the public.

SECTION 35. ORS 366.483 is amended to read:

366.483. (1) In accordance with ORS 374.329, the Department of Transportation shall transfer jurisdiction of the following state highways to the following cities:

(a) Pacific Highway West, State Highway ~~[91]~~ **99**, from the department to the City of Eugene. The department shall transfer the following two portions:

(A) The portion beginning where the highway intersects with the Beltline Highway and ending where the highway intersects with Washington Street, but excluding the bridge at milepost 121.42.

(B) The portion beginning where the highway intersects with Walnut Street and ending where the highway intersects with Interstate 5, but excluding the bridge at milepost 126.02.

(b) Springfield Highway, State Highway 228 to the City of Springfield.

(2) Notwithstanding section 71d (4), chapter 750, Oregon Laws 2017, the department shall use the funds described in section 71d, chapter 750, Oregon Laws 2017, for the transfer of Powell Boulevard to upgrade the portion of Southeast Powell Boulevard beginning where the highway intersects with Interstate 205 and ending where the highway intersects with the city limits. After the upgrades are completed, in accordance with ORS 374.329, the department shall transfer jurisdiction of the upgraded portion to the City of Portland. The department may upgrade and transfer portions of the highway in phases.

(3) In accordance with ORS 366.290:

(a) The department shall transfer jurisdiction of the portion of Territorial Highway, State Highway 200, that is located within Lane County from the department to the county. The department may transfer portions of the highway in phases. The department shall retain jurisdiction of bridges on Territorial Highway located at milepoints **4.59, 7.07, 17.92**, 18.72, 18.98, 19.28 and 25.49. The department shall transfer the jurisdiction of the bridges after the bridges are replaced.

(b) The department shall transfer jurisdiction of the portion of the Springfield-Creswell Highway, State Highway 222, beginning where it intersects with Jasper-Lowell Road and ending where it intersects with Emerald Parkway to Lane County. The department shall retain jurisdiction of bridges on Springfield-Creswell Highway located at mileposts 5.20, 5.41, 5.64 and 13.36. The department shall transfer the jurisdiction of a bridge after the bridge is replaced.

(c) Lane County shall 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.

(d) Multnomah County and Washington County shall 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. The counties may transfer portions of the highway in phases.

SECTION 36. Section 2, chapter 823, Oregon Laws 2009, as amended by section 8, chapter 709, Oregon Laws 2011, section 1, chapter 390, Oregon Laws 2015, section 18, chapter 806, Oregon Laws 2015, and section 39s, chapter 750, Oregon Laws 2017, is amended to read:

Sec. 2. (1) The Department of Transportation shall establish a Pacific Wonderland registration plate program to issue special registration plates called “Pacific Wonderland registration plates” upon request to owners of motor vehicles registered under the provisions of ORS 803.420 (6)(a). In addition, the department may adopt rules for issuance of Pacific Wonderland registration plates for vehicles not registered under the provisions of ORS 803.420 (6)(a).

(2) In addition to any other fee authorized by law, for each set of Pacific Wonderland registration plates issued under subsection (1) of this section, the department shall collect a surcharge of \$100 payable when the plates are issued. The department shall transfer the moneys from the surcharge as provided in section 3, chapter 823, Oregon Laws 2009.

(3) Notwithstanding ORS 803.530, Pacific Wonderland registration plates may be transferred from vehicle to vehicle if the department stops issuing the plates, as long as the plates are not so old, damaged, mutilated or otherwise rendered illegible as to be not useful for purposes of identification.

[(4) The department shall limit the total number of Pacific Wonderland registration plates to 80,000 sets of plates.]

SECTION 37. ORS 811.215 is amended to read:

811.215. ORS 811.210 does not apply to:

(1) Privately owned commercial vehicles that are being used for the transportation of persons for compensation or profit. The exemption in this subsection does not apply to any of the following:

(a) Motor carriers, as defined in ORS 825.005, when operating in interstate commerce.

(b) Vehicles designed and used for the transportation of 15 or fewer persons, including the driver, except that the operator of a vehicle described in this paragraph is not required to:

(A) Be properly secured with a safety belt or safety harness as required by ORS 811.210 if the operator is a taxicab operator; or

(B) Ensure that a passenger is properly secured with a child safety system as described in ORS 811.210 (2)(a), (b) or (c).

(2) Any vehicle not required to be equipped with safety belts or safety harnesses at the time the vehicle was manufactured, unless safety belts or safety harnesses have been installed in the vehicle.

(3) Any vehicle exempted by ORS 815.080 from requirements to be equipped upon sale with safety belts or safety harnesses.

(4) Any person for whom a certificate is issued by the Department of Transportation under ORS 811.220.

(5) Any person who is a passenger in a vehicle if all seating positions in the vehicle are occupied by other persons.

(6) Any person who is being transported while in the custody of a police officer or any law enforcement agency.

(7) Any person who is delivering newspapers or mail in the regular course of work.

(8) Any person who is riding in an ambulance for the purpose of administering medical aid to another person in the ambulance, if being secured by a safety belt or safety harness would substantially inhibit the administration of medical aid.

(9) Any person who is reading utility meters in the regular course of work.

(10) Any person who is employed to operate a vehicle owned by a mass transit district while the vehicle is being used for the transportation of passengers in the public transportation system of the district.

(11) Any person who is collecting solid waste or recyclable materials in the regular course of work.

(12) Any person who is employed to operate a vehicle owned by a tribal government public transportation system while the vehicle is being used for the transportation of passengers in the public transportation system of the tribal government.

SECTION 38. ORS 184.766 is amended to read:

184.766. Every qualified entity **that receives a percentage distribution under ORS 184.758** shall submit the following to the Department of Transportation [*no later than 30 days prior to the end of the fiscal year in which the qualified entity receives a percentage distribution under ORS 184.758*]:

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

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

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

(a) The state financial report required under ORS 291.040;

(b) The results of any comprehensive review completed by the Federal Transit Administration **or the department**; and

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

SECTION 39. Section 119, chapter 750, Oregon Laws 2017, is repealed.

SECTION 40. ORS 811.485 is amended to read:

811.485. (1) A person commits the offense of following too closely if the person does any of the following:

(a) Drives a motor vehicle so as to follow another vehicle more closely than is reasonable and prudent, having due regard for the speed of the vehicles and the traffic upon, and condition of, the highway.

(b) Drives a truck, commercial bus or motor vehicle drawing another vehicle when traveling upon a roadway outside of a business or residence district or upon a freeway within the corporate limits of a city and follows another truck, commercial bus or motor vehicle drawing another vehicle without, when conditions permit, leaving sufficient space so that an overtaking vehicle may enter and occupy the space without danger. This paragraph does not prevent a truck, commercial bus or motor vehicle drawing another vehicle from overtaking and passing a vehicle or combination of vehicles.

(c) Drives a motor vehicle when traveling upon a roadway outside of a business or residence district or upon a freeway within the corporate limits of a city in a caravan or motorcade whether or not towing another vehicle without operating the vehicle so as to leave sufficient space between vehicles to enable a vehicle to enter and occupy the space without danger.

(2) This section does not apply in the case of a funeral procession. Except for the funeral lead vehicle, vehicles participating in a funeral procession shall follow the preceding vehicle as closely as is reasonable and safe.

(3)(a) This section does not apply to a person operating a vehicle that is part of a connected automated braking system.

(b) As used in this subsection, “connected automated braking system” means a system that uses vehicle-to-vehicle communication to electronically coordinate the braking of a lead vehicle with the braking of one or more following vehicles.

[3] (4) The offense described in this section, following too closely, is a Class B traffic violation.

SECTION 41. Section 2, chapter 646, Oregon Laws 2017, is repealed.

SECTION 42. ORS 184.761 is amended to read:

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

(2) Before receiving funding for a project under ORS 184.758, a public transportation service provider that provides services within the jurisdiction of a qualified entity shall submit a plan or project proposal to the governing body of the qualified entity and receive the advisory committee’s approval of the plan or project proposal. The plans or project proposals submitted under this subsection must describe how the funds would be used.

(3) An advisory committee appointed under this section shall review every plan or project proposal required under subsection (2) of this section and may propose any changes to the policies or practices of the governing body that the advisory committee considers necessary to ensure that:

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

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

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

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

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

(c) A process by which an advisory committee shall review and approve a plan or project proposal.

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

SECTION 43. Section 45, chapter 750, Oregon Laws 2017, is amended to read:

Sec. 45. (1)(a) For calendar years beginning on or after January 1, 2020, the rates determined under ORS 319.020 (1)(b) and 319.530 (1) shall each be increased by two cents only if the Oregon Transportation Commission submits a report in the manner provided by ORS 192.245 on or before

December 1, 2019, to the Joint Committee on Transportation established under [section 26 of this 2017 Act] **ORS 171.858** stating that:

(A) The commission has identified sufficient shovel-ready highway projects and highway maintenance or operational uses of the increased fuel tax revenue to justify the increase;

(B) The set of uniform standards required under [section 11 (1) of this 2017 Act] **ORS 184.657 (1)** has been developed and the standards are being followed;

(C) The reports required from cities and counties under [section 11 (2) of this 2017 Act] **ORS 184.657 (2)** have been submitted and posted by the commission as required under [section 11 (3) of this 2017 Act] **ORS 184.657 (3)**;

(D) The Department of Transportation is implementing the registration fees and title fees described in [sections 32 and 37 of this 2017 Act] **ORS 803.091 and 803.422**; and

(E) The Interstate 205 Active Traffic Management Project and the Interstate 205 Corridor Bottleneck Project have been completed.

(b) In addition to the facts stated in the report required under paragraph (a) of this subsection, the Oregon Transportation Commission shall also submit with the report:

(A) A list of the shovel-ready highway projects the commission expects to undertake with the revenue that will become available as a result of the increase;

(B) The amount of bonds the commission considers necessary to be issued to complete shovel-ready highway projects scheduled to be commenced after January 1, 2020;

(C) The construction and financial status of uncompleted in-progress projects exceeding \$20 million identified in [this 2017 Act] **chapter 750, Oregon Laws 2017**;

(D) The status of the Treasure Valley Intermodal Facility Project and the Value Pricing Set-Up Project;

(E) Design, cost analysis and construction option packages for the Interstate 5 Rose Quarter Project for consideration by the Legislative Assembly; and

(F) The design, construction, financial status and progress of projects costing more than \$20 million that are identified in [this 2017 Act] **chapter 750, Oregon Laws 2017**, including, but not limited to, the Interstate 205 Abernethy Bridge Project, the Interstate 205 Freeway Widening Project, the State Highway 217 Northbound Project and the State Highway 217 Southbound Project, and any other state transportation projects implemented after [the effective date of this 2017 Act] **October 6, 2017**.

(2)(a) For calendar years beginning on or after January 1, 2022, the rates determined under ORS 319.020 (1)(b) and 319.530 (1) and subsection (1) of this section shall each be increased by two cents only if the Oregon Transportation Commission submits a report in the manner provided by ORS 192.245 on or before December 1, 2021, to the Joint Committee on Transportation established under [section 26 of this 2017 Act] **ORS 171.858** stating that:

(A) The Continuous Improvement Advisory Committee appointed under [section 10 of this 2017 Act] **ORS 184.665** has reviewed and reported to the commission on all transportation projects costing \$50 million or more and completed not less than six months prior to the date of the report required under this paragraph;

(B) The recommendations for improvement reported by the Continuous Improvement Advisory Committee to the commission at least six months prior to the date of the report required under this paragraph have been implemented;

(C) The commission has identified sufficient shovel-ready highway projects and highway maintenance or operational uses of the increased fuel tax revenue to justify the increase;

(D) The set of uniform standards required under [section 11 (1) of this 2017 Act] **ORS 184.657 (1)** has been developed and are being followed;

(E) The reports required from cities and counties under [section 11 (2) of this 2017 Act] **ORS 184.657 (2)** have been submitted and posted by the commission as required under [section 11 (3) of this 2017 Act] **ORS 184.657 (3)**;

(F) Under [section 11 (4) of this 2017 Act] **ORS 184.657 (4)**, payments from the State Highway Fund have been withheld from cities and counties that failed to submit reports as required under [section 11 (2) of this 2017 Act] **ORS 184.657 (2)**;

(G) To the best knowledge of the commission, all bodies scheduled to receive fuel tax revenue pursuant to [this 2017 Act] **chapter 750, Oregon Laws 2017**, after the operative date of the increase are in compliance with ORS 279C.305 or under review by the Bureau of Labor and Industries for compliance with ORS 279C.305, or the commission has requested from the bureau confirmation of such compliance; and

(H) The Department of Transportation is implementing the registration fees and title fees described in [sections 32 and 37 of this 2017 Act] **ORS 803.091 and 803.422**.

(b) In addition to the facts stated in the report required under paragraph (a) of this subsection, the Oregon Transportation Commission shall also identify in the report:

(A) A list of the shovel-ready highway projects the commission expects to undertake with the revenue that will become available as a result of the increase;

(B) The amount of bonds the commission considers necessary to be issued to complete shovel-ready highway projects scheduled to be commenced after January 1, 2022; [and]

(C) The construction and financial status of uncompleted in-progress projects exceeding \$50 million identified in [this 2017 Act] **chapter 750, Oregon Laws 2017**; and

(D) The design, construction, financial status and progress of projects costing more than \$20 million that are identified in [this 2017 Act] **chapter 750, Oregon Laws 2017**, including, but not limited to, the Interstate 5 Rose Quarter Project, the Interstate 205 Abernethy Bridge Project, the Interstate 205 Freeway Widening Project, the State Highway 217 Northbound Project, **the Newberg-Dundee Bypass Project** and the State Highway 217 Southbound Project, and any other state transportation projects implemented after [the effective date of this 2017 Act] **October 6, 2017**.

(3)(a) For calendar years beginning on or after January 1, 2024, the rates determined under ORS 319.020 (1)(b) and 319.530 (1) and subsections (1) and (2) of this section shall each be increased by two cents only if the Oregon Transportation Commission submits a report in the manner provided by ORS 192.245 on or before December 1, 2023, to the Joint Committee on Transportation established under [section 26 of this 2017 Act stating that] **ORS 171.858**:

(A) The Continuous Improvement Advisory Committee appointed under [section 10 of this 2017 Act] **ORS 184.665** has reviewed and reported to the commission on all transportation projects costing \$50 million or more and completed not less than six months prior to the date of the report required under this paragraph;

(B) The recommendations for improvement reported by the Continuous Improvement Advisory Committee to the commission at least six months prior to the date of the report required under this paragraph have been implemented;

(C) The commission has identified sufficient shovel-ready highway projects and highway maintenance or operational uses of the increased fuel tax revenue to justify the increase;

(D) The set of uniform standards required under [section 11 (1) of this 2017 Act] **ORS 184.657 (1)** has been developed and are being followed;

(E) The reports required from cities and counties under [section 11 (2) of this 2017 Act] **ORS 184.657 (2)** have been submitted and posted by the commission as required under [section 11 (3) of this 2017 Act] **ORS 184.657 (3)**;

(F) Under [section 11 (4) of this 2017 Act] **ORS 184.657 (4)**, payments from the State Highway Fund have been withheld from cities and counties that failed to submit reports as required under [section 11 (2) of this 2017 Act] **ORS 184.657 (2)**; and

(G) To the best knowledge of the commission, all bodies scheduled to receive fuel tax revenue pursuant to [this 2017 Act] **chapter 750, Oregon Laws 2017**, after the operative date of the increase are in compliance with ORS 279C.305 or under review by the Bureau of Labor and Industries for compliance with ORS 279C.305, or the commission has requested from the bureau confirmation of such compliance.

(b) In addition to the facts stated in the report required under paragraph (a) of this subsection, the Oregon Transportation Commission shall also submit with the report:

(A) A list of the shovel-ready highway projects the commission expects to undertake with the revenue that will become available as a result of the increase;

(B) The amount of bonds the commission considers necessary to be issued to complete shovel-ready highway projects scheduled to be commenced after January 1, 2024; and

(C) The design, construction, financial status and progress of projects costing more than \$20 million that are identified in [*this 2017 Act*] **chapter 750, Oregon Laws 2017**, including, but not limited to, the Interstate 5 Rose Quarter Project, the Interstate 205 Abernethy Bridge Project, the Interstate 205 Freeway Widening Project, the State Highway 217 Northbound Project, **the Newberg-Dundee Bypass Project** and the State Highway 217 Southbound Project, and any other state transportation projects implemented after [*the effective date of this 2017 Act*] **October 6, 2017**.

SECTION 44. Section 122r, chapter 750, Oregon Laws 2017, is amended to read:

Sec. 122r. (1) [*Sections 122m to 122q of this 2017 Act*] **ORS 184.752 to 184.766 and section 112q, chapter 750, Oregon Laws 2017**, become operative on [*January 1, 2019*] **July 1, 2018**.

(2) The Oregon Transportation Commission and the Department of Transportation may take any action before the operative date specified in subsection (1) of this section that is necessary for the commission or the department to exercise all of the duties, functions and powers conferred on the commission and the department by sections [*122m to 122q of this 2017 Act*] **ORS 184.752 to 184.766 and section 112q, chapter 750, Oregon Laws 2017**.

SECTION 45. Section 46 of this 2018 Act is added to and made a part of **ORS 377.700 to 377.844**.

SECTION 46. (1) For purposes of this section:

(a)(A) An owner of an outdoor advertising sign shall be considered to have suffered a total loss with respect to the outdoor advertising sign if, due to a highway construction project, the outdoor advertising sign is removed from its current location or the face of the outdoor advertising sign would be totally blocked in its current location.

(B) An owner of an outdoor advertising sign shall be considered to have suffered a partial loss with respect to the outdoor advertising sign if, due to a highway construction project, the face of the outdoor advertising sign would be substantially but not totally blocked in its current location.

(b) Full compensation for loss of an outdoor advertising sign equals the market value of the outdoor advertising sign, measured by comparable sales of outdoor advertising signs as determined by an appraiser recognized as a specialist in such valuations, less the salvage value of the components of the outdoor advertising sign.

(2)(a) When the Department of Transportation determines that a highway construction project supervised by the department will result in the total or partial loss of an outdoor advertising sign, the department shall enter into negotiations with the owner of the outdoor advertising sign for relocation of the outdoor advertising sign.

(b) The department may require the owner to provide information about the owner's efforts to acquire a comparable location for the outdoor advertising sign.

(c) The department may assist the owner's efforts to acquire and obtain approval for a comparable location for the outdoor advertising sign.

(3)(a) The department may enter into an agreement with the owner of an outdoor advertising sign for relocation of the outdoor advertising sign on any terms not prohibited by law or inconsistent with this section.

(b) An agreement entered into under this subsection may not require the department to pay the owner of the outdoor advertising sign an amount in compensation that is greater than the actual cost to the owner of relocating the outdoor advertising sign.

(4)(a) If, after reasonable efforts, the owner of an outdoor advertising sign subject to total or partial loss is unable to acquire a comparable location in the same market area for

the outdoor advertising sign, except as provided in ORS 377.725 (4), the department shall pay the owner compensation as provided in this subsection.

(b) Except as provided in paragraph (c) of this subsection, for a total loss of an outdoor advertising sign, the department shall pay the owner full compensation for the loss and permanently cancel the sign permit, and the owner shall remove the sign.

(c) For a total loss of an outdoor advertising sign in which a new site for the outdoor advertising sign is found at a less than comparable location, the department shall pay the owner the difference between the amount of full compensation for the loss and the market value of the outdoor advertising sign as located at the new site. If the new site is on a state highway, the owner may use the outdoor advertising sign's existing permit issued under ORS 377.725 to apply for a relocation permit. If the new site is not on a state highway, the department shall permanently cancel the permit.

(d) For a partial loss of an outdoor advertising sign, the department shall pay the owner the percentage of full compensation that is equal to the loss of market value due to the blockage of the sign's face.

(e) The department and the owner may enter into an agreement for partial or full compensation under this subsection in the form of additional relocation credits or other in-kind value.

(5)(a) If the department and the owner of an outdoor advertising sign do not agree that a comparable location is available in the case of the total loss of an outdoor advertising sign, or do not agree to the amount of compensation offered by the department, the department shall provide written notice of the final offer of compensation to the owner.

(b) The owner may appeal to the department the comparable location determination and the amount of compensation contained in the written notice. The hearing on the appeal shall be conducted as a contested case hearing under ORS chapter 183.

(c) Notwithstanding paragraph (b) of this subsection, in the case of the total loss of an outdoor advertising sign, the owner shall remove the outdoor advertising sign that is the subject of the written notice within 90 days after receipt of the notice.

(6) Nothing in this section may be construed to require the department to take, and the department may not take or authorize, any action that would make the department ineligible to receive federal funds.

(7) The department may adopt rules to implement the provisions of this section.

SECTION 47. ORS 377.725 is amended to read:

377.725. (1) A person may not erect, control, relocate or reconstruct an outdoor advertising sign unless the Department of Transportation has issued a permit for the erection, control, relocation or reconstruction of the sign.

(2) A person who applies for a permit to the Director of Transportation shall complete forms furnished by the director. The permit application shall include a precise description of the outdoor advertising sign and such other information as the director considers necessary or desirable to determine compliance with ORS 377.700 to 377.844. The director shall issue a permit for an outdoor advertising sign that complies with ORS 377.700 to 377.844. A valid permit may be transferred to another person upon written notice to the director.

(3) A permit may not be issued for an outdoor advertising sign located adjacent to an interstate highway or freeway unless the director determines that access to the **outdoor advertising** sign from the interstate highway or freeway can be obtained without violating the access control line of the interstate highway or freeway.

(4) **If an application for a permit to relocate or reconstruct an outdoor advertising sign is for a location identified in the current Statewide Transportation Improvement Program, the department shall require the applicant to execute an affidavit acknowledging the project and forgoing any claim for compensation under section 46 of this 2018 Act.**

[(4)] (5) A permit shall be renewed annually on the first day of January. Application for renewal of a permit shall be filed prior to expiration of the term of the permit. If application for renewal of

a permit is filed within 30 days after the expiration of the term, the permit shall be granted if any additional fee specified by the department in rules adopted under ORS 377.729 is paid at the time the application is filed. Any permit not renewed in accordance with this section shall be canceled.

[(5)] (6) Permit fees for purposes of this section are as established by the department by rule under ORS 377.729.

[(6)] (7) A permit shall be issued for one year. The applicable fee shall accompany the permit application. A fee may not be prorated for a fraction of a year or be refunded if the outdoor advertising sign is removed.

[(7)] (8) The display surface of an outdoor advertising sign may be changed or cutouts may be attached or removed within the sign area without obtaining a permit. However, a permit shall be obtained if the outdoor advertising sign is reconstructed.

[(8)] (9) A reconstruction permit may be issued for the addition of another display surface on the opposite side of an existing, conforming **outdoor advertising** sign under permit, that is no larger than the existing display surface.

[(9)] (10) The director shall require removal of a sign or shall cancel a permit and require removal of an outdoor advertising sign as provided by ORS 377.775 if the director finds a sign **or an outdoor advertising sign** has been erected, maintained or serviced from the highway right of way at any portion of the right of way where the department has acquired rights of access to the highway or rights of access have not accrued to the abutting property. If there is no permit for the outdoor advertising sign, then the director shall require removal of the outdoor advertising sign. In addition, the department may recover from the owner of the sign or outdoor advertising sign or from the person erecting, maintaining or servicing the sign or outdoor advertising sign, the amount of damage to landscaping, sod, fencing, ditches or other highway appurtenances resulting from such acts. If a permit is canceled under this subsection, an outdoor advertising sign may not be relocated under ORS 377.767.

[(10)(a)] (11)(a) The director may cancel a permit, unless a corrected application is filed or the outdoor advertising sign is brought into compliance within 30 days after written notice thereof is mailed to the permittee, if the director finds:

(A) The applicant has knowingly supplied materially false or misleading information in the application for a permit or renewal thereof; or

(B) The **outdoor advertising** sign covered by the permit violates ORS 377.700 to 377.844.

(b) If a permit is canceled under this subsection, an outdoor advertising sign may not be relocated under ORS 377.767, and the holder of the permit is not entitled to a relocation credit.

[(11)] (12) The director shall cancel a permit immediately upon failure of a permittee to erect or maintain the outdoor advertising sign as described by the permit application and to attach a permit plate to the **outdoor advertising** sign 180 days after the date of issuance of the permit.

[(12)] (13) The director shall assign a permit plate with an identification number to the permit issued for an outdoor advertising sign. The permittee shall attach the permit plate to the outdoor advertising sign so the plate is visible from the adjacent state highway. The absence of a permit plate or failure to renew the permit annually is prima facie evidence that the outdoor advertising sign does not comply with ORS 377.700 to 377.844.

[(13)] (14) Except as otherwise provided in ORS 377.712, 377.753 and 377.765, no permits shall be issued for the erection of any new outdoor advertising sign after May 30, 2007.

[(14)] (15) The director may establish more than one class or type of outdoor advertising sign permit as necessary or desirable to carry out ORS 377.700 to 377.844.

[(15)] (16) Any hearing under this section shall be conducted as a contested case hearing under ORS chapter 183.

SECTION 48. Section 46 of this 2018 Act and the amendments to ORS 377.725 by section 47 of this 2018 Act apply to partial and total losses suffered by owners of outdoor advertising signs on or after the effective date of this 2018 Act.

SECTION 49. ORS 377.756 is amended to read:

377.756. (1) The Department of Transportation shall issue permits for the erection of signs authorized by ORS 377.756 to 377.758. Subject to subsections (2) and (3) of this section, permits shall be issued at no cost to any city or county that applies or to any nonprofit or civic applicant approved by a city or county. Each permit entitles the holder of the permit to erect one sign in accordance with this section.

(2) Each city may be given permits under this section entitling the city to erect [not more than two] signs that are visible from state highways and that are within the city limits or, pursuant to a memorandum of understanding with appropriate federal authorities, are no more than one mile outside of the city limits. The permits may be given directly to the city or may be given to a nonprofit or civic organization designated by the city governing body.

(3) Each county may be given permits under this section entitling each unincorporated community identified in the county comprehensive plan, as defined in ORS 197.015, to erect [not more than two] signs that are visible from state highways and that are within one mile of the community growth boundary as designated by the county. The permits may be given directly to the county or, if the county governing body so authorizes, to an unincorporated community or a nonprofit or civic organization designated by the county governing body.

[4] *The department may not issue more than 200 permits under this section.*

SECTION 50. This 2018 Act takes effect on the 91st day after the date on which the 2018 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.

Passed by House March 2, 2018

.....
Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate March 3, 2018

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Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2018

Approved:

.....M.,....., 2018

.....
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2018

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Dennis Richardson, Secretary of State