

Enrolled
Senate Bill 450

Sponsored by Senator BEYER (at the request of League of Oregon Cities) (Pre-session filed.)

CHAPTER

AN ACT

Relating to compliance with least-cost policy for public improvements as condition for certain fuel tax increases; amending section 45, chapter 750, Oregon Laws 2017; and prescribing an effective date.

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

SECTION 1. Section 45, chapter 750, Oregon Laws 2017, as amended by section 43, chapter 93, Oregon Laws 2018, 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 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 ORS 184.657 (1) has been developed and the standards are being followed;

(C) The reports required from cities and counties under ORS 184.657 (2) have been submitted and posted by the commission as required under ORS 184.657 (3);

(D) The Department of Transportation is implementing the registration fees and title fees described in 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 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 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 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 ORS 171.858 stating that:

(A) The Continuous Improvement Advisory Committee appointed under 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 ORS 184.657 (1) has been developed and **the standards** are being followed;

(E) The reports required from cities and counties under ORS 184.657 (2) have been submitted and posted by the commission as required under ORS 184.657 (3);

(F) Under 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 ORS 184.657 (2); **and**

[(G) To the best knowledge of the commission, all bodies scheduled to receive fuel tax revenue pursuant to 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)] (G) The Department of Transportation is implementing the registration fees and title fees described in 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;

(C) The construction and financial status of uncompleted in-progress projects exceeding \$50 million identified in 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 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 October 6, 2017.

(c) If the Commissioner of the Bureau of Labor and Industries has found substantial evidence, under ORS 279C.306, that a contracting agency that would otherwise receive increased amounts of fuel tax revenues pursuant to this section on or after January 1, 2022, has violated ORS 279C.305 within the five years immediately preceding the date of the commissioner's finding, or has materially breached an agreement entered into pursuant to ORS 279C.306, the Department of Transportation shall withhold the increased amounts until the final resolution of the violation or breach is determined under ORS 279C.306.

(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 ORS 171.858 stating that:

(A) The Continuous Improvement Advisory Committee appointed under 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 ORS 184.657 (1) has been developed and **the standards** are being followed;

(E) The reports required from cities and counties under ORS 184.657 (2) have been submitted and posted by the commission as required under ORS 184.657 (3); **and**

(F) Under 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 ORS 184.657 (2).[; *and*]

[(G) To the best knowledge of the commission, all bodies scheduled to receive fuel tax revenue pursuant to 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 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 October 6, 2017.

(c) If the Commissioner of the Bureau of Labor and Industries has found substantial evidence, under ORS 279C.306, that a contracting agency that would otherwise receive increased amounts of fuel tax revenues pursuant to this section on or after January 1, 2024, has violated ORS 279C.305 within the five years immediately preceding the date of the commissioner's finding, or has materially breached an agreement entered into pursuant to ORS 279C.306, the Department of Transportation shall withhold the increased amounts until the final resolution of the violation or breach is determined under ORS 279C.306.

SECTION 2. This 2019 Act takes effect on the 91st day after the date on which the 2019 regular session of the Eightieth Legislative Assembly adjourns sine die.

Passed by Senate April 29, 2019

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Lori L. Brocker, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House May 23, 2019

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Tina Kotek, Speaker of House

Received by Governor:

.....M,....., 2019

Approved:

.....M,....., 2019

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2019

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Bev Clarno, Secretary of State