

# House Bill 3982

Sponsored by Representative DRAZAN, Senator BONHAM

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act changes laws about money for roads. The Act says that diesel will be taxed in the same way that gas is taxed now. (Flesch Readability Score: 82.3).

Redirects revenues from the bicycle excise tax, tax on wages and vehicle privilege tax to the State Highway Fund. Directs the Department of Transportation to use redirected funds for specific purposes related to highways.

Creates the Trucking Overpayment Credit Account. Directs the department to provide refunds to taxpayers who overpaid weight-mile taxes.

Directs the Oregon Department of Administrative Services to decrease either the weight-mile tax or the motor vehicle fuel taxes if the highway cost allocation study indicates that a vehicle class is paying more than its fair share for the use of the highways in the state and the Legislative Assembly does not enact a measure to correct the imbalance within 120 days of the Joint Committee on Transportation receiving a report on the study.

Revises the formula for weight-mile taxes.

Provides for diesel fuel to be taxed in the same manner as gasoline.

Modifies the definition of "combined weight" for purposes of motor carrier regulation. Allows the Department of Transportation to use a motor carrier's registration card as the tax enrollment document instead of the vehicle's weight identifier. Eliminates reinstatement fees for weight identifiers.

## A BILL FOR AN ACT

Relating to transportation; creating new provisions; amending ORS 184.642, 184.661, 184.751, 184.758, 184.766, 279C.335, 295.103, 319.010, 319.390, 319.520, 319.550, 319.665, 320.435, 320.440, 320.560, 366.505, 366.506, 366.552, 366.774, 366.790, 367.081, 367.091, 468A.266, 802.100, 802.110, 805.205, 805.222, 810.530, 818.400, 823.012, 823.023, 823.027, 823.085, 825.005, 825.104, 825.141, 825.250, 825.326, 825.450, 825.474, 825.476, 825.492, 825.555 and 825.990; and repealing ORS 200.180, 200.190, 279A.142, 366.514 and 825.486.

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

## STATE HIGHWAY FUND

**SECTION 1.** ORS 366.505 is amended to read:

366.505. (1) The State Highway Fund shall consist of:

(a) All moneys and revenues derived under and by virtue of the sale of bonds, the sale of which is authorized by law and the proceeds thereof to be dedicated to highway purposes.

(b) All moneys and revenues accruing from the licensing of motor vehicles, operators and chauffeurs.

(c) Moneys and revenues derived from any tax levied upon gasoline, distillate, liberty fuel or other volatile and inflammable liquid fuels, except moneys and revenues described in ORS 184.642 (2)(a) that become part of the Department of Transportation Operating Fund.

(d) Moneys and revenues derived from the road usage charges imposed under ORS 319.885.

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

(e) Moneys and revenues derived from **a portion of the privilege tax imposed as prescribed under ORS 320.405, the use tax imposed under ORS 320.410 and the bicycle excise tax imposed under ORS 320.415.**

(f) Moneys and revenues derived from or made available by the federal government for road construction, maintenance or betterment purposes.

**(g) Moneys and revenues from the sale of customized and specialty vehicle registration plates under ORS 802.110, 805.205 and 805.222.**

[(g)] (h) All moneys and revenues received from all other sources which by law are allocated or dedicated for highway purposes.

(2) The State Highway Fund shall be deemed and held as a trust fund, separate and distinct from the General Fund, and may be used only for the purposes authorized by law and is continually appropriated for such purposes.

(3) Moneys in the State Highway Fund may be invested as provided in ORS 293.701 to 293.857. All interest earnings on any of the funds designated in subsection (1) of this section shall be placed to the credit of the highway fund.

**SECTION 1a.** ORS 366.505, as amended by section 1 of this 2025 Act, is amended to read:

366.505. (1) The State Highway Fund shall consist of:

(a) All moneys and revenues derived under and by virtue of the sale of bonds, the sale of which is authorized by law and the proceeds thereof to be dedicated to highway purposes.

(b) All moneys and revenues accruing from the licensing of motor vehicles, operators and chauffeurs.

(c) Moneys and revenues derived from any tax levied upon gasoline, distillate, liberty fuel or other volatile and inflammable liquid fuels, except moneys and revenues described in ORS 184.642 (2)(a) that become part of the Department of Transportation Operating Fund.

(d) Moneys and revenues derived from the road usage charges imposed under ORS 319.885.

(e) Moneys and revenues derived from a portion of the privilege tax imposed as prescribed under ORS 320.405, the use tax imposed under ORS 320.410 and the bicycle excise tax imposed under ORS 320.415.

(f) Moneys and revenues derived from or made available by the federal government for road construction, maintenance or betterment purposes.

(g) Moneys and revenues from the sale of customized and specialty vehicle registration plates under ORS 802.110, 805.205 and 805.222.

**(h) Moneys and revenues from the tax on wages imposed under ORS 320.550.**

[(h)] (i) All moneys and revenues received from all other sources which by law are allocated or dedicated for highway purposes.

(2) The State Highway Fund shall be deemed and held as a trust fund, separate and distinct from the General Fund, and may be used only for the purposes authorized by law and is continually appropriated for such purposes.

(3) Moneys in the State Highway Fund may be invested as provided in ORS 293.701 to 293.857. All interest earnings on any of the funds designated in subsection (1) of this section shall be placed to the credit of the highway fund.

**SECTION 1b.** The amendments to ORS 366.505 by section 1a of this 2025 Act become operative on January 1, 2028.

**SECTION 2.** (1) As used in this section, "highway" has the meaning given that term in ORS 366.005.

(2) To improve, repair, maintain, preserve and operate the highways in this state, the Department of Transportation shall use an amount equal to the amount of moneys in the State Highway Fund that become available for its use from all of the following:

(a) Moneys and revenues derived from the portion of the privilege tax imposed under ORS 320.405 and transferred to the State Highway Fund.

(b) The bicycle excise tax imposed under ORS 320.415.

(c) Moneys and revenues from the sale of customized and specialty vehicle registration plates under ORS 802.110, 805.205 and 805.222.

**SECTION 3.** Section 2 of this 2025 Act is amended to read:

**Sec. 2.** (1) As used in this section, “highway” has the meaning given that term in ORS 366.005.

(2) To improve, repair, maintain, preserve and operate the highways in this state, the Department of Transportation shall use an amount equal to the amount of moneys in the State Highway Fund that become available for its use from all of the following:

(a) Moneys and revenues derived from the portion of the privilege tax imposed under ORS 320.405 and transferred to the State Highway Fund.

(b) The bicycle excise tax imposed under ORS 320.415.

(c) Moneys and revenues from the sale of customized and specialty vehicle registration plates under ORS 802.110, 805.205 and 805.222.

(d) Moneys and revenues from the tax on wages imposed under ORS 320.550.

**SECTION 4.** Section 3 of this 2025 Act becomes operative on January 1, 2028.

**SECTION 5.** (1) The Trucking Overpayment Credit Account is created in the State Highway Fund. Moneys in the account are continuously appropriated to the Department of Transportation for the purpose of providing credits against weight-mile tax liability under this section. Interest earned by the account shall be credited to the account.

(2) As used in this section:

(a) “Credit source revenues” means revenues from the tax on wages imposed under ORS 320.550.

(b) “Taxpayer” means a person liable for the payment of weight-mile taxes.

(3) Each calendar quarter that ends between January 1, 2026, and September 30, 2027, \$37.5 million of credit source revenues shall be transferred to the account for the purpose of providing credits to taxpayers in accordance with this section.

(4) As soon as practicable after the end of each calendar quarter described in subsection (3) of this section, the Department of Transportation shall:

(a) Determine the total amount of weight-mile taxes that became due from all taxpayers in the calendar quarter just ended.

(b) Divide each taxpayer’s total amount of weight-mile taxes due for that calendar quarter into the amount determined under paragraph (a) of this subsection.

(c) Multiply each percentage computed under paragraph (b) of this subsection by \$37.5 million.

(5) Each taxpayer shall be allowed a credit against the taxpayer’s weight-mile taxes for the calendar quarter succeeding the calendar quarter to which the computations made under subsection (4) of this section relate in an amount equal to the taxpayer’s respective share of the \$37.5 million as computed under subsection (4)(c) of this section.

(6) The Department of Transportation shall adopt rules specifying the manner of computing and allowing credits under this section.

**SECTION 6. Section 5 of this 2025 Act is repealed on January 2, 2028.**

**SECTION 7.** ORS 184.642 is amended to read:

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

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

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

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

(A) Dismantler certificates;

(B) Vehicle dealer certificates;

(C) Show licenses;

(D) Vehicle transporter certificates;

(E) Driver training instructor certificates;

(F) Commercial driver training school certificates; and

(G) Vehicle appraiser certificates.

(c) Late fees collected under ORS 822.700.

(d) Fees collected under ORS 822.705.

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

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

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

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

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

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

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

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

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

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

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

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

1 822.705.

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

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

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

11 **(g) Each year, \$18.5 million shall be spent on the improvement, repair, maintenance,**  
12 **preservation and operation of highways.**

13 [(g)] (h) Moneys from interest and other earnings on moneys in the operating fund may be used  
14 for any purpose for which other moneys in the fund may be used.

15 **(4) As used in this section, “highway” has the meaning given that term in ORS 366.005.**

16 **SECTION 8.** ORS 184.751 is amended to read:

17 184.751. (1) The Statewide Transportation Improvement Fund is established in the State Treas-  
18 ury, separate and distinct from the General Fund. Interest earned by the Statewide Transportation  
19 Improvement Fund shall be credited to the fund. Moneys in the fund are continuously appropriated  
20 to the Department of Transportation to finance investments and improvements or to maintain ex-  
21 isting public transportation services, except that the moneys may not be used for light rail capital  
22 expenses but may be used for light rail operation expenses.

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

24 (a) [*All*] **A portion of the** moneys received from the tax imposed under ORS 320.550 **as pre-**  
25 **scribed in ORS 320.560;**

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

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

28 (d) Distribution repayments, if any; and

29 (e) Other moneys deposited in the fund from any source.

30 (3) Unless approved by the department, the moneys in the Statewide Transportation Improve-  
31 ment Fund may not be used to supplant local and regional agency moneys currently directed to  
32 public transportation service providers.

33 **SECTION 8a.** ORS 184.751, as amended by section 8 of this 2025 Act, is amended to read:

34 184.751. (1) The Statewide Transportation Improvement Fund is established in the State Treas-  
35 ury, separate and distinct from the General Fund. Interest earned by the Statewide Transportation  
36 Improvement Fund shall be credited to the fund. Moneys in the fund are continuously appropriated  
37 to the Department of Transportation to finance investments and improvements or to maintain ex-  
38 isting public transportation services, except that the moneys may not be used for light rail capital  
39 expenses but may be used for light rail operation expenses.

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

41 [(a) *A portion of the moneys received from the tax imposed under ORS 320.550 as prescribed in*  
42 *ORS 320.560;*]

43 [(b)] (a) Moneys appropriated or otherwise transferred to the fund by the Legislative Assembly;

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

45 [(d)] (c) Distribution repayments, if any; and

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

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

5 **SECTION 8b. The amendments to ORS 184.751 by section 8a of this 2025 Act become op-**  
6 **erative on January 1, 2028.**

7 **SECTION 9.** ORS 320.435 is amended to read:

8 320.435. (1) The Department of Revenue shall deposit all revenue collected from the privilege tax  
9 imposed under ORS 320.405 and the use tax imposed under ORS 320.410 in a suspense account es-  
10 tablished under ORS 293.445 for the purpose of receiving the revenue. The department may pay ex-  
11 penses for the administration and enforcement of the privilege and use taxes out of moneys received  
12 from the privilege and use taxes. Amounts necessary to pay administrative and enforcement ex-  
13 penses are continuously appropriated to the department from the suspense account.

14 (2) After payment of administrative and enforcement expenses under subsection (1) of this sec-  
15 tion and refunds or credits arising from erroneous overpayments, the department shall transfer the  
16 balance of the moneys received from the privilege and use taxes as follows:

17 (a) Moneys attributable to the privilege tax shall be transferred as follows:

18 (A) The greater of \$12 million or 45 percent of the gross amount of the moneys received from  
19 the privilege tax shall be transferred annually:

20 (i) **50 percent** to the Zero-Emission Incentive Fund established under ORS 468.449; and

21 (ii) **50 percent to the State Highway Fund.**

22 (B) After the transfer required under subparagraph (A) of this paragraph, the balance of the  
23 moneys shall be transferred to the Connect Oregon Fund established under ORS 367.080.

24 (b) Moneys attributable to the use tax shall be transferred to the State Highway Fund.

25 **SECTION 9a.** ORS 320.435, as amended by section 9 of this 2025 Act, is amended to read:

26 320.435. (1) The Department of Revenue shall deposit all revenue collected from the privilege tax  
27 imposed under ORS 320.405 and the use tax imposed under ORS 320.410 in a suspense account es-  
28 tablished under ORS 293.445 for the purpose of receiving the revenue. The department may pay ex-  
29 penses for the administration and enforcement of the privilege and use taxes out of moneys received  
30 from the privilege and use taxes. Amounts necessary to pay administrative and enforcement ex-  
31 penses are continuously appropriated to the department from the suspense account.

32 (2) After payment of administrative and enforcement expenses under subsection (1) of this sec-  
33 tion and refunds or credits arising from erroneous overpayments, the department shall transfer the  
34 balance of the moneys received from the privilege and use taxes as follows:

35 (a) Moneys attributable to the privilege tax shall be transferred as follows:

36 (A) The greater of \$12 million or 45 percent of the gross amount of the moneys received from  
37 the privilege tax shall be transferred annually[:]

38 [(i) 50 percent to the Zero-Emission Incentive Fund established under ORS 468.449; and]

39 [(ii) 50 percent] to the State Highway Fund.

40 (B) After the transfer required under subparagraph (A) of this paragraph, the balance of the  
41 moneys shall be transferred to the Connect Oregon Fund established under ORS 367.080.

42 (b) Moneys attributable to the use tax shall be transferred to the State Highway Fund.

43 **SECTION 9b. The amendments to ORS 320.435 by section 9a of this 2025 Act become op-**  
44 **erative on January 1, 2028.**

45 **SECTION 10.** ORS 320.440 is amended to read:

320.440. (1) The Department of Revenue shall deposit all revenue collected from the excise tax imposed under ORS 320.415 in a suspense account established under ORS 293.445 for the purposes of receiving the excise tax revenue. The department may pay expenses for the administration and enforcement of the excise tax out of moneys received from the excise tax. Amounts necessary to pay administrative and enforcement expenses are continuously appropriated to the department from the suspense account.

(2) After payment of administrative and enforcement expenses under subsection (1) of this section and refunds or credits arising from erroneous overpayments, the department shall transfer the balance of the moneys received from the excise tax to the [*Multimodal Active Transportation Fund established under ORS 367.091 for the purpose of providing grants for bicycle and pedestrian transportation projects under ORS 367.093*] **State Highway Fund.**

**SECTION 11.** ORS 320.560 is amended to read:

320.560. (1) All moneys received by the Department of Revenue from the tax imposed under ORS 320.550 shall be deposited in the State Treasury and credited to a suspense account established under ORS 293.445. The department may pay expenses for the administration and enforcement of ORS 320.550 out of moneys received from the tax imposed under ORS 320.550. Amounts necessary to pay administrative and enforcement expenses are continuously appropriated to the department from the suspense account.

(2) After the payment of administrative and enforcement expenses and refunds or credits arising from erroneous overpayments, the department shall credit the balance of the moneys received by the department:

**(a) Each calendar quarter that ends between January 1, 2026, and September 30, 2027, \$37.5 million of credit source revenues shall be transferred to the Trucking Overpayment Credit Account established under section 5 of this 2025 Act; and**

**(b) After the transfer under paragraph (a) of this subsection, the remaining balance to the Statewide Transportation Improvement Fund established under ORS 184.751.**

**SECTION 11a.** ORS 320.560, as amended by section 11 of this 2025 Act, is amended to read:

320.560. (1) All moneys received by the Department of Revenue from the tax imposed under ORS 320.550 shall be deposited in the State Treasury and credited to a suspense account established under ORS 293.445. The department may pay expenses for the administration and enforcement of ORS 320.550 out of moneys received from the tax imposed under ORS 320.550. Amounts necessary to pay administrative and enforcement expenses are continuously appropriated to the department from the suspense account.

(2) After the payment of administrative and enforcement expenses and refunds or credits arising from erroneous overpayments, the department shall credit the balance of the moneys received by the department[.]

*[(a) Each calendar quarter that ends between January 1, 2026, and September 30, 2027, \$37.5 million of credit source revenues shall be transferred to the Trucking Overpayment Credit Account established under section 5 of this 2025 Act; and]*

*[(b) After the transfer under paragraph (a) of this subsection, the remaining balance to the Statewide Transportation Improvement Fund established under ORS 184.751]* **to the State Highway Fund.**

**SECTION 11b.** The amendments to ORS 320.560 by section 11a of this 2025 Act become operative on January 1, 2028.

**SECTION 12.** ORS 802.100 is amended to read:

802.100. The following accounts are established separate and distinct from the General Fund for the financial administration of those functions of the Department of Transportation dealing with driver and motor vehicle services in accordance with ORS 802.110:

(1) The Department of Transportation Driver and Motor Vehicle Suspense Account. The account established under this subsection is a suspense account in the State Treasury that is used to deposit moneys received by the department related to driver and motor vehicle services and to make approved payments and disbursements of funds before the department pays administrative expenses related to the provision of driver and motor vehicle services. The department shall transfer the money that is not to be used to make approved payments and disbursements from the account established under this subsection and that remains in the account at the close of business on the last day of each month to the Department of Transportation Driver and Motor Vehicle Services Administrative Account on or before the 15th day of the following month.

(2) The Department of Transportation Driver and Motor Vehicle Services Administrative Account. The account established under this subsection shall be used for the payment of administrative expenses payable before money from the account is transferred to the State Highway Fund. The department shall transfer the money that is not to be used to make payments from the account established under this subsection and that remains in the account at the close of business on the last day of each month to the State Highway Fund on or before the 15th day of the following month.

*[(3) The Passenger Rail Transportation Account. The account established under this subsection is a separate account in the State Treasury that shall be used to deposit moneys received from the sale of customized registration plates under ORS 805.240. Moneys in the account shall be used for passenger rail programs. Moneys shall be deposited in the account after payment of administrative expenses as provided under ORS 802.110.]*

*[(4)]* (3) The Revolving Account for Emergency Cash Advances. The account established under this subsection is a separate account that shall be maintained for the payment of emergency cash advances and taking up of dishonored remittances.

**SECTION 13. Any balance in the Passenger Rail Transportation Account that is unexpended and unobligated on the operative date of the amendments to ORS 802.100 by section 12 of this 2025 Act, and all moneys that would have been deposited in the Passenger Rail Transportation Account had ORS 802.100 (3) remained in effect, shall be transferred and deposited in the State Highway Fund, and are appropriated for expenditure as in the case of other moneys in the State Highway Fund.**

**SECTION 14.** ORS 367.081 is amended to read:

367.081. (1) Each biennium, the Department of Transportation may provide grants for transportation projects under ORS 367.080 only if the department determines that \$50 million or more will be available in the Connect Oregon Fund for grants awarded under ORS 367.080 to 367.086.

(2) The department may use up to one percent of the amounts available within the Connect Oregon Fund to pay administrative costs incurred by the department in carrying out the provisions of ORS 367.080 to 367.086.

(3) Each biennium, the department shall transfer seven percent of the moneys in the Connect Oregon Fund to the *[Multimodal Active Transportation Fund established under ORS 367.091 for the purpose of providing grants for bicycle and pedestrian transportation projects]* **State Highway Fund.**

**SECTION 15.** ORS 367.091 is amended to read:

367.091. (1) As used in this section and ORS 367.093:

(a) "Private entity" means any entity that is not a public body, including but not limited to a



corporation, partnership, company, nonprofit organization or other legal entity or natural person.

(b) "Public body" has the meaning given that term in ORS 174.109.

(c) "Transportation project" means a project or undertaking for bicycle and pedestrian capital infrastructure, including bridges, paths and ways. A transportation project does not include costs associated with operating expenses or the purchase of bicycles.

(2) The Multimodal Active Transportation Fund is established in the State Treasury, separate and distinct from the General Fund. Earnings on moneys in the Multimodal Active Transportation Fund shall be deposited into the fund. Moneys in the fund are continuously appropriated to the Department of Transportation for the purposes described in subsection (3) of this section and in ORS 367.093. The fund consists of the following:

[(a) *Moneys transferred to the fund under ORS 320.440.*]

[(b) *Moneys transferred to the fund under ORS 367.081.*]

[(c)] (a) Moneys appropriated to the fund by the Legislative Assembly.

[(d)] (b) Earnings on moneys in the fund.

[(e)] (c) Moneys from any other source.

(3) The department shall use moneys in the fund to award grants for bicycle and pedestrian transportation projects as provided in ORS 367.093.

**SECTION 16.** ORS 802.110 is amended to read:

802.110. Any procedures the Department of Transportation establishes for financial administration of those functions of the department dealing with driver and motor vehicle services and for the disposition and payment of moneys it receives from the provision of driver and motor vehicle services shall comply with all of the following:

(1) The department shall deposit all moneys it receives related to driver and motor vehicle services in the Department of Transportation Driver and Motor Vehicle Suspense Account for approved expenses and disbursements before payment of general administrative expenses of the department related to the provision of driver and motor vehicle services. Notwithstanding this subsection, the department may return a bank check or money order when received in incorrect or incomplete form or when not accompanied by the proper application.

(2) The department shall pay the following approved expenses and disbursements from the Department of Transportation Driver and Motor Vehicle Suspense Account before payment of the general administrative expenses of the department related to driver and motor vehicle services:

(a) Refunds authorized by any statute administered by the department when such refunds are approved by the department.

(b) Amounts transferred to the State Treasurer under ORS 319.410 (2) for the purpose of carrying out the state aviation laws, amounts transferred to the Boating Safety, Law Enforcement and Facility Account and to the Marine Navigation Improvement Fund by ORS 319.415, amounts transferred to the State Aviation Account by ORS 319.417 and amounts transferred to the Department of Transportation Operating Fund by ORS 184.643.

(c) After deduction of expenses of collection, transfer and administration, the department shall pay moneys collected from the Student Driver Training Fund eligibility fee under ORS 807.040, 807.150 and 807.370 to the State Treasurer for deposit in the Student Driver Training Fund. The moneys deposited in the Student Driver Training Fund under this paragraph are continuously appropriated to the department for the following purposes:

(A) To the extent of not more than 10 percent of the amount transferred into the Student Driver Training Fund in any biennium, to pay the expenses of administering ORS 336.795, 336.800, 336.805,

336.810 (2) and 336.815.

(B) The remaining moneys, for reimbursing school districts and commercial driver training schools as provided under ORS 336.805.

(d) After deduction of expenses of collection, transfer and administration, the department shall pay moneys collected for the Motorcycle Safety Subaccount under ORS 807.170 to the State Treasurer for deposit in the Motorcycle Safety Subaccount of the Transportation Safety Account. Moneys paid to the State Treasurer under this paragraph shall be used for the purpose of ORS 802.320.

(e) After deduction of expenses for the administration of the issuance of customized registration plates under ORS 805.240, the department shall place moneys received from the sale of customized registration plates in the [*Passenger Rail Transportation Account*] **State Highway Fund**. [*The moneys placed in the account are continuously appropriated to the department and shall be used for the payment of expenses incurred in administering passenger rail programs.*]

(f) After deduction of expenses of collection, transfer and administration, the department shall pay moneys from any registration fees established by the governing bodies of counties or a district, as defined in ORS 801.237, under ORS 801.041 or 801.042 to the appropriate counties or districts. The department shall make the payments on at least a monthly basis unless another basis is established by the intergovernmental agreements required by ORS 801.041 and 801.042 between the department and the governing bodies of a county or a district.

(g) After deducting the expenses of the department in collecting and transferring the moneys, the department shall make disbursements and payments of moneys collected for or dedicated to any other purpose or fund except the State Highway Fund, including but not limited to, payments to the Department of Transportation Operating Fund established by ORS 184.642 (1) and (2).

(3) The department shall refund from the Department of Transportation Driver and Motor Vehicle Suspense Account any excess or erroneous payment to a person who made the payment or to the person's legal representative when the department determines that money has been received by it in excess of the amount legally due and payable or that it has received money in which it has no legal interest. Refunds payable under this subsection are continuously appropriated for such purposes in the manner for payment of refunds under this section. If the department determines that a refund is due, the department may refund the amount of excess or erroneous payment without a claim being filed. Except as provided in ORS 319.290, 319.375, 319.820 and 319.831, any claim for a refund from the department must be filed within 12 months after the date payment is received by the department.

(4) After payment of those expenses and disbursements approved for payment before general administrative expenses related to the provision of driver and motor vehicle services, the department shall pay from the Department of Transportation Driver and Motor Vehicle Services Administrative Account its general administrative expenses incurred in the administration of any law related to driver and motor vehicle services that the department is charged with administering and any other expenses the department is permitted by law to pay from moneys held by the department before transfer of the moneys to the State Highway Fund. The following limitations apply to payments of administrative expenses under this subsection:

(a) The department shall make payment of the expenses of administering the issuance of winter recreation parking permits under ORS 811.595 from those moneys received from issuing the permits.

(b) The department shall pay its expenses for administering the registration and titling of snowmobiles under ORS 821.060 and 821.100 from the fees collected from administering those sections. The department shall also pay its expenses for the administration of the snowmobile driver

1 permit program under ORS 821.160 from the moneys otherwise described in this paragraph.

2 (c) The department shall pay its expenses for determining the amount of money to be withheld  
3 under ORS 802.120 from the fees collected for administering the registration and titling of  
4 snowmobiles. The amount used to pay expenses under this paragraph shall be such sum as necessary  
5 but may not exceed \$10,000 during each biennium.

6 (d) The department shall retain not more than \$15,000 in any biennium for the expenses of col-  
7 lecting and transferring moneys to the Student Driver Training Fund under this section and for the  
8 administration of ORS 336.810 (3).

9 (5) Except as otherwise provided in this subsection, the department shall transfer to the State  
10 Highway Fund the moneys not used for payment of the general administrative expenses or for ap-  
11 proved expenses and disbursements before payment of general administrative expenses. The following  
12 apply to this subsection:

13 (a) If the Director of Transportation certifies the amount of principal or interest of highway  
14 bonds due on any particular date, the department may make available for the payment of such in-  
15 terest or principal any sums that may be necessary to the extent of moneys on hand available for  
16 the State Highway Fund regardless of the dates otherwise specified under this section.

17 (b) Notwithstanding paragraph (a) of this subsection, the department may not make available for  
18 purposes described in paragraph (a) of this subsection any moneys described in ORS 367.605 when  
19 there are not sufficient amounts of such moneys in the State Highway Fund for purposes of bonds  
20 issued under ORS 367.615.

21 (6) Notwithstanding any other provision of this section, the following moneys shall be trans-  
22 ferred to the State Highway Fund at the times described:

23 (a) Moneys received under ORS 802.120 and not used for the payment of administrative expenses  
24 of the department shall be transferred before July 31 of each year.

25 (b) Moneys received from the registration of snowmobiles that are not to be used for payment  
26 of administrative expenses of the department shall be transferred within 30 days after the end of the  
27 quarter.

28 (c) Moneys received from the issuance of winter recreation parking permits that are not used  
29 for payment of administrative expenses of the department shall be transferred within 30 days after  
30 the end of the quarter.

31 (7) The following moneys transferred to the State Highway Fund under this section may be used  
32 only for the purposes described as follows:

33 (a) Moneys collected from the issuance of winter recreation parking permits, and the interest  
34 on such moneys, shall be used to enforce the requirement for winter recreation parking permits and  
35 to remove snow from winter recreation parking locations designated under ORS 810.170. Any re-  
36 maining moneys shall, upon approval by the Winter Recreation Advisory Committee:

37 (A) Be used to maintain parking locations developed with moneys obtained under ORS 810.170  
38 and snowmobile facilities that are parking lots developed with moneys as provided under this sec-  
39 tion;

40 (B) Be used to develop additional winter recreation parking locations under ORS 810.170; or

41 (C) Be carried over to be used in subsequent years for the purposes and in the manner described  
42 in this paragraph.

43 (b) Moneys received from the registration of snowmobiles or under ORS 802.120 may be used for  
44 development and maintenance of multiuse trails within urban growth boundaries or for the devel-  
45 opment and maintenance of snowmobile facilities, including the acquisition of land therefor by any

means other than the exercise of eminent domain. Moneys received under ORS 802.120 may also be used for the enforcement of ORS 811.590, 821.100 to 821.120, 821.140, 821.150, 821.190, 821.210 and 821.240 to 821.290.

(8) The department shall maintain the Revolving Account for Emergency Cash Advances separate from other moneys described in this section. From the account, the department may pay for the taking up of dishonored remittances returned by banks or the State Treasurer and for emergency cash advances to be subsequently reimbursed. The account shall be used only as a revolving fund. The department shall at all times be accountable for the amount of the account, either in cash or unreimbursed items and advances. The moneys in the account are continuously appropriated for the purposes of this subsection. The amount of moneys in the account under this subsection may not exceed \$40,000 from moneys received by the department in the performance of its driver and motor vehicle services functions and moneys otherwise appropriated for purposes of this subsection. The account under this subsection shall be kept on deposit with the State Treasurer. The State Treasurer is authorized to honor and pay all properly signed and indorsed checks or warrants drawn against the account.

**SECTION 17.** 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:

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

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

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

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

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

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

33 (c) Net proceeds of the surcharge collected by the department for Keep Kids Safe registration  
 34 plates shall be deposited into an account designated by the Children's Trust Fund of Oregon Foun-  
 35 dation to fund strategies and approaches shown to prevent or reduce child abuse. Deposits made  
 36 under this paragraph shall be made at least quarterly. At any time that the department determines  
 37 that the account designated by the Children's Trust Fund of Oregon Foundation ceases to exist, the  
 38 department shall deposit the proceeds into the Keep Kids Safe Registration Plate Account estab-  
 39 lished in ORS 805.207. At the beginning of each biennium, the Department of Early Learning and  
 40 Care shall evenly distribute the moneys in the Keep Kids Safe Registration Plate Account to the  
 41 counties in this state, until each county receives \$1,000. After each county has received \$1,000, the  
 42 Department of Early Learning and Care shall distribute any remaining moneys to each county in  
 43 an amount equal to the percentage of Keep Kids Safe registration plates sold in that county. Each  
 44 county shall use the moneys received under this paragraph solely for the purpose of funding strat-  
 45 egies and approaches shown to prevent or reduce child abuse.

1 (7) The Department of Transportation may not accept applications to create new group regis-  
2 tration plates on or after August 12, 2015.

3 **SECTION 18.** ORS 805.222 is amended to read:

4 805.222. (1) The Department of Transportation shall establish a special registration program and  
5 provide for issuance of special registration plates for nonprofit groups meeting the qualifications for  
6 tax exempt status under section 501(c)(3) of the Internal Revenue Code, for institutions of higher  
7 education and for public bodies, as defined in ORS 174.109.

8 (2) Plates issued under this section may be issued to owners of motor vehicles registered under  
9 the provisions of ORS 803.420 (6)(a). In addition, the department may adopt rules for issuance of  
10 special registration plates issued pursuant to this section for vehicles not registered under ORS  
11 803.420 (6)(a).

12 (3) Plates issued under this section may not contain expressions of political opinion or religious  
13 belief.

14 (4) Rules adopted under this section shall include, but need not be limited to, rules that:

15 (a) Describe general qualifications to be met by any nonprofit group, institution of higher edu-  
16 cation or public body in order to be eligible for plates issued under this section.

17 (b) Specify circumstances under which the department may cease to issue plates under this  
18 section.

19 (c) Require each nonprofit group, institution of higher education or public body for which plates  
20 are issued to file an annual statement on a form designed by the department showing that the group  
21 is a nonprofit group, institution of higher education or public body and that the nonprofit group,  
22 institution of higher education or public body otherwise meets the qualifications imposed for eligi-  
23 bility for plates issued under this section. The statement shall include names and addresses of cur-  
24 rent directors or officers of the nonprofit group, institution of higher education or public body or  
25 of other persons authorized to speak for the nonprofit group, institution of higher education or  
26 public body on matters affecting plates issued under this section.

27 (d) Specify the manner in which a nonprofit group, institution of higher education or public body  
28 may apply for a special registration plate.

29 (5) In addition to any other fee authorized by law, for each set of special registration plates is-  
30 sued pursuant to this section, the department shall collect a surcharge of \$40 payable when the  
31 plates are issued and upon each subsequent renewal of registration of a vehicle bearing the plates.  
32 The department shall distribute the moneys from the surcharge as provided in subsection (8) of this  
33 section.

34 (6) The department, in consultation with the nonprofit group, institution of higher education or  
35 public body requesting the special registration plate, shall develop a unique design for each plate  
36 issued under this section. Any design must comply with requirements described under ORS 803.535.

37 (7) The department shall determine how many sets of plates shall be manufactured for each plate  
38 approved under this section. If the department does not issue 2,000 sets of plates for a particular  
39 nonprofit group, institution of higher education or public body in any one year, the department shall  
40 cease production of those plates.

41 (8) Each nonprofit group, institution of higher education or public body that is found by the  
42 department to be eligible for plates issued under this section may designate an account into which  
43 the net proceeds of the surcharge collected by the department under subsection (5) of this section  
44 are to be deposited. The department shall keep accurate records of the number of plates issued for  
45 each nonprofit group, institution of higher education or public body that qualifies. After payment

of administrative expenses of the department, moneys collected under this section for a nonprofit group, institution of higher education or public body shall be deposited by the department into an account specified by that nonprofit group, institution of higher education or public body. If any nonprofit group, institution of higher education or public body 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*] **State Highway Fund**. Deposits under this subsection shall be made at least quarterly.

**SECTION 19.** 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 to the Department of Transportation to pay for:

(a) Program administration; and

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

(2) The moneys described in subsection (1) of this section that remain after the distribution of moneys described in subsection (1) of this section shall be distributed 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 establish a statewide public transportation technical resource center, the purpose of which is to assist public transportation service providers in rural areas with technical assistance, training, transportation planning and information technology.

(3) A portion of the 90 percent distribution under subsection (2)(a) of this section shall be dedicated to transit services for older adults and individuals with disabilities. Each biennium the commission shall first distribute the moneys transferred to the fund under ORS 184.751 as needed to maintain funding that benefits older adults and individuals with disabilities in the amount distributed during the 2019-2021 biennium. Each biennium thereafter, the commission shall adjust this amount upward or downward based on the rate of growth or decline of the Statewide Transportation Improvement Fund. Moneys dedicated to transit services for older adults and individuals with disabilities under this subsection shall be distributed as follows:

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

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

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

(4) Each qualified entity under subsection (3) of this section shall receive an annual target amount of \$67,700. Each biennium, the commission shall adjust this amount upward or downward based on the rate of growth or decline of the Statewide Transportation Improvement Fund.

(5) After a portion of the 90 percent distribution under subsection (2)(a) of this section is distributed to transit services for older adults and individuals with disabilities under subsection (3) of this section, the commission shall distribute the remaining amount to qualified entities as follows:

(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 target amount of \$100,000.]* **The commission shall distribute the funds and determine the minimum amount each qualified entity receives annually.** Each biennium, the commission shall adjust *[this]* **the** amount **distributed** upward or downward based on the rate of growth or decline of the Statewide Transportation Improvement Fund.

(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.

(6) 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 (2)(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 (2)(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 (7) of this section.

(d) Procedures for appealing a rejection of a public transportation improvement plan submitted under subsection (7) 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.

(7) To be eligible to receive a percentage distribution under subsection (2)(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.

(8) 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;

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

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

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

(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.

(9) 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 (2)(a) of this section to implement programs to provide student transit services for students in grades 9 through 12.

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

(11) 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.

(12) The Department of Transportation shall make all grant applications submitted under this section available to the public.

**SECTION 19a. The amendments to ORS 184.758 by section 19 of this 2025 Act become operative on January 1, 2028.**

**SECTION 20.** ORS 184.766 is amended to read:

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

*[(a) 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;]*

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

*[(c)]* (b) 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;

(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); and

(D) Any quarterly reports that detail project progress, outcomes achieved and the expenditure

of funds described under ORS 184.758 (2)(a).

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

## FOOTPATHS AND BICYCLE TRAILS

**SECTION 21. ORS 366.514 is repealed.**

**SECTION 22.** ORS 366.552 is amended to read:

366.552. (1) The Department of Transportation and the State Parks and Recreation Department shall prepare and manage a historic road program, in consultation with the Historic Columbia River Highway Advisory Committee and other affected entities, consistent with the purposes of the Columbia River Gorge National Scenic Area Act of 1986 and the public policy of this state declared in ORS 366.551.

(2) The departments shall inform the advisory committee of those activities of the departments which may affect the continuity, historic integrity and scenic qualities of the Historic Columbia River Highway.

(3) The departments shall undertake efforts to rehabilitate, restore, maintain and preserve all intact and usable segments of the Historic Columbia River Highway and associated state parks. *[The Department of Transportation may expend funds dedicated for footpaths and bicycle trails under ORS 366.514 to construct footpaths and bicycle trails on those portions of the Historic Columbia River Highway that are parts of the state highway system or that are county roads or city streets and the State Parks and Recreation Department may incorporate those segments into the Oregon recreation trails system under the provisions of ORS 390.950 to 390.989 and 390.995 (2).]*

(4) The departments may acquire real property, or any right or interest therein, deemed necessary for the preservation of historic, scenic or recreation qualities of the Historic Columbia River Highway, for the connection of intact and usable segments, or for the development and maintenance of parks along or in close proximity to the highway. The departments shall encourage the acquisition of lands, or interests in lands, by donation, agreement, exchange or purchase.

(5) The departments shall assist and cooperate with other agencies and political subdivisions of the state, state agencies, the federal government, special purpose districts, railroads, public and private organizations and individuals to the extent necessary to carry out the provisions of ORS 366.550 to 366.553. The departments may enter into such contracts as are necessary to carry out these provisions.

**SECTION 23.** ORS 366.774 is amended to read:

366.774. (1) Moneys paid to counties under ORS 366.762 to 366.768 shall be used only for the purposes stated in sections 3 and 3a, Article IX of the Oregon Constitution, and the statutes enacted pursuant thereto *[including ORS 366.514]*.

(2) Counties receiving moneys under ORS 366.762 to 366.768 shall report annually to the Legislative Assembly the expenditures of those moneys in each of the following areas:

- (a) Administration;
- (b) Bicycle paths;
- (c) Construction and expansion;

- (d) Operations and maintenance;
- (e) Other payments;
- (f) Payments to other governments; and
- (g) Repair and preservation.

(3) The Association of Oregon Counties shall make an annual report to the Legislative Assembly presenting the information required by subsection (2) of this section. The report shall be made to the committees of the Legislative Assembly with primary jurisdiction over transportation matters.

(4) For the purposes of subsection (2) of this section, each county shall account for moneys paid to the county under ORS 366.762 to 366.768 separately from any other county moneys.

**SECTION 24.** ORS 366.790 is amended to read:

366.790. (1) Moneys paid to cities under ORS 366.785 to 366.820 shall be used only for the purposes stated in sections 3 and 3a, Article IX of the Oregon Constitution and the statutes enacted pursuant thereto *[including ORS 366.514]*.

(2) Cities receiving moneys under ORS 366.785 to 366.820 shall report annually to the Legislative Assembly the expenditures of those moneys in each of the following areas:

- (a) Administration;
- (b) Bicycle paths;
- (c) Construction and expansion;
- (d) Operations and maintenance;
- (e) Other payments;
- (f) Payments to other governments; and
- (g) Repair and preservation.

(3) The League of Oregon Cities shall make an annual report to the Legislative Assembly presenting the information required by subsection (2) of this section. The report shall be made to the committees of the Legislative Assembly with primary jurisdiction over transportation matters.

(4) For the purposes of subsection (2) of this section, each city shall account for moneys paid to the city under ORS 366.785 to 366.820 separately from any other city moneys.

(5) This section does not apply to a city with a population under 5,000.

## EMERGING SMALL BUSINESSES

**SECTION 25.** ORS 200.180, 200.190 and 279A.142 are repealed.

**SECTION 26.** Any balance in the Emerging Small Business Account that is unexpended and unobligated on the date of the repeal of ORS 200.180 by section 25 of this 2025 Act, and all moneys that would have been deposited in the Emerging Small Business Account had ORS 200.180 remained in effect, shall be transferred and deposited in the State Highway Fund, and are appropriated for expenditure as in the case of other moneys in the State Highway Fund.

**SECTION 27.** ORS 279C.335 is amended to read:

279C.335. (1) A contracting agency may award a public improvement contract only in response to competitive bids, except for:

(a) A public improvement contract with a qualified nonprofit agency that provides employment opportunities for individuals with disabilities under ORS 279.835 to 279.855.

(b) A public improvement contract that is exempt under subsection (2) of this section.

(c) A public improvement contract with a value of less than \$25,000. A state contracting agency that awards a public improvement contract with a contract price of \$10,000 or more under this

1 paragraph shall document in the state contracting agency's procurement file the actions the state  
2 contracting agency takes to:

3 (A) Comply with ORS 200.035; and

4 (B) Invite to participate in the procurement qualified businesses or enterprises that the Certi-  
5 fication Office for Business Inclusion and Diversity certifies under ORS 200.055.

6 (d) A public improvement contract with a contract price that does not exceed \$100,000 made  
7 under procedures for competitive quotes in ORS 279C.412 and 279C.414.

8 (e) A contract to repair, maintain, improve or protect property the Department of Veterans'  
9 Affairs obtains under ORS 407.135 and 407.145 (1).

10 (f) An energy savings performance contract that a contracting agency enters into in accordance  
11 with rules of procedure adopted under ORS 279A.065.

12 *[(g) A public improvement contract with an estimated contract price of \$250,000 or less that a*  
13 *contracting agency awards to an emerging small business certified under ORS 200.055 and funds with*  
14 *moneys from the Emerging Small Business Account established under ORS 200.180. A contracting*  
15 *agency that awards a public contract exempted from competitive bidding under this paragraph shall*  
16 *solicit competitive quotes as provided in ORS 279C.414 before making the award.]*

17 *[(h)]* (g) A public improvement contract that the Department of Transportation awards to a  
18 qualified small business under the small business development program described in ORS 184.906.  
19 The department may choose to award a public improvement contract described in this paragraph  
20 competitively or using other selection methods that comply with the policies set forth in ORS  
21 279A.015.

22 (2) Subject to subsection (4)(b) and (c) of this section, the Director of the Oregon Department  
23 of Administrative Services, a local contract review board or, for contracts described in ORS  
24 279A.050 (3)(b), the Director of Transportation may exempt a public improvement contract or a class  
25 of public improvement contracts from the competitive bidding requirement of subsection (1) of this  
26 section after the Director of the Oregon Department of Administrative Services, the Director of  
27 Transportation or the local contract review board approves the following findings that the con-  
28 tracting agency submits or, if a state agency is not the contracting agency, that the state agency  
29 that is seeking the exemption submits:

30 (a) The exemption is unlikely to encourage favoritism in awarding public improvement contracts  
31 or substantially diminish competition for public improvement contracts.

32 (b) Awarding a public improvement contract under the exemption will likely result in substantial  
33 cost savings and other substantial benefits to the contracting agency or the state agency that seeks  
34 the exemption or, if the contract is for a public improvement described in ORS 279A.050 (3)(b), to  
35 the contracting agency or the public. In approving a finding under this paragraph, the Director of  
36 the Oregon Department of Administrative Services, the Director of Transportation or the local  
37 contract review board shall consider the type, cost and amount of the contract and, to the extent  
38 applicable to the particular public improvement contract or class of public improvement contracts,  
39 the following:

40 (A) How many persons are available to bid;

41 (B) The construction budget and the projected operating costs for the completed public im-  
42 provement;

43 (C) Public benefits that may result from granting the exemption;

44 (D) Whether value engineering techniques may decrease the cost of the public improvement;

45 (E) The cost and availability of specialized expertise that is necessary for the public improve-

1 ment;

2 (F) Any likely increases in public safety;

3 (G) Whether granting the exemption may reduce risks to the contracting agency, the state  
4 agency or the public that are related to the public improvement;

5 (H) Whether granting the exemption will affect the sources of funding for the public improve-  
6 ment;

7 (I) Whether granting the exemption will better enable the contracting agency to control the  
8 impact that market conditions may have on the cost of and time necessary to complete the public  
9 improvement;

10 (J) Whether granting the exemption will better enable the contracting agency to address the size  
11 and technical complexity of the public improvement;

12 (K) Whether the public improvement involves new construction or renovates or remodels an  
13 existing structure;

14 (L) Whether the public improvement will be occupied or unoccupied during construction;

15 (M) Whether the public improvement will require a single phase of construction work or multi-  
16 ple phases of construction work to address specific project conditions; and

17 (N) Whether the contracting agency or state agency has, or has retained under contract, and  
18 will use contracting agency or state agency personnel, consultants and legal counsel that have  
19 necessary expertise and substantial experience in alternative contracting methods to assist in de-  
20 veloping the alternative contracting method that the contracting agency or state agency will use to  
21 award the public improvement contract and to help negotiate, administer and enforce the terms of  
22 the public improvement contract.

23 (c) As an alternative to the finding described in paragraph (b) of this subsection, if a contracting  
24 agency or state agency seeks an exemption that would allow the contracting agency or state agency  
25 to use an alternative contracting method that the contracting agency or state agency has not pre-  
26 viously used, the contracting agency or state agency may make a finding that identifies the project  
27 as a pilot project for which the contracting agency or state agency intends to determine whether  
28 using the alternative contracting method actually results in substantial cost savings to the con-  
29 tracting agency, to the state agency or, if the contract is for a public improvement described in ORS  
30 279A.050 (3)(b), to the contracting agency or the public. The contracting agency or state agency  
31 shall include an analysis and conclusion regarding actual cost savings, if any, in the evaluation re-  
32 quired under ORS 279C.355.

33 (3) In making findings to support an exemption for a class of public improvement contracts, the  
34 contracting agency or state agency shall clearly identify the class using the class's defining char-  
35 acteristics. The characteristics must include a combination of project descriptions or locations, time  
36 periods, contract values, methods of procurement or other factors that distinguish the limited and  
37 related class of public improvement contracts from the agency's overall construction program. The  
38 agency may not identify a class solely by funding source, such as a particular bond fund, or by the  
39 method of procurement, but shall identify the class using characteristics that reasonably relate to  
40 the exemption criteria set forth in subsection (2) of this section.

41 (4) In granting exemptions under subsection (2) of this section, the Director of the Oregon De-  
42 partment of Administrative Services, the Director of Transportation or the local contract review  
43 board shall:

44 (a) If appropriate, direct the use of alternative contracting methods that take account of market  
45 realities and modern practices and are consistent with the public policy of encouraging competition.

(b) Require and approve or disapprove written findings by the contracting agency or state agency that support awarding a particular public improvement contract or a class of public improvement contracts, without the competitive bidding requirement of subsection (1) of this section. The findings must show that the exemption of a contract or class of contracts complies with the requirements of subsection (2) of this section.

(c) Require a contracting agency or state agency that procures construction manager/general contractor services to conduct the procurement in accordance with model rules the Attorney General adopts under ORS 279A.065 (3).

(5)(a) A contracting agency or state agency may hold a public hearing before approving the findings required by subsection (2) of this section and before the Director of the Oregon Department of Administrative Services, the Director of Transportation or the local contract review board grants an exemption from the competitive bidding requirement for a public improvement contract or a class of public improvement contracts.

(b) Notification of a proposed exemption under subsection (2) of this section must be published in at least one trade newspaper of general statewide circulation a minimum of 14 days before the date on which the contracting agency intends to take action to approve or disapprove the exemption.

(c) The notice must state that in response to a written request, the contracting agency or state agency will hold a public hearing for the purpose of taking comments on the draft findings for an exemption from the competitive bidding requirement.

(d) If the contracting agency or state agency conducts a public hearing, the contracting agency or state agency shall offer an opportunity for any interested party to appear and comment.

(e) If a contracting agency or state agency must act promptly because of circumstances beyond the agency's control that do not constitute an emergency, notification of the proposed exemption may be published simultaneously with the agency's solicitation of contractors for the alternative public contracting method, as long as responses to the solicitation are due at least five days after the agency intends to take action to approve or disapprove the proposed exemption.

(6) The purpose of an exemption is to exempt one or more public improvement contracts from competitive bidding requirements. The representations in and the accuracy of the findings, including any general description of the resulting public improvement contract, are the bases for approving the findings and granting the exemption. The findings may describe anticipated features of the resulting public improvement contract, but the final parameters of the contract are those characteristics or specifics announced in the solicitation document.

(7) A public improvement contract awarded under the competitive bidding requirement of subsection (1) of this section may be amended only in accordance with rules adopted under ORS 279A.065.

(8) A public improvement contract that is excepted from the competitive bidding requirement under subsection (1)(a), (c), (d), (e), (f) or (g) of this section is not subject to the exemption requirements of subsection (2) of this section.

## LOW CARBON FUEL STANDARDS

**SECTION 28.** ORS 468A.266 is amended to read:

468A.266. (1) The Environmental Quality Commission, by rule:

(a) Shall adopt low carbon fuel standards for gasoline, diesel and fuels used as substitutes or

alternatives for gasoline or diesel; and

(b) Shall adopt a clean fuels program for facilitating compliance with the low carbon fuel standards and for managing and containing the costs of compliance with the low carbon fuel standards, in accordance with the requirements of ORS 468A.265 to 468A.277.

(2) The commission may adopt rules related to the low carbon fuel standards, including but not limited to:

(a) A schedule to phase in implementation of the standards in a manner that reduces the average amount of greenhouse gas emissions per unit of fuel energy of the fuels by **no more than** 10 percent below 2010 levels by the year 2025 *[or by a later date if the commission determines that an extension is appropriate to implement the low carbon fuel standards]*;

(b) Standards for greenhouse gas emissions attributable to the fuels throughout the lifecycles of the fuels, including but not limited to emissions from the production, storage, transportation and combustion of the fuels and from changes in land use associated with the fuels;

(c) Provisions allowing the use of all types of low carbon fuels to meet the low carbon fuel standards, including but not limited to biofuels, biogas, natural gas, liquefied petroleum gas, gasoline, diesel, hydrogen and electricity;

(d) Exemptions for fuels that are used in volumes below thresholds established by the commission;

(e) Standards, specifications, testing requirements and other measures as needed to ensure the quality of fuels produced in accordance with the low carbon fuel standards, including but not limited to the requirements of ORS 646.910 to 646.923 and administrative rules adopted by the State Department of Agriculture for motor fuel quality; and

(f) Adjustments to the amounts of greenhouse gas emissions per unit of fuel energy assigned to fuels for combustion and drive train efficiency.

(3) Before adopting low carbon fuel standards under this section, the commission shall consider the low carbon fuel standards of other states for the purpose of determining schedules and goals for the reduction of the average amount of greenhouse gas emissions per unit of fuel energy and the default values for these reductions for applicable fuels.

(4) The commission shall exempt from the low carbon fuel standards any person who imports in a calendar year less than 500,000 gallons of gasoline and diesel fuel, in total. Any fuel imported by persons that are related or share common ownership or control shall be aggregated together to determine whether a person is exempt under this subsection.

(5) In adopting rules under this section, the commission shall evaluate:

(a) Safety, feasibility, net reduction of greenhouse gas emissions and cost-effectiveness;

(b) Potential adverse impacts to public health and the environment, including but not limited to air quality, water quality and the generation and disposal of waste in this state;

(c) Flexible implementation approaches to minimize compliance costs; and

(d) Technical and economic studies of comparable greenhouse gas emissions reduction measures implemented in other states and any other studies as determined by the commission.

## HIGHWAY COST ALLOCATION STUDY

**SECTION 29.** ORS 366.506 is amended to read:

366.506. (1) Once every two years, the Oregon Department of Administrative Services shall conduct a highway cost allocation study. The purpose of the study is to determine:

(a) The proportionate share that the users of each class of vehicle should pay for the costs of maintenance, operation and improvement of the highways, roads and streets in the state; and

(b) Whether the users of each class are paying that share.

(2) Each study must include:

(a) An examination of the most recent study period for which actual data are available for the purpose of determining the accuracy of the most recently published study results; and

(b) An examination of the prospective study period based on projected data for the purpose described in subsection (1) of this section.

(3) The department may use any study design the department determines will best accomplish the purposes stated in subsection (1) of this section. In designing the study, the department may make decisions that include, but are not limited to, the methodology to be used for the study, what constitutes a class of vehicle for purposes of collection of data under subsections (1) to (5) of this section and the nature and scope of costs that will be included in the study.

(4) The department may appoint a study review team to participate in the study required by subsection (1) of this section. The team may perform any functions assigned by the department, including, but not limited to, consulting on the design of the study.

(5) A report on the results of the study shall be submitted to the legislative revenue committees and the Joint Committee on Transportation by January 31 of each odd-numbered year.

(6) The Legislative Assembly shall use the report described in subsection (5) of this section to determine whether adjustments to revenue sources described in Article IX, section 3a (3), of the Oregon Constitution, are needed in order to carry out the purposes of Article IX, section 3a (3), of the Oregon Constitution. If such adjustments are needed, the Legislative Assembly shall enact whatever measures are necessary to make the adjustments.

**(7)(a) On or after September 1 of each odd-numbered year, notwithstanding the weight-mile tax rates described under ORS 825.476, the department shall, by rule, decrease the rates in an amount to achieve equity between light and heavy vehicle classes, if:**

**(A) The highway cost allocation report indicates that the equity ratio for the heavy vehicle class is greater than one; and**

**(B) The Legislative Assembly has not enacted whatever measures are necessary to make the adjustments needed to carry out the purposes of Article IX, section 3a (3), of the Oregon Constitution, within 120 days of the Joint Committee on Transportation receiving the report under subsection (5) of this section.**

**(b) On or after September 1 of each odd-numbered year, notwithstanding the fuel tax rates described under ORS 319.020 (1)(b) and 319.530 (1), the department shall, by rule, decrease the rates in an amount to achieve equity between light and heavy vehicle classes, if:**

**(A) The highway cost allocation report indicates that the equity ratio for the light vehicle class is greater than one; and**

**(B) The Legislative Assembly has not enacted whatever measures are necessary to make the adjustments needed to carry out the purposes of Article IX, section 3a (3), of the Oregon Constitution, within 120 days of the Joint Committee on Transportation receiving the report under subsection (5) of this section.**

**(8) The department shall repeal an administrative rule decreasing tax rates adopted pursuant to subsection (7) of this section if the department determines that, after the rule was adopted, the Legislative Assembly adjusted revenue sources described in Article IX, section 3a (3), of the Oregon Constitution, to carry out the purposes of Article IX, section**



**3a (3), of the Oregon Constitution.**

**WEIGHT-MILE TAXES**

**SECTION 30.** ORS 825.474 is amended to read:

825.474. (1) In addition to other fees and taxes imposed by law upon carriers, there shall be assessed against and collected from every carrier a tax for the use of the highways, to apply to the cost of administration of this chapter and for the maintenance, operation, construction and reconstruction of public highways.

(2) The tax rate which shall apply to each motor vehicle shall be based upon the declared combined weight of the motor vehicle and in accordance with the weight group tax rates as shown in the tables set forth in ORS 825.476.

(3) For the purpose of computing the tax due:

(a) Table "A" in ORS 825.476 applies to motor vehicles subject to the tax imposed by this section that are not issued an annual variance permit under ORS 818.200 (1)(a) to (c) to operate with a combined weight of more than 80,000 pounds.

*[(b) Table "B" applies to motor vehicles subject to the tax imposed by this section that are issued or required to obtain an annual variance permit under ORS 818.200 (1)(a) to (c) to operate with a combined weight of more than 80,000 pounds.]*

**(b) Table "E" applies to electric motor vehicles subject to the tax imposed by this section that are not issued an annual variance permit under ORS 818.200 (1)(a) to (c) to operate with a combined weight of 26,001 pounds or more.**

(c) The declared combined weight shall be the combined weight, as defined in ORS 825.005, declared in the *[application for authority under ORS 825.100, subject to audit and approval by the Department of Transportation]* **registration weight.**

(d) In addition to any tax due under this chapter, motor vehicles that exceed the maximum vehicle weight limits for annual variance permits under ORS 818.200 (1)(a) to (c) are subject to the road use assessment fee imposed under ORS 818.225 for the entire motor vehicle weight, minus the road use assessment fee for the maximum vehicle weight allowed under the annual variance permit.

(4) The tax for each motor vehicle *[when table "A" or "B" is used]* shall be computed by multiplying the extreme mileage of travel in Oregon by the appropriate weight group tax rate as it appears in the table.

**SECTION 31.** ORS 825.476 is amended to read:

825.476.

[ \_\_\_\_\_ ]

**MILEAGE TAX RATE TABLE "A"**

<i>Declared Combined</i>	<i>Fee Rates</i>
<i>Weight Groups</i>	<i>Per Mile</i>
<i>(Pounds)</i>	<i>(Mills)</i>
26,001 to 28,000	76.4
28,001 to 30,000	80.9
30,001 to 32,000	84.6
32,001 to 34,000	88.4
34,001 to 36,000	91.8

1	36,001 to 38,000	96.6
2	38,001 to 40,000	100.2
3	40,001 to 42,000	103.8
4	42,001 to 44,000	107.7
5	44,001 to 46,000	111.3
6	46,001 to 48,000	114.9
7	48,001 to 50,000	118.7
8	50,001 to 52,000	123.1
9	52,001 to 54,000	127.7
10	54,001 to 56,000	132.5
11	56,001 to 58,000	138.0
12	58,001 to 60,000	144.3
13	60,001 to 62,000	151.7
14	62,001 to 64,000	160.1
15	64,001 to 66,000	169.3
16	66,001 to 68,000	181.3
17	68,001 to 70,000	194.1
18	70,001 to 72,000	206.9
19	72,001 to 74,000	218.7
20	74,001 to 76,000	230.0
21	76,001 to 78,000	241.1
22	78,001 to 80,000	251.2

23 [ \_\_\_\_\_ ]  
 24

25 *AXLE-WEIGHT MILEAGE*

26 *TAX RATE TABLE "B"*

27	<i>Declared Combined</i>	<i>Number of Axles</i>				
28	<i>Weight Groups</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9 or</i>
29	<i>(Pounds)</i>			<i>(Mills)</i>		<i>more</i>
30	80,001 to 82,000	259.4	237.3	221.8	210.7	198.7
31	82,001 to 84,000	267.8	241.1	225.4	213.4	201.4
32	84,001 to 86,000	275.8	246.6	229.1	216.1	204.2
33	86,001 to 88,000	285.2	252.0	232.7	219.9	206.9
34	88,001 to 90,000	296.2	258.4	236.5	223.5	210.7
35	90,001 to 92,000	309.0	265.9	239.9	227.1	214.4
36	92,001 to 94,000	323.0	273.1	243.8	230.8	217.2
37	94,001 to 96,000	337.7	281.5	248.3	234.6	220.7
38	96,001 to 98,000	353.3	291.7	253.9	238.4	224.5
39	98,001 to 100,000		302.5	259.4	242.8	228.1
40	100,001 to 102,000			264.9	248.3	231.9
41	102,001 to 104,000			270.5	253.9	236.5
42	104,001 to 105,500			277.7	259.4	241.1

43 [ \_\_\_\_\_ ]  
 44  
 45

**MILEAGE TAX RATE TABLE "A"**

<b>Declared Combined Weight Groups (Pounds)</b>	<b>Fee Rates Per Mile (Mills)</b>
26,001 to 32,000	_____
32,001 to 38,000	_____
38,001 to 44,000	_____
44,001 to 50,000	_____
50,001 to 56,000	_____
56,001 to 62,000	_____
62,001 to 68,000	_____
68,001 to 74,000	_____
74,001 to 80,000	_____
80,001 to 105,500	_____

**MILEAGE TAX RATE TABLE "E"**

<b>Declared Combined Weight Groups (Pounds)</b>	<b>Fee Rates Per Mile (Mills)</b>
26,001 to 32,000	_____
32,001 to 38,000	_____
38,001 to 44,000	_____
44,001 to 50,000	_____
50,001 to 56,000	_____
56,001 to 62,000	_____
62,001 to 68,000	_____
68,001 to 74,000	_____
74,001 to 80,000	_____
80,001 to 105,500	_____

**SECTION 32.** The amendments to ORS 825.474 and 825.476 by sections 30 and 31 of this 2025 Act become operative on July 1, 2028.

**SECTION 33.** The amendments to ORS 825.474 and 825.476 by sections 30 and 31 of this 2025 Act apply to taxes imposed on or after July 1, 2028.

**DIESEL FUEL TAX ADMINISTRATION**

**SECTION 34.** ORS 319.010 is amended to read:

319.010. As used in ORS 319.010 to 319.430, unless the context requires otherwise:

(1) "Aircraft" means every contrivance now known, or hereafter invented, used or designed for

1 navigation of or flight in the air, operated or propelled by the use of aircraft fuel.

2 (2) "Aircraft fuel" means any gasoline and any other inflammable or combustible gas or liquid  
3 by whatever name such gasoline, gas or liquid is known or sold, usable as fuel for the operation of  
4 aircraft, except gas or liquid, the chief use of which, as determined by the Department of Trans-  
5 portation is for purposes other than the propulsion of aircraft.

6 (3) "Airport" means any area of land or water, except a restricted landing area, which is de-  
7 signed for the landing and takeoff of aircraft.

8 (4) "Broker" means [*and includes*] every person other than a dealer engaged in business as a  
9 broker, jobber or wholesale merchant dealing in motor vehicle fuel or aircraft fuel.

10 (5) "Bulk transfer" means any change in ownership of motor vehicle fuel or aircraft fuel con-  
11 tained in a terminal storage facility or any physical movement of motor vehicle fuel or aircraft fuel  
12 between terminal storage facilities by pipeline or marine transport.

13 (6) "Dealer" means any person who:

14 (a) Imports or causes to be imported motor vehicle fuels or aircraft fuels for sale, use or dis-  
15 tribution in, and after the same reaches the State of Oregon, but "dealer" does not include any  
16 person who imports into this state motor vehicle fuel in quantities of 500 gallons or less purchased  
17 from a supplier who is licensed as a dealer under ORS 319.010 to 319.430 and who assumes liability  
18 for the payment of the applicable license tax to this state;

19 (b) Produces, refines, manufactures or compounds motor vehicle fuels or aircraft fuels in the  
20 State of Oregon for use, distribution or sale in this state;

21 (c) Acquires in this state for sale, use or distribution in this state motor vehicle fuels or aircraft  
22 fuels with respect to which there has been no license tax previously incurred; or

23 (d) Acquires title to or possession of motor vehicle fuels or aircraft fuels in this state and ex-  
24 ports the product out of this state.

25 (7) "Department" means the Department of Transportation.

26 (8) **"Diesel" or "diesel fuel" includes biodiesel and renewable diesel fuel and other diesel**  
27 **fuel blends.**

28 [(8)] (9) "Distribution" means, in addition to its ordinary meaning, the delivery of motor vehicle  
29 fuel or aircraft fuel by a dealer to any service station or into any tank, storage facility or series  
30 of tanks or storage facilities connected by pipelines, from which motor vehicle fuel or aircraft fuel  
31 is withdrawn directly for sale or for delivery into the fuel tanks of motor vehicles whether or not  
32 the service station, tank or storage facility is owned, operated or controlled by the dealer.

33 [(9)] (10) "First sale, use or distribution of motor vehicle fuel or aircraft fuel" means the first  
34 withdrawal, other than by bulk transfer, of motor vehicle fuel or aircraft fuel from terminal storage  
35 facilities for sale, use or distribution. "First sale, use or distribution of motor vehicle fuel or aircraft  
36 fuel" also means the first sale, use or distribution of motor vehicle fuel or aircraft fuel after import  
37 into this state if the motor vehicle fuel or aircraft fuel is delivered other than to the terminal stor-  
38 age facilities of a licensed dealer.

39 [(10)] (11) "Highway" means every way, thoroughfare and place, of whatever nature, open for  
40 use of the public for the purpose of vehicular travel.

41 [(11)] (12) "Motor vehicle" means all vehicles, engines or machines, movable or immovable, op-  
42 erated or propelled by the use of motor vehicle fuel.

43 [(12)] (13)(a) "Motor vehicle fuel" means [*and includes*] gasoline, **diesel** and any other  
44 inflammable or combustible gas or liquid, by whatever name such gasoline, gas or liquid is known  
45 or sold, usable as fuel for the operation of motor vehicles, except gas or liquid[,] the chief use of

which, as determined by the department, is for purposes other than the propulsion of motor vehicles upon the highways of this state.

**(b) “Motor vehicle fuel” does not include dyed diesel as defined in ORS 319.520.**

[(13)] (14) “Person” includes every natural person, association, firm, partnership, corporation or the United States.

[(14)] (15) “Restricted landing area” means any area of land or water, or both, which is used or made available for the landing and takeoff of aircraft, the use of which, except in case of emergency, is provided from time to time by the department.

[(15)] (16) “Service station” means *[and includes]* any place operated for the purpose of retailing and delivering motor vehicle fuel into the fuel tanks of motor vehicles or aircraft fuel into the fuel tanks of aircraft.

[(16)] (17) “Terminal storage facility” means any fuel storage facility that has marine or pipeline access.

**SECTION 35.** ORS 295.103 is amended to read:

295.103. (1) This section applies to the following moneys:

(a) Motor **vehicle** fuel taxes, penalties and interest that are:

(A) Imposed on motor carriers; and

(B) Payable through a clearinghouse operated under an international fuel tax agreement entered into under ORS 825.555; and

(b) Registration fees and other fixed fees and taxes that are:

(A) Imposed on motor carriers for motor vehicles proportionally registered in this state and other jurisdictions;

(B) Apportioned to this state; and

(C) Payable through a clearinghouse operated under an agreement for proportional registration entered into under ORS 826.007.

(2) Moneys described in subsection (1) of this section are not public funds for purposes of ORS 295.001 to 295.108 for the period during which the moneys are held by a clearinghouse described in subsection (1) of this section pending disbursement to, or payment on behalf of, the state.

**SECTION 36.** ORS 319.390 is amended to read:

319.390. *[Every dealer in motor vehicle fuel shall keep a record in such form as may be prescribed by the Department of Transportation of all purchases, receipts, sales and distribution of motor fuel. The records shall include copies of all invoices or bills of all such sales and shall at all times during the business hours of the day be subject to inspection by the department or its deputies or other officers duly authorized by the department. Upon request from the officials to whom is entrusted the enforcement of the motor fuel tax law of another state, territory, country or the federal government, the department shall forward to such officials any information which it may have relative to the import or export of any motor vehicle fuel by any dealer, provided such other state, territory, country or federal government furnishes like information to this state.]*

**(1) As used in this section:**

(a) “Department of Transportation” or “department” includes deputies or other officers or representatives duly authorized by the department.

(b) “Inspection” means any inspection, audit, examination or test reasonably required in the administration of this section.

(c) “Premises” means any premises, equipment, rolling stock or facilities operated or occupied by any dealer or broker.

(d) **“Records” means any records of purchases, receipts, sales and distribution of motor vehicle fuel, including copies of invoices or bills of such sales, and related books, papers, statements and reports.**

(2) **The department may, at any time during a dealer’s or broker’s business hours, upon demand, enter upon the premises in order to:**

(a) **Conduct an inspection of records and equipment;**

(b) **Set up and use any apparatus or appliance, and occupy necessary space, for the inspection;**

(c) **Verify the completeness, truth and accuracy of any records; and**

(d) **Determine whether the dealer or broker has violated any provision of ORS 319.010 to 319.430.**

(3) **Any dealer or broker that refuses entry to the department for an inspection, or a demand to furnish records necessary for the inspection, is subject to a civil penalty under section 49 of this 2025 Act.**

**SECTION 37.** ORS 825.555 is amended to read:

825.555. (1) The Department of Transportation may enter into an international fuel tax agreement with jurisdictions outside [of] this state to provide for cooperation and assistance among member jurisdictions in the administration and collection of taxes imposed on motor carriers for the consumption of all fuels used in vehicles operated interstate.

(2) An agreement under this section may:

(a) Provide for determining a base state for motor carriers for purposes of the agreement.

(b) Impose record keeping requirements.

(c) Specify audit procedures.

(d) Provide for exchange of information among jurisdictions.

(e) Provide criteria for determining which carriers are eligible to receive the benefits of the agreement.

(f) Define qualified motor vehicles.

(g) Specify conditions under which bonds are required.

(h) Specify reporting requirements and periods, including but not limited to specifying penalty and interest rates for late reporting.

(i) Determine methods for collecting and forwarding of motor **vehicle** fuel taxes, penalties and interest to another jurisdiction.

(j) Provide that the Department of Transportation may deny any person further benefits under the agreement until all motor **vehicle** fuel taxes have been paid, if the department determines that additional motor **vehicle** fuel taxes are owed by the person.

(k) Authorize the department to suspend, [or] cancel **or refuse to renew** benefits under the agreement for any person who violates any term or condition of the agreement or any law or rule of this state relating to motor carriers or vehicles.

(L) Contain such other provisions as will facilitate the agreement.

**(m) Authorize the department to deny an international fuel tax agreement license if the department has reasonable grounds to believe, based on information contained in the department files and records or based on evidence presented during an administrative hearing, that the department has authority to deny or revoke an international fuel tax agreement license.**

(3) An agreement may not provide for any benefit, exemption or privilege with respect to any

1 fees or taxes levied or assessed against the use of highways or use or ownership of vehicles except  
2 for motor **vehicle** fuel taxes and requirements related to motor **vehicle** fuel taxes.

3 (4) The department may adopt any rules the department deems necessary to **enforce**, effectuate  
4 and administer the provisions of an agreement entered into under this section. Nothing in the  
5 agreement shall affect the right of the department to adopt rules as provided in ORS chapter 823  
6 and this chapter.

7 (5) An agreement shall be in writing and shall be filed with the department within 10 days after  
8 execution or on the effective date of the agreement, whichever is later.

9 (6)(a) The department shall adopt rules establishing an annual fee to be paid by each motor  
10 carrier receiving benefits from an agreement entered into under this section.

11 (b) In establishing fees, the department shall consider the size of the motor carrier's fleet.

12 (c) Fees established under this subsection shall be designed to recover the full direct and indi-  
13 rect costs to the department that result from participation in the agreement[, *but the department*  
14 *may not establish a fee under this subsection that exceeds \$650*].

15 **SECTION 38.** Section 39 of this 2025 Act is added to and made a part of ORS 319.010 to  
16 319.430.

17 **SECTION 39.** (1) The Department of Transportation shall allow refunds as provided in  
18 this section to a user of motor vehicle fuel presenting a claim as follows:

19 (a) For diesel fuel used in a motor vehicle designed to carry logs, poles, pilings, sand or  
20 gravel, a claimant shall be allowed a refund of:

21 (A) Up to 25 percent of the tax paid on all diesel fuel used by the claimant in this state,  
22 provided that the claimant shows evidence of the total number of gallons of diesel fuel used  
23 in this state on the highways and of the total number of gallons used in this state off the  
24 highways; or

25 (B) Up to 15 percent of the tax paid without providing evidence of the total number of  
26 gallons of diesel fuel used in this state on the highways or of the total number of gallons used  
27 in this state off the highways.

28 (b) For diesel fuel used in a motor vehicle exclusively owned and operated by an  
29 investor-owned utility, a claimant shall be allowed a refund of 70 percent of the tax paid.

30 (c) For diesel fuel used in a separate fuel supply dedicated to the operation of ancillary  
31 equipment and not used to propel the motor vehicle, a claimant shall be allowed a refund of  
32 100 percent of the tax paid.

33 (2) A claim for a refund under this section must be submitted to the department within  
34 15 months after the payment of the tax for which a refund is claimed.

35 (3)(a) A claim for a refund under this section must include a signed statement by the  
36 claimant indicating the amount of diesel fuel for which a refund is claimed and the manner  
37 in which the diesel fuel was used that qualifies the claimant for a refund.

38 (b) If the diesel fuel for which the refund is claimed was obtained from a seller to which  
39 the diesel fuel tax was paid, the claim must be supported by the invoices that cover the  
40 purchase of the diesel fuel.

41 (c) If the claimant paid the diesel fuel tax directly to the department, the claimant must  
42 indicate the source of the diesel fuel and the date the fuel was obtained.

43 (4) The department may require any claimant for a refund under this section to furnish  
44 a statement, under penalties for false swearing, setting forth the claimant's occupation, a  
45 description of the machines or equipment in which the diesel fuel was used, the place where

1 **the diesel fuel was used and any other information the department may require.**

2 **SECTION 40.** ORS 810.530 is amended to read:

3 810.530. (1) A weighmaster or motor carrier enforcement officer in whose presence an offense  
4 described in this subsection is committed may arrest or issue a citation for the offense in the same  
5 manner as under ORS 810.410 as if the weighmaster or motor carrier enforcement officer were a  
6 police officer. This subsection applies to the following offenses:

- 7 (a) Violation of maximum weight limits under ORS 818.020.
- 8 (b) Violation of posted weight limits under ORS 818.040.
- 9 (c) Violation of administratively imposed weight or size limits under ORS 818.060.
- 10 (d) Violation of maximum size limits under ORS 818.090.
- 11 (e) Exceeding maximum number of vehicles in combination under ORS 818.110.
- 12 (f) Violation of posted limits on use of road under ORS 818.130.
- 13 (g) Violation of towing safety requirements under ORS 818.160.
- 14 (h) Operating with sifting or leaking load under ORS 818.300.
- 15 (i) Dragging objects on highway under ORS 818.320.
- 16 (j) Unlawful use of devices without wheels under ORS 815.155.
- 17 (k) Unlawful use of metal objects on tires under ORS 815.160.
- 18 (L) Operation without pneumatic tires under ORS 815.170.
- 19 (m) Operation in violation of vehicle variance permit under ORS 818.340.
- 20 (n) Failure to carry and display permit under ORS 818.350.
- 21 (o) Failure to comply with commercial vehicle enforcement requirements under ORS 818.400.
- 22 (p) Violation of any provision of ORS chapter 825.
- 23 (q) Operation without proper fenders or mudguards under ORS 815.185.
- 24 (r) Operating a vehicle without driving privileges in violation of ORS 807.010 if the person is  
25 operating a commercial motor vehicle and the person does not have commercial driving privileges.
- 26 (s) Violation driving while suspended or revoked in violation of ORS 811.175 if the person is  
27 operating a commercial motor vehicle while the person's commercial driving privileges are sus-  
28 pended or revoked.
- 29 (t) Failure to use vehicle traction tires or chains in violation of ORS 815.140 if the person is  
30 operating a motor vehicle subject to ORS chapter 825 or 826.
- 31 (u) Failure to carry vehicle traction tires or chains in violation of ORS 815.142 if the person is  
32 operating a motor vehicle subject to ORS chapter 825 or 826.
- 33 (v) Illegally altering or displaying registration plate in violation of ORS 803.550.

34 (2) A weighmaster or motor carrier enforcement officer in whose presence an offense described  
35 in this subsection is committed by a person operating a commercial motor vehicle may issue a ci-  
36 tation for the offense. A weighmaster or motor carrier enforcement officer who finds evidence that  
37 an offense described in this subsection has been committed by a person operating a commercial  
38 motor vehicle or by a motor carrier for which the person is acting as an agent may issue a citation  
39 for the offense. A weighmaster or motor carrier enforcement officer issuing a citation under this  
40 subsection has the authority granted a police officer issuing a citation under ORS 810.410. A citation  
41 issued under this subsection to the operator of a commercial motor vehicle shall be considered to  
42 have been issued to the motor carrier that owns the commercial motor vehicle if the operator is not  
43 the owner. This subsection applies to the following offenses, all of which are Class A traffic vio-  
44 lations under ORS 825.990 (1):

- 45 (a) Repeatedly violating or avoiding any order or rule of the Department of Transportation.



(b) Repeatedly refusing or repeatedly failing, after being requested to do so, to furnish service authorized by certificate.

(c) Refusing or failing to file the annual report as required by ORS 825.320.

(d) Refusing or failing to maintain records required by the department or to produce such records for examination as required by the department.

(e) Failing to appear for a hearing after notice that the carrier's certificate or permit is under investigation.

(f) Filing with the department an application that is false with regard to the ownership, possession or control of the equipment being used or the operation being conducted.

(g) Delinquency in reporting or paying any fee, tax or penalty due to the department under ORS chapter 825 or 826.

(h) Refusing or failing to file a deposit or bond as required under ORS 825.506.

(i) Failing to comply with the applicable requirements for attendance at a motor carrier education program as required by ORS 825.402.

(3) A weighmaster or motor carrier enforcement officer who finds evidence that a person operating a commercial motor vehicle has committed *[the offense of failure to pay the appropriate registration fee under ORS 803.315]* **one or more of the following offenses** may issue a citation for the offense in the same manner as under ORS 810.410 as if the weighmaster or motor carrier enforcement officer were a police officer[.]:

**(a) Failure to register a vehicle under ORS 803.300.**

**(b) Failure to pay the appropriate registration fee under ORS 803.315.**

**(c) Failure to submit a declaration of weight under ORS 803.440.**

**(d) Failure to renew vehicle registration under ORS 803.455.**

**(e) Failure to carry a registration card under ORS 803.505.**

**(f) Failure to display registration plates under ORS 803.540.**

**(g) Improper display of validating stickers under ORS 803.560.**

**(h) Failure to comply with an international fuel tax agreement under section 43 of this 2025 Act.**

(4) The authority of a weighmaster or motor carrier enforcement officer to issue citations or arrest under this section is subject to ORS chapter 153.

(5)(a) A person is a weighmaster for purposes of this section if the person is a county weighmaster or a police officer.

(b) A person is a motor carrier enforcement officer under this section if the person is duly authorized as a motor carrier enforcement officer by the Department of Transportation.

(6) A weighmaster or motor carrier enforcement officer may accept security in the same manner as a police officer under ORS 810.440 and 810.450 and may take as security for the offenses, in addition to other security permitted under this section, the sum fixed as the presumptive fine for the offense.

(7) A weighmaster or motor carrier enforcement officer may arrest a person for the offense of failure to appear in a violation proceeding under ORS 153.992 if the violation is based upon a citation for any offense described in subsection (1) or (3) of this section except those described in subsection (1)(p) of this section.

(8) A weighmaster or motor carrier enforcement officer may exercise the same authority as a police officer under ORS 810.490 to enforce vehicle requirements and detain vehicles. A person who fails to comply with the authority of a weighmaster or motor carrier enforcement officer under this

subsection is subject to penalty under ORS 818.400.

**SECTION 41. Sections 42 and 43 of this 2025 Act are added to and made a part of the Oregon Vehicle Code.**

**SECTION 42. “Dyed diesel” has the meaning given that term in ORS 319.520.**

**SECTION 43. (1) A person commits the offense of failure to comply with an international fuel tax agreement if the person is required to comply with the requirements of an international fuel tax agreement entered into under ORS 825.555 or any rule adopted by the Department of Transportation under ORS 825.555, and the person fails to comply.**

**(2) The offense described under this section, failure to comply with an international fuel tax agreement, is a Class A traffic violation.**

**NOTE:** Section 44 was deleted. Subsequent sections were not renumbered.

**SECTION 45. ORS 319.520 is amended to read:**

319.520. As used in ORS 319.510 to 319.880, unless the context clearly indicates a different meaning:

(1) “Cardlock card” means a fuel card:

(a) Capable of generating an electronic invoice or electronic statement that includes the information required by ORS 319.671 and the applicable fuel tax amount;

(b) Issued for a specific vehicle, a specific piece of equipment or a group of equipment;

(c) That includes the qualifying information, as designated by the Department of Transportation by rule, that is printed on the electronic invoice or electronic statement;

(d) That allows the tax status of the cardlock card to be indicated on the electronic invoice or electronic statement and includes state tax as a separate item on the invoice or statement; and

(e) That allows a cardlock card issuer to generate a statement recording, by fuel type, gallons of fuel purchased for domestic and foreign customers each month.

(2) “Combined weight” means the total empty weight of all vehicles in a combination plus the total weight of the load carried on that combination of vehicles.

(3) “Delinquent” means having failed to pay a tax or penalty within the time provided by law.

(4) “Department” means the Department of Transportation.

**(5) “Diesel” and “diesel fuel” have the meanings given those terms in ORS 319.010.**

[(5)] (6) “Domestic customer” means a customer making a purchase at a nonretail facility owned by the cardlock card issuer.

**(7) “Dyed diesel” means diesel fuel that is dyed a color and meets the dyeing and marking requirements of the Internal Revenue Service.**

[(6)] (8) “Foreign customer” means a customer making a purchase at a nonretail facility owned by a seller other than the cardlock card issuer.

[(7)] (9) “Fuel” means any combustible gas, liquid or material of a kind used for the generation of power to propel a motor vehicle on the highways except motor vehicle fuel as defined in ORS 319.010.

[(8)] (10) “Highway” means every way, thoroughfare and place, of whatever nature, open to the use of the public for the purpose of vehicular travel.

[(9)] (11) “Light weight” means the weight of a vehicle when fully equipped for moving over the highway.

[(10)] (12) “Liquefied petroleum gas” includes propane, pentane and any mixture of propane and pentane.

[(11)] (13) “Motor vehicle” means every self-propelled vehicle operated on the highway, except

an implement of husbandry used in agricultural operations and only incidentally operated or moved upon the highway.

[(12)] (14) "Nonretail facility" means:

(a) An unattended facility accessible only by cardlock card and not associated with a retail facility; or

(b) An unattended portion of a retail facility separate from the retail operations and accessible only by cardlock card.

[(13)] (15) "Person" means any individual, firm, copartnership, joint venture, association, corporation, trust, receiver or any group or combination acting as a unit.

[(14)] (16) "Seller" means:

(a) A person that sells fuel to a user; or

(b) If the fuel is dispensed at a nonretail facility, the person that owns the user's accounts and bills the user for fuel purchased at a nonretail facility.

[(15)] (17) "To sell fuel for use in a motor vehicle" means to dispense or place fuel for a price into a receptacle on a motor vehicle, from which receptacle the fuel is supplied to propel the motor vehicle.

[(16)] (18) "To use fuel in a motor vehicle" means to receive into any receptacle on a motor vehicle, fuel to be consumed in propelling the motor vehicle on the highways of this state; and, if the fuel is received into the receptacle outside the taxing jurisdiction of the state, "to use fuel in a motor vehicle" means to consume in propelling the motor vehicle on the highways of this state.

**SECTION 46.** ORS 319.550 is amended to read:

319.550. (1) Except as provided in this section, a person may not use fuel in a motor vehicle in this state unless the person holds a valid user's license.

(2) A nonresident may use fuel in a motor vehicle not registered in Oregon for a period not exceeding 30 consecutive days without obtaining a user's license or the emblem issued under ORS 319.600, if, for all fuel used in a motor vehicle in this state, the nonresident pays to a seller, at the time of the sale, the tax provided in ORS 319.530.

(3) A user's license is not required for a person who uses fuel in a motor vehicle if, for all fuel used in a motor vehicle in this state, the person pays to a seller, at the time of the sale, the tax provided in ORS 319.530.

(4) A user's license is not required for a person who is subject to the weight-mile tax described in ORS 825.474 and 825.476 or the flat fee rate described in ORS 825.480.

(5)(a) A user's license is not required for a person who uses fuel *[as described in ORS 319.520 (7)]* in the **motor** vehicles specified in this subsection if the person pays to a seller, at the time of the sale, the tax provided in ORS 319.530.

(b) Paragraph (a) of this subsection applies to the following vehicles:

(A) Motor homes as defined in ORS 801.350.

(B) Recreational vehicles as defined in ORS 174.101.

(6) A user's license is not required for a person who uses fuel in a motor vehicle:

(a) Metered use by which is subject to the per-mile road usage charge imposed under ORS 319.885; and

(b) That also uses fuels subject to ORS 319.510 to 319.880.

(7) A user's license is not required for a person who uses fuel in a motor vehicle on which an emblem issued for the motor vehicle pursuant to ORS 319.535 is displayed.

**SECTION 47.** Section 48 of this 2025 Act is added to and made a part of ORS 319.510 to

1 **319.880.**

2 **SECTION 48. (1) A person may operate or maintain a motor vehicle on the highways of**  
 3 **this state with dyed diesel in the fuel supply tank only if the use is authorized by an agency**  
 4 **of the United States or the person is eligible for a refund under ORS 267.570 (2) or 319.831.**

5 **(2) A person that owns, operates or maintains a fuel storage tank or terminal storage**  
 6 **facility:**

7 **(a) Shall provide markings consistent with those directed by federal law; and**

8 **(b) May not knowingly store, or cause to be stored, dyed diesel in a fuel storage tank or**  
 9 **terminal storage facility if the purpose of the tank or facility is to store undyed diesel.**

10 **NOTE:** Sections 49 and 50 were deleted. Subsequent sections were not renumbered.

11 **SECTION 51.** ORS 823.012 is amended to read:

12 823.012. (1) If the Director of Transportation determines that an emergency, as defined in ORS  
 13 401.025, has occurred or is imminent, the director may suspend operation of one or more of the fol-  
 14 lowing statutes involving motor carriers for the purpose of expediting the movement of persons or  
 15 property:

16 (a) ORS 818.400, compliance with commercial vehicle enforcement requirements related to com-  
 17 mercial vehicle weight, size, load, conformation or equipment.

18 (b) ORS 825.100, certificate or permit requirement for commercial transportation of persons or  
 19 property.

20 (c) ORS 825.104, registration requirement for for-hire or private carrier engaged in interstate  
 21 operations.

22 (d) ORS 825.160, requirement for person operating as motor carrier to have policy of public li-  
 23 ability and property damage insurance.

24 (e) ORS 825.162, requirement for person operating as for-hire carrier of freight or express to  
 25 have cargo insurance.

26 (f) ORS 825.250, requirement to stop and submit to an inspection of the driver, the cargo or the  
 27 vehicle or combination of vehicles **or an inspection of the fuel supply tank of the vehicle or**  
 28 **combination of vehicles.**

29 (g) ORS 825.252, safety regulations for for-hire and private carriers.

30 (h) ORS 825.258, rules for transportation of hazardous waste, hazardous material and PCB.

31 (i) ORS 825.450, [weight identifiers] **tax enrollments** issued by Department of Transportation.

32 (j) ORS 825.470, temporary pass for single trip or short-time operation of vehicle.

33 (k) ORS 825.474, assessment of tax for use of highways.

34 (L) ORS 826.031, registration of certain vehicles not already registered with state.

35 **(m) ORS 319.020 and 319.530 and section 48 of this 2025 Act related to the payment of**  
 36 **motor vehicle fuel taxes or the use of dyed diesel on the highways.**

37 (2) A suspension under this section may occur prior to a declaration of a state of emergency  
 38 under ORS 401.165, but may not exceed 72 hours unless a state of emergency is declared under ORS  
 39 401.165. If a state of emergency is declared under ORS 401.165, the suspension shall last until the  
 40 state of emergency is terminated as provided under ORS 401.204.

41 (3) The director may designate by rule a line of succession of deputy directors or other em-  
 42 ployees of the department who may suspend operations of statutes under this section in the event  
 43 the director is not available. Any suspension by a person designated by the director under this  
 44 subsection has the same force and effect as if issued by the director, except that, if the director can  
 45 be reached, the suspension must be affirmed by the director when the director is reached. If the

1 director does not set aside a suspension within 24 hours of being reached, the suspension shall be  
2 considered affirmed by the director.

3 **SECTION 52.** ORS 823.023 is amended to read:

4 823.023. (1) The Department of Transportation or authorized representatives may enter upon any  
5 premises, or any equipment, rolling stock, **motor vehicles** or facilities, operated or occupied by any  
6 motor carrier or railroad for the purpose of making any inspection, examination or test reasonably  
7 required in the administration of ORS chapters **319**, 823, 824, 825 and 826, and to set up and use on  
8 such premises, equipment, rolling stock, **motor vehicles** or facilities any apparatus or appliance and  
9 occupy reasonable space therefor.

10 (2) The department or authorized representatives shall, upon demand, have the right to inspect  
11 the **motor vehicles**, books, accounts, papers, records and memoranda of any motor carrier or rail-  
12 road and to examine under oath any officer, agent or employee of such motor carrier or railroad in  
13 relation to its business and affairs.

14 (3) Any person who on behalf of the department makes demand of a motor carrier or railroad  
15 for an examination, inspection or test shall, upon request therefor, produce a certificate under the  
16 seal of the department showing authority to make such examination, inspection or test.

17 (4) The department or authorized representatives shall, upon demand, have the right to enter  
18 any premises of a business that the department has reasonable cause to believe tendered for ship-  
19 ment, by motor or rail, any hazardous material and to make any examination, inspection or test  
20 reasonably required to determine compliance with the health and safety regulations administered  
21 or enforced by the department. Any person, who on behalf of the department demands to make an  
22 examination, inspection or test, shall produce upon request a certificate under the seal of the de-  
23 partment showing authority to make the examination, inspection or test.

24 (5) Nothing in this section authorizes the department to use any information developed there-  
25 under for any purpose inconsistent with any statute governing motor carriers or railroads and ad-  
26 ministered by the department or to make a disclosure thereof for other than regulatory purposes.

27 **SECTION 53.** ORS 823.027 is amended to read:

28 823.027. (1) Every motor carrier and railroad shall furnish to the Department of Transportation  
29 all information required by the department to carry into effect the provisions of ORS chapters **319**,  
30 823, 824, 825 and 826 and shall make specific answers to all questions submitted by the department.

31 (2) If a motor carrier or railroad is unable to furnish any information required under subsection  
32 (1) of this section for any reason beyond its control, it is a good and sufficient reason for such  
33 failure. The answer or information shall be verified under oath and returned to the department at  
34 the department's office within the period fixed by the department.

35 **SECTION 54.** ORS 823.085 is amended to read:

36 823.085. (1) Any motor carrier or railroad that does, or causes or permits to be done, any matter,  
37 act or thing prohibited by ORS chapters **319**, 823, 824, 825 and 826, or omits to do any act, matter  
38 or thing required to be done by ORS chapters **319**, 823, 824, 825 and 826, is liable to the person in-  
39 jured thereby in the amount of damages sustained in consequence of such violation. If the party  
40 seeking damages alleges and proves that the wrong or omission was the result of gross negligence  
41 or willful misconduct, the motor carrier or railroad is liable to the person injured thereby in treble  
42 the amount of damages sustained in consequence of the violation. The court may award reasonable  
43 attorney fees to the prevailing party in an action under this section.

44 (2) Any recovery under this section does not affect recovery by the state of the penalty, forfei-  
45 ture or fine prescribed for such violation.

(3) This section does not apply with respect to the liability of any motor carrier or railroad for personal injury or property damage.

**SECTION 55.** ORS 825.005 is amended to read:

825.005. As used in this chapter:

(1) "Carrier" or "motor carrier" means for-hire carrier or private carrier.

(2) "Cartage carrier" means any person who undertakes to transport any class of property by motor vehicle for compensation when the transportation is performed wholly within an incorporated city or a commercial zone adjacent to an incorporated city.

(3) "Certificate" means an authority issued to a for-hire carrier under ORS 825.110.

(4) "Combined weight" means the *[weight of the motor vehicle plus the weight of the maximum load which the applicant has declared such vehicle will carry]* **total empty weight of all vehicles in a combination plus the total weight of the load carried on that combination of vehicles as listed in the vehicle registration for the time period shown on the registration document.** Any declared combined weight is subject to audit and approval by the Department of Transportation.

(5) "Department" means the Department of Transportation.

**(6) "Electric vehicle" means a motor vehicle that uses electricity as its only source of motive power.**

*[(6)]* **(7)** "Extreme miles" or "extreme mileage" means the total miles operated by a vehicle over the public highways, except the extra miles necessarily operated in traversing detours or temporary routes on account of road blockades in the state.

*[(7)]* **(8)** "For-hire carrier" means:

(a) Any person who transports persons or property for hire or who publicly purports to be willing to transport persons or property for hire by motor vehicle; or

(b) Any person who leases, rents or otherwise provides a motor vehicle to the public and who in connection therewith in the regular course of business provides, procures or arranges for, directly, indirectly or by course of dealing, a driver or operator therefor.

*[(8)]* **(9)** "Household goods" means the personal effects or other property used or to be used in a dwelling but does not include property transported from a store or factory or property exclusively for office use.

*[(9)]* **(10)** "Motor vehicle" means any self-propelled vehicle and any such vehicle in combination with any trailing units, used or physically capable of being used upon any public highway in this state in the transportation of persons or property, except vehicles operating wholly on fixed rails or tracks and electric trolley buses. "Motor vehicle" includes overdimension vehicles or vehicles permitted excessive weights pursuant to a special authorization issued by a city, county or the Department of Transportation.

*[(10)]* **(11)** "Permit" means an authority issued to a carrier under ORS 825.102, **825.104**, 825.106, 825.108 or 825.127.

*[(11)]* **(12)** "Private carrier" means any person who operates a motor vehicle over the public highways of this state for the purpose of transporting persons or property when the transportation is incidental to a primary business enterprise, other than transportation, in which such person is engaged.

*[(12)]* **(13)** "Privilege taxes" means the weight-mile tax and fees prescribed in this chapter.

*[(13)]* **(14)** "Property" includes, but is not limited to, permanent loads such as equipment, appliances, devices, or ballast that are attached to, carried on, or made a part of the vehicle and that

are designed to serve some functional purpose.

[(14)] (15) "Public highway" means every street, alley, road, highway and thoroughfare in this state used by the public or dedicated or appropriated to public use.

[(15)] (16) "Transit-type motor vehicle" means any passenger-carrying vehicle that does not have a separate space for transporting baggage or express.

[(16)] (17) "Transporter" has the meaning given that term in ORS 466.005.

**SECTION 56. Section 57 of this 2025 Act is added to and made a part of ORS chapter 825.**

**SECTION 57. (1) Before operating a motor vehicle on the public highways of this state, an out-of-state motor carrier not licensed under an international fuel tax agreement shall obtain a valid fuel trip permit from the Department of Transportation in accordance with this section. A motor carrier shall obtain a fuel trip permit under this section if the motor carrier:**

(a) Is operating a motor vehicle with a combined weight of more than 26,000 pounds or more or a motor vehicle with three or more axles, regardless of weight, on the public highways of this state; and

(b) The vehicle is not registered under ORS 826.009 or 826.031.

(2) This section does not apply to a motor carrier who has a valid international fuel tax agreement license issued by a jurisdiction other than Oregon.

(3) The Department of Transportation shall develop a standardized application form for a fuel trip permit issued under this section.

(4) The department may not issue more than three fuel trip permits in a calendar year for any one motor vehicle.

(5) No report of mileage is required for the motor vehicle to which the fuel trip permit relates.

(6) A fuel trip permit issued under this section is valid:

(a) For three consecutive days beginning and ending on the dates specified on the face of the fuel trip permit; and

(b) Only for the motor vehicle for which the fuel trip permit was issued.

(7) The fee for each fuel trip permit is \$\_\_\_\_\_.

(8) The department may adopt rules to carry out the provisions of this section.

**SECTION 58.** ORS 825.326 is amended to read:

825.326. (1) Except as provided in subsection (2) of this section, all fees, taxes, charges and other sums collected by the Department of Transportation **or from International Fuel Tax Agreement member jurisdictions** under this chapter shall be paid into the State Treasury and shall be placed to the credit of an account, separate and distinct from the General Fund, to be known as the Motor Carrier Account. Interest earned by the account shall be credited to the account.

(2) Notwithstanding ORS 823.991, all fees collected under ORS 825.247 and all penalties collected under ORS 825.950 for offering to transport or transporting household goods without a certificate shall be paid into the State Treasury and shall be placed to the credit of an account, separate and distinct from the General Fund, to be known as the Consumer Protection Household Moves Account. Interest earned by the account shall be credited to the account. Moneys in the account are continuously appropriated to the department for purposes specified in subsection (5) of this section.

(3) The department may purchase the necessary supplies and equipment and provide for all necessary and incidental expenses incurred by the department in administering and enforcing this chapter.

(4) All claims, duly approved by the department, that have been incurred in pursuance of law, shall be paid by warrants drawn in the manner provided by law, payable out of the Motor Carrier Account or the Consumer Protection Household Moves Account.

(5) Moneys in the Consumer Protection Household Moves Account shall be used by the department exclusively for administration and enforcement of provisions of this chapter relating to persons that offer to provide or provide transportation of household goods without a certificate.

**SECTION 59.** ORS 825.104 is amended to read:

825.104. An interstate for-hire carrier or private carrier required to obtain a United States Department of Transportation registration number engaged or to engage in interstate operations may not perform transportation services on the public highways of this state without having first:

(1) Complied with federal registration and financial responsibility requirements; **and**

(2) **Obtained a certificate or permit for the remittance of privilege taxes as required under 825.100 or a temporary pass under ORS 825.470.**

**SECTION 60.** ORS 825.141 is amended to read:

825.141. In addition to any other requirements of this chapter, a carrier whose operating authority **or permit** has been suspended shall pay a reinstatement fee of \$25 to the Department of Transportation before the operating authority may be reinstated[, *plus \$5 for each vehicle issued a weight identifier under ORS 825.450,*] and shall demonstrate operational activity at the time of reinstatement.

**SECTION 61.** ORS 825.450 is amended to read:

825.450. (1) [*Upon application by a carrier,*] The Department of Transportation may [*issue a weight identifier*] **utilize a motor carrier's registration card as the tax enrollment document** for each **eligible** vehicle the carrier enrolls with the department[, *which*]. **The tax enrollment document** must state the combined weight of the vehicle or combination of vehicles. [*The department shall record each weight identifier electronically.*] This subsection does not apply to vehicles issued a temporary pass under ORS 825.470.

(2) A person may not load any motor vehicle in excess of the combined weight stated on the [*weight identifier issued*] **tax enrollment document** for that motor vehicle under subsection (1) of this section.

(3) [*Weight identifiers issued*] **Tax enrollments** 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*] **based on the dates shown on the motor vehicle's registration card, as issued by the jurisdiction in which the vehicle is registered.**

[(4) *All vehicles operating under the carrier's authority shall have the same four-quarter period of weight identifier validity. The department may allow a carrier to operate with expired weight identifiers for up to one extra quarter if the renewal application has been submitted. 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)] (4) The department may adopt rules necessary to administer the provisions of this section.

**SECTION 62.** ORS 825.492 is amended to read:

825.492. [(1) *Whenever in the judgment of the Department of Transportation the estimated annual tax payable by a carrier will be less than \$100, and the vehicles operated by the carrier are of less than 30,000 pounds combined weight, the department may authorize the carrier to file reports annually in*]



1 *lieu of monthly reports required by ORS 825.490 and 825.515. Annual reports and accompanying re-*  
 2 *mittances shall be filed on or before the due date of February 28 for the preceding calendar year.]*

3 [(2)] (1) At the request of a motor carrier, the Department **of Transportation** may authorize the  
 4 carrier to file quarterly reports in lieu of monthly reports required by ORS 825.490 and 825.515.  
 5 Quarterly reports and accompanying remittances due shall be filed on or before the due date as  
 6 follows: First calendar quarter, May 31; second quarter, August 31; third quarter, November 30;  
 7 fourth quarter, February 28.

8 [(3)] (2) Such authorizations may be withdrawn at any time upon the mailing of notice to the  
 9 carrier at the last address of record of the carrier with the department. Any provisions of ORS  
 10 825.490 and 825.515 otherwise applicable to reports and remittances shall be applicable to reports  
 11 and remittances under this section.

12 **SECTION 63.** ORS 319.665 is amended to read:

13 319.665. (1) The seller of fuel for use in a motor vehicle shall collect the tax provided by ORS  
 14 319.530 at the time the fuel is sold, unless one of the following situations applies:

15 (a) The Department of Transportation has issued for the vehicle into which the seller delivers  
 16 or places the fuel a *[weight identifier]* **tax enrollment document** under ORS 825.450 or a valid  
 17 user's emblem under ORS 319.600.

18 (b) The fuel is dispensed at a nonretail facility, in which case the seller shall collect any tax  
 19 owed at the same time the seller collects the purchase price from the person to whom the fuel was  
 20 dispensed at the nonretail facility. A seller is not required to collect the tax under this paragraph  
 21 from a person who certifies to the seller that the use of the fuel is exempt from the tax imposed  
 22 under ORS 319.530.

23 (c) A cardlock card is used for purchase of the fuel at an attended portion of a retail facility  
 24 equipped with a cardlock card reader, in which case the cardlock card issuer licensed in this state  
 25 is responsible for collecting and remitting the tax unless the person making the purchase certifies  
 26 to the seller that the use of the fuel is exempt from the tax imposed under ORS 319.530.

27 (2) If a cardlock card is used for purchase of fuel at an attended portion of a retail facility  
 28 equipped with a cardlock card reader, the seller at the retail facility may deduct fuel purchases  
 29 made with a cardlock card from the seller's retail transactions if the seller provides the department  
 30 with the following information:

31 (a) A monthly statement from a cardlock card issuer that details the cardlock card purchases  
 32 at the retail facility; and

33 (b) A listing of cardlock card issuers and gallons of fuel purchased at the retail facility by the  
 34 issuers' customers.

35 (3) The department shall supply each seller of fuel for use in a motor vehicle with a chart which  
 36 sets forth the tax imposed on given quantities of fuel.

37 **SECTION 64.** ORS 825.250 is amended to read:

38 825.250. (1) An authorized representative of the Department of Transportation may require a  
 39 person driving a vehicle or combination of vehicles subject to regulation by the department on a  
 40 street or highway to stop and submit to an inspection of the driver, the cargo or the vehicle or  
 41 combination of vehicles at any location where representatives of the department are conducting  
 42 tests and inspections when signs are displayed requiring such stop.

43 **(2) An authorized representative of the department may require a person driving a vehi-**  
 44 **cle or combination of vehicles subject to regulation by the department on a street or highway**  
 45 **to stop and submit to an inspection of the fuel supply tank of the vehicle or combination of**

vehicles at any location where representatives of the department are conducting tests and inspections when signs are displayed requiring such stop.

[(2)] (3) As used in this section, "authorized representative" means a city, county or state employee who has been trained and certified by the department as a commercial vehicle inspector and who is employed either by the department or by an agency that has an agreement with the department to provide inspections of commercial vehicles, drivers, general cargo or hazardous materials.

**SECTION 65.** ORS 825.990 is amended to read:

825.990. (1) Except as otherwise provided in subsection (2) **or (5)** of this section, every person who violates or procures, aids or abets violation of this chapter and any person who refuses or fails to obey any order, decision or rule, made under or pursuant to this chapter commits a Class A traffic violation.

(2) Knowingly violating an out-of-service notice issued under authority of the Department of Transportation is a Class A misdemeanor.

(3) A person is subject to the penalties under subsection (4) of this section if the person knowingly:

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

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

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

(d) Makes any false material statement or representation in any application, label, manifest, record, report, permit or other document filed, maintained or used for purposes of compliance with requirements under this chapter for the safe transportation of hazardous wastes.

(e) Fails to include material information required under rules of the Department of Transportation in any application for any permit or authority to transport hazardous waste under this chapter.

(f) Violates any rules adopted by the Department of Transportation concerning the transportation of hazardous wastes.

(4) Subject to ORS 153.022, violation of subsection (3) of this section is a Class B misdemeanor.

**(5) Violating ORS 825.250 (2) is a Class B misdemeanor.**

**SECTION 66.** ORS 818.400 is amended to read:

818.400. (1) A person commits the offense of failure to comply with commercial vehicle enforcement requirements if the person is driving a vehicle or combination of vehicles and the person does not comply with any of the following or if the person is the owner of a vehicle or combination of vehicles and the person causes or permits the vehicle or combination not to comply with any of the following:

(a) A vehicle or combination of vehicles must stop and submit to any enforcement of commercial vehicle weight, size, load, conformation or equipment regulation when directed to do so by an "OPEN" sign displayed at a permanently established truck scale.

(b) A vehicle or combination of vehicles must stop and submit to any enforcement of commercial vehicle weight, size, load, **dyed diesel use**, conformation or equipment regulation when directed to do so by any sign or signal displayed or given by a police officer, motor carrier enforcement officer or weighmaster acting in accordance with authority granted under ORS 810.490.

(c) A vehicle or combination of vehicles must move into the right lane for purposes of a weight

or size check when instructed to do so by a sign indicating the presence of a weigh-in-motion scale.

(d) The directions of any police officer, motor carrier enforcement officer or weighmaster that are given in accordance with authority granted under ORS 810.490 or 810.530 must be complied with.

(2) The requirement of subsection (1)(a) of this section does not apply to:

(a) An empty combination of a log truck and pole trailer if the pole trailer is bunked on the log truck and there is no other load; or

(b) A vehicle or combination of vehicles if:

(A) The normal route of the vehicle or combination of vehicles requires turning off the highway after passing the "OPEN" sign but before reaching the scale; and

(B) The vehicle or combination of vehicles is en route to a terminal or other legitimate business.

(3) Operation of any vehicle or combination of vehicles in violation of this section is prima facie evidence that the owner of such vehicle or combination caused or permitted it to be so operated and the owner shall be liable for any penalties imposed under this section.

(4) The offense described in this section, failure to comply with commercial vehicle enforcement requirements, is a Class B misdemeanor. The penalty provided under this subsection is in addition to any penalty provided for violation of any prohibition relating to vehicle weight, size, load, conformation or equipment.

**SECTION 67. ORS 825.486 is repealed.**

**SECTION 68. Sections 39, 42, 43, 48 and 57 of this 2025 Act and the amendments to ORS 295.103, 319.010, 319.390, 319.520, 319.550, 319.665, 810.530, 818.400, 823.012, 823.023, 823.027, 823.085, 825.005, 825.104, 825.141, 825.250, 825.326, 825.450, 825.492, 825.555 and 825.990 by sections 34 to 37, 40, 45, 46, 51 to 55 and 58 to 66 of this 2025 Act and the repeal of ORS 825.486 by section 67 of this 2025 Act become operative on July 1, 2028.**

## MAJOR PROJECTS

**SECTION 69. (1) As used in this section and section 71 of this 2025 Act:**

(a) "Highway" has the meaning given that term in ORS 366.005.

(b) "Major project" means any highway project that costs at least \$99 million to complete.

(2) The Office of Major Projects is created within the Department of Transportation.

(3) The Director of Transportation shall assign employees of the department to work in the office. Employees must include personnel that have expertise in alternative contracting methods described under ORS 279C.335.

(4) The office shall:

(a) Oversee the project management of no more than five major projects selected by the director at one time; and

(b) Submit quarterly reports on the status of each major project to the Major Project Advisory Council established under section 71 of this 2025 Act.

(5) If the director must choose among more than five major projects for the office to oversee, the director shall submit a report to the Joint Committee on Transportation, in the manner provided in ORS 192.245. The report must include information about the director's reasoning behind why the director has chosen certain major projects for the office to manage among all the major projects available at the time of selection.

**SECTION 70. ORS 184.661 is amended to read:**

1 184.661. (1) The Oregon Transportation Commission, through the Department of Transportation,  
2 shall develop a website.

3 (2) The website must include:

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

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

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

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

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

13 (b) Information on the reports required under ORS 366.774 and 366.790 for all cities with a  
14 population of 5,000 or greater and all counties in the state, including the amount of transportation  
15 funds collected by each county and city and the source of the funds and the amount of money spent  
16 on transportation projects by type of expenditure as listed in ORS 366.774 (2) and 366.790 (2). This  
17 information shall be displayed for the most current six-year period.

18 (c) Information on the condition of Oregon's transportation infrastructure, as required under  
19 ORS 184.657.

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

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

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

24 **(g) For each major project, as defined in section 69 of this 2025 Act, easy-to-understand**  
25 **summaries of each major project's budget, schedule, current phase and projected completion**  
26 **cost and timeline. Visual tools such as graphs and progress indicators should be used for**  
27 **clarity.**

28 **(h) Information about road closures and detours.**

29 **(i) Information about the Major Projects Advisory Council, established under section 71**  
30 **of this 2025 Act, including the council's agendas and minutes from meetings.**

31 **SECTION 71. (1) The Major Projects Advisory Council is established in the Department**  
32 **of Transportation. The council consists of 13 members as follows:**

33 **(a) The chairpersons and vice chairpersons of the Joint Committee on Transportation.**

34 **(b) The Governor shall appoint nine members as follows:**

35 **(i) One member from an association that represents contractors in this state.**

36 **(ii) One member from the American Council of Engineering Companies.**

37 **(iii) One member from the Oregon Transportation Commission.**

38 **(iv) One member from the Association of Oregon Counties.**

39 **(v) The Director of Transportation, or the director's designee.**

40 **(vi) One member representing the League of Oregon Cities;**

41 **(vii) One member who represents the American Automobile Association;**

42 **(viii) One member who represents the trucking industry; and**

43 **(ix) The manager of the Office of Major Projects.**

44 **(2) The term of office of each member of the council appointed by the Governor is four**  
45 **years, but a member serves at the pleasure of the Governor. A member is eligible for reap-**

pointment but may not serve more than two consecutive terms. If there is a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the unexpired term.

(3) Each legislative member serves at the pleasure of the appointing authority and may serve as long as the member remains in the chamber of the Legislative Assembly from which the member was appointed.

(4) The members of the council shall select from among themselves a chair person and vice chairperson.

(5) A majority of the voting members of the council constitutes a quorum for the transaction of business.

(6) The council shall meet quarterly at the time and place specified by the chairperson or a majority of the members of the council. The council may meet at other times and places as determined by the chairperson or a majority of the members of the council.

(7) The Department of Transportation shall provide staff support to the council.

(8)(a) Voting members of the council may be reimbursed for actual and necessary travel and other expenses incurred by the member in the performance of official duties in the same manner and amount as provided by ORS 292.495.

(b) Members of the council who are members of the Legislative Assembly are entitled to payment of compensation and expenses as provided in ORS 171.072, payable from funds appropriated to the Legislative Assembly.

(9) The council shall provide technical guidance to the Office of Major Projects established in section 69 of this 2025 Act.

(10) Members of the Legislative Assembly serving on the council are nonvoting members of the council and may act in an advisory capacity only.

(11) No later than January 30 of each year, the council shall submit a report to the Joint Committee on Transportation and the Legislative Assembly in the manner provided by ORS 192.245. The report must include, but is not limited to, the following:

(a) An assessment of the progress and performance of the Office of Major Projects based on the information received during the quarterly meetings and in quarterly reports described in section 69 of this 2025 Act;

(b) The progress on the highest-rated project that is not required to be financially constrained, as defined in 23 C.F.R. 450, and that has not completed the compliance process required under the National Environmental Policy Act, 42 U.S.C. 4321 et seq.;

(c) A cost estimate for completion of the highest-rated project that is not financially constrained, as defined in 23 C.F.R. 450, and has not completed the compliance process required under the National Environmental Policy Act, 42 U.S.C. 4321 et seq.;

(d) Recommendations for legislation;

(e) Proposed improvements to the structure and function of the council;

(f) The ratio of consultant engineers to engineers employed by the department; and

(g) Total number of claims on highway projects across the state.

(12) In accordance with the provisions of ORS chapter 183, the council may adopt rules necessary for the administration of the laws that the council is charged with administering.

#### DISPUTE REVIEW BOARDS

**SECTION 72.** (1) As used in this section:

(a) “Dispute review board” means a panel of qualified professionals established to provide recommendations or decisions on disputes arising during the execution of a highway project.

(b) “Highway” has the meaning given that term in ORS 366.005.

(c) “Highway project” means a highway projects that costs at least \$5 million to complete.

(2) Notwithstanding any other provision of law, the Department of Transportation shall include in its contract documents for a highway project the establishment of a dispute review board to provide an alternative dispute resolution process to be attempted prior to the initiation of litigation if a dispute arises in the course of completing a highway project.

(3) The department shall maintain a list of prequalified candidates to serve on a dispute review board. To be eligible, candidates must meet criteria outlined in the dispute resolution procedures created by the department.

(4) Each dispute review board shall consist of three members selected from the prequalified list. One member shall be selected by the department, one member shall be selected by the contractor and the third member shall be jointly selected by the department and the contractor. If the parties cannot agree on a third member, the remaining member shall be selected through a defined dispute resolution procedure established by the department.

(5) Each dispute review board shall hold regular meetings during the construction period to stay informed of the project’s progress.

(6) When a dispute arises, the dispute review board shall convene a hearing, review the facts and issue a written recommendation within 30 days of the date of the hearing.

(7) Recommendations of the dispute review board are nonbinding unless the contract specifies otherwise.

(8) Parties are encouraged to accept the dispute review board’s recommendations to avoid litigation.

(9) Any communication made by a participant in a dispute review board session subject to this section, and any oral or written information conveyed in a dispute review board session subject to this section, is not admissible in any judicial proceeding, administrative proceeding, arbitration proceeding or other adjudicatory proceeding. Communications and information made confidential under this section may not be disclosed by the participants in any judicial proceeding, administrative proceeding, arbitration proceeding or other adjudicatory proceeding. The limitations on disclosure imposed by this subsection include disclosure during any discovery conducted as part of an adjudicatory proceeding.

(10) The department shall:

(a) Maintain a list of qualified dispute review board members.

(b) Establish procedures and training requirements for dispute review board operation.

(c) Monitor the effectiveness of the dispute review boards and report annually to the Joint Committee on Transportation.

(11) The department may charge fees in an amount necessary to cover the cost of dispute review board member training and administration.

(12) The department shall adopt rules to carry out the provisions of this section.

**SECTION 73.** Section 72 of this 2025 Act applies to contracts entered into or renewed on or after the effective date of this 2025 Act.

**CAPTIONS**

**SECTION 74. The unit captions used in this 2025 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2025 Act.**

---