

LC 4777
2025 Regular Session
PRIORITY
6/9/25 (HE/ASD/ps)

DRAFT

SUMMARY

Digest: The Act says that diesel will be taxed in the same way that gas is taxed now. The Act increases and adds taxes related to roads, cars, trucks and buses and says how revenue must be used. The Act would make the per-mile road usage charge mandatory over time. The Act would let a person pay a yearly fee instead of the per-mile road usage charge. The Act tells the Division of Audits to do performance audits of ODOT. (Flesch Readability Score: 77.4).

Directs the Division of Audits to conduct performance audits of the Department of Transportation. Alters the duties of the Joint Committee on Transportation and the Continuous Improvement Advisory Committee. Provides that the Governor shall appoint the Director of Transportation.

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.

Increases and adds transportation-related fees and taxes. Provides uses of revenues.

Imposes a mandatory per-mile road usage charge for registered owners and lessees of vehicles over time beginning with electric vehicles on July 1, 2026. Allows an annual fee in lieu of the mandatory per-mile road usage charge.

A BILL FOR AN ACT

Relating to transportation; creating new provisions; amending ORS 171.861, 184.620, 184.623, 184.665, 295.103, 317A.100, 319.010, 319.020, 319.023, 319.245, 319.390, 319.410, 319.520, 319.530, 319.550, 319.665, 319.700, 319.883, 319.885, 319.910, 319.915, 319.920, 319.925, 319.930, 319.940, 320.400, 320.401,

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.

320.405, 320.410, 320.420, 320.425, 320.430, 320.435, 320.440, 320.445, 320.450,
 320.460, 320.465, 320.470, 320.475, 320.480, 320.490, 320.550, 366.215, 366.505,
 366.506, 366.772, 366.805, 367.095, 801.041, 801.042, 802.348, 803.045, 803.065,
 803.090, 803.092, 803.203, 803.420, 803.422, 803.445, 803.575, 803.585, 803.645,
 807.370, 810.530, 815.425, 818.225, 818.400, 822.043, 822.700, 823.012, 823.023,
 823.027, 823.085, 824.014, 825.005, 825.104, 825.141, 825.250, 825.326, 825.450,
 825.474, 825.476, 825.480, 825.492, 825.555, 825.990 and 826.023 and section
 18, chapter 30, Oregon Laws 2010, section 71d, chapter 750, Oregon Laws
 2017, section 6, chapter 491, Oregon Laws 2019, and sections 1 and 3,
 chapter 323, Oregon Laws 2023; repealing ORS 319.890, 320.455, 320.485,
 803.091 and 825.486 and section 45, chapter 750, Oregon Laws 2017, section
 2, chapter 428, Oregon Laws 2019, and sections 6 and 7, chapter 323,
 Oregon Laws 2023; and providing for revenue raising that requires ap-
 proval by a three-fifths majority.

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

ACCOUNTABILITY

SECTION 1. (1) As used in this section, “performance audit” has the meaning given that term in ORS 297.070.

(2) The Division of Audits shall conduct audits of the Department of Transportation as follows:

(a) Once per biennium, a performance audit relating to the responsible use of moneys in the State Highway Fund; and

(b) Once per year, a performance audit of capital projects carried out by the department.

(3) The Division of Audits shall present the results of the audits described in subsection (2) of this section to an appropriate standing or interim committee of the Legislative Assembly.

(4) The Legislative Policy and Research Director shall enter into a professional services contract for a performance audit of the oper-

ations of the department, to include examination of:

(a) The management of the department; and

(b) Whether and how the department addresses recommendations from the management review conducted pursuant to section 203, chapter 7, Oregon Laws 2025 (Enrolled Senate Bill 5550).

SECTION 1a. ORS 184.620 is amended to read:

184.620. (1) The Department of Transportation shall be under the supervision of a Director of Transportation **who shall be appointed by and shall hold office at the pleasure of the Governor.** [*The Oregon Transportation Commission shall appoint the director, after consultation with the Governor. The director serves at the pleasure of the commission.*]

(2) The appointment of the director shall be subject to confirmation by the Senate in the manner provided in ORS 184.623.

(3) The director may appoint:

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

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

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

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

1 **SECTION 1b.** ORS 184.623 is amended to read:

2 184.623. (1) The executive appointment of the Director of Transportation
3 by the [*Oregon Transportation Commission*] **Governor** under ORS 184.620 is
4 subject to confirmation by the Senate. Confirmation requires the affirmative
5 vote of a majority of the members of the Senate.

6 (2) If an appointment made under ORS 184.620 is not confirmed by the
7 Senate, the [*commission*] **Governor** shall make another appointment, subject
8 to confirmation by the Senate.

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

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

20 **SECTION 1c.** (1) **The amendments to ORS 184.620 and 184.623 by**
21 **sections 1a and 1b of this 2025 Act apply to appointments made on or**
22 **after the effective date of this 2025 Act.**

23 **(2) The Director of Transportation who is serving on the effective**
24 **date of this 2025 Act continues to be governed by ORS 184.620 as in**
25 **effect immediately before the effective date of this 2025 Act.**

26 **SECTION 1d.** ORS 184.665 is amended to read:

27 184.665. [(1) *The Oregon Transportation Commission shall appoint a Con-*
28 *tinuous Improvement Advisory Committee composed of members of the com-*
29 *mission, employees of the Department of Transportation and transportation*
30 *stakeholders. The committee shall be of such size and representation as the*
31 *commission determines appropriate.*]

(1) As used in this section:

(a) “Chief engineer” means the person appointed by the Director of Transportation under ORS 184.628.

(b) “Major project” means a transportation project that costs \$250 million or more to complete.

(2) The Oregon Transportation Commission shall appoint a Continuous Improvement Advisory Committee. The members of the committee shall include, but are not limited to, the following:

(a) Members of the commission;

(b) The Director of Transportation;

(c) The chief engineer;

(d) Individuals with demonstrated expertise in planning, executing and delivering major projects; and

(e) At least one individual with demonstrated knowledge and experience in the application and implementation of the National Environmental Policy Act.

[(2)] (3) The committee shall:

(a) Advise the commission on ways to maximize the efficiency of the Department of Transportation to allow increased investment in the transportation system over the short, medium and long term.

(b) Develop key performance measures, based on desired outcomes, for each division of the department. The committee shall submit key performance measures to the commission for its approval. The committee shall report **quarterly** to the commission [*at least once per year*] **and to the Joint Committee on Transportation** on the status of key performance measures and what steps are being taken by the department to achieve the goals of the key performance measures.

[(3)] (4) The committee shall [*periodically*] report **quarterly** to the commission **and to the Joint Committee on Transportation**. The reports must include recommendations on ways the commission and the department may execute their duties more efficiently.

1 *[(4) Each odd-numbered year, the commission shall submit a report, in the*
 2 *manner provided by ORS 192.245, to the Joint Committee on Transportation*
 3 *established under ORS 171.858. The report must include information on the*
 4 *activities and recommendations of the committee and information on any*
 5 *actions taken by the commission or the department to implement recommen-*
 6 *dations of the committee.]*

7 (5) The committee shall meet *[regularly]* **at least once a month**, at times
 8 and places fixed by the chairperson of the committee or a majority of mem-
 9 bers of the committee.

10 (6) The department shall provide office space and personnel to assist the
 11 committee as requested by the chairperson, within the limits of available
 12 funds.

13 [(6)] (7) Members of the committee are entitled to compensation and ex-
 14 penses as provided under ORS 292.495.

15 **SECTION 1e.** ORS 171.861 is amended to read:

16 171.861. (1) **As used in this section, “major project” means a trans-**
 17 **portation project that costs \$250 million or more to complete.**

18 (2) The Joint Committee on Transportation shall:

19 (a) Examine transportation related policy; *[and]*

20 (b) **Review** transportation project expenditures;

21 (c) **Review the scope, schedule, changes and budget updates to ma-**
 22 **jor projects on a quarterly basis;**

23 (d) **Review requests for project scope expansion requests submitted**
 24 **by a city or a county under section 1f of this 2025 Act; and**

25 (e) Make recommendations related to transportation **and appropriation**
 26 **of funding** to the Joint Committee on Ways and Means **during the period**
 27 **when the Legislative Assembly is in session, or to the Emergency**
 28 **Board or the Joint Interim Committee on Ways and Means during the**
 29 **interim period between sessions.**

30 (3) The Joint Committee on Transportation shall provide general legisla-
 31 tive oversight of the Department of Transportation **and the Oregon De-**

partment of Aviation.

SECTION 1f. (1) As used in this section, “highway improvement project” means a state highway project for which the Department of Transportation may use federal transportation funds.

(2) If a city or county proposes to expand the scope of a highway improvement project, but does not provide funding, the city or county shall submit the proposed change to the Oregon Transportation Commission. If the commission approves the proposed change, the commission shall submit a report to the Joint Committee on Transportation that informs the committee about the proposed change and cost associated with the expanded scope. After reviewing the report, the committee may submit recommendations for appropriations that may be made in the future to cover the costs of the expanded scope of the highway improvement project.

(3) This section applies to highway improvement projects when a city or county is not covering the costs of the expanded scope and:

(a) The project costs less than \$25 million and the changes in scope the city or county is requesting increase the project costs by 10 percent or more; or

(b) The project costs \$25 million or more and the changes in scope the city or county is requesting increase the project costs by five percent or more.

WEIGHT-MILE TAXES

SECTION 2. ORS 825.476 is amended to read:

825.476. (1) For the period beginning on July 1, 2028, and ending on December 31, 2029:

[_____]

MILEAGE TAX RATE TABLE “A”

Declared Combined

Fee Rates

1	<i>Weight Groups</i>	<i>Per Mile</i>
2	<i>(Pounds)</i>	<i>(Mills)</i>
3	26,001 to 28,000	76.4
4	28,001 to 30,000	80.9
5	30,001 to 32,000	84.6
6	32,001 to 34,000	88.4
7	34,001 to 36,000	91.8
8	36,001 to 38,000	96.6
9	38,001 to 40,000	100.2
10	40,001 to 42,000	103.8
11	42,001 to 44,000	107.7
12	44,001 to 46,000	111.3
13	46,001 to 48,000	114.9
14	48,001 to 50,000	118.7
15	50,001 to 52,000	123.1
16	52,001 to 54,000	127.7
17	54,001 to 56,000	132.5
18	56,001 to 58,000	138.0
19	58,001 to 60,000	144.3
20	60,001 to 62,000	151.7
21	62,001 to 64,000	160.1
22	64,001 to 66,000	169.3
23	66,001 to 68,000	181.3
24	68,001 to 70,000	194.1
25	70,001 to 72,000	206.9
26	72,001 to 74,000	218.7
27	74,001 to 76,000	230.0
28	76,001 to 78,000	241.1
29	78,001 to 80,000	251.2

30 [_____]

31 *AXLE-WEIGHT MILEAGE*

TAX RATE TABLE “B”

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

[_____]

MILEAGE TAX RATE TABLE “A”

Declared Combined	Fee Rates
Weight Groups	Per Mile
(Pounds)	(Mills)
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	_____

1	74,001 to 80,000	_____
2	80,001 to 105,500	_____

3	_____
4	_____

5 **MILEAGE TAX RATE TABLE “E”**

6 **Declared Combined Fee Rates**

7 **Weight Groups Per Mile**

8 **(Pounds) (Mills)**

9 26,001 to 32,000 _____

10 32,001 to 38,000 _____

11 38,001 to 44,000 _____

12 44,001 to 50,000 _____

13 50,001 to 56,000 _____

14 56,001 to 62,000 _____

15 62,001 to 68,000 _____

16 68,001 to 74,000 _____

17 74,001 to 80,000 _____

18 80,001 to 105,500 _____

19 _____

20 **(2) For the period beginning on January 1, 2030, and ending on De-**
 21 **cember 31, 2031:**

22 _____

23 **MILEAGE TAX RATE TABLE “A”**

24 **Declared Combined Fee Rates**

25 **Weight Groups Per Mile**

26 **(Pounds) (Mills)**

27 26,001 to 32,000 _____

28 32,001 to 38,000 _____

29 38,001 to 44,000 _____

30 44,001 to 50,000 _____

31 50,001 to 56,000 _____

1	56,001 to 62,000	_____
2	62,001 to 68,000	_____
3	68,001 to 74,000	_____
4	74,001 to 80,000	_____
5	80,001 to 105,500	_____

6	_____
7	_____

8 **MILEAGE TAX RATE TABLE “E”**

9	Declared Combined	Fee Rates
10	Weight Groups	Per Mile
11	(Pounds)	(Mills)
12	26,001 to 32,000	_____
13	32,001 to 38,000	_____
14	38,001 to 44,000	_____
15	44,001 to 50,000	_____
16	50,001 to 56,000	_____
17	56,001 to 62,000	_____
18	62,001 to 68,000	_____
19	68,001 to 74,000	_____
20	74,001 to 80,000	_____
21	80,001 to 105,500	_____

22 _____

23 **(3) For the period beginning on January 1, 2032, and ending on De-**

24 **cember 31, 2033:**

25	_____
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26 **MILEAGE TAX RATE TABLE “A”**

27	Declared Combined	Fee Rates
28	Weight Groups	Per Mile
29	(Pounds)	(Mills)
30	26,001 to 32,000	_____
31	32,001 to 38,000	_____

1	38,001 to 44,000	_____
2	44,001 to 50,000	_____
3	50,001 to 56,000	_____
4	56,001 to 62,000	_____
5	62,001 to 68,000	_____
6	68,001 to 74,000	_____
7	74,001 to 80,000	_____
8	80,001 to 105,500	_____

9	_____
10	_____

MILEAGE TAX RATE TABLE “E”

12	Declared Combined	Fee Rates
13	Weight Groups	Per Mile
14	(Pounds)	(Mills)
15	26,001 to 32,000	_____
16	32,001 to 38,000	_____
17	38,001 to 44,000	_____
18	44,001 to 50,000	_____
19	50,001 to 56,000	_____
20	56,001 to 62,000	_____
21	62,001 to 68,000	_____
22	68,001 to 74,000	_____
23	74,001 to 80,000	_____
24	80,001 to 105,500	_____

25	_____
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26 **SECTION 3. The amendments to ORS 825.476 by section 2 of this**
27 **2025 Act become operative on July 1, 2028.**

28 **SECTION 4. The amendments to ORS 825.476 by section 2 of this**
29 **2025 Act apply to taxes imposed on or after July 1, 2028.**

30 **SECTION 5. ORS 825.476, as amended by section 2 of this 2025 Act, is**
31 **amended to read:**

825.476. [(1) For the period beginning on July 1, 2028, and ending on December 31, 2029:]

[_____]

MILEAGE TAX RATE TABLE “A”

Declared Combined Fee Rates

Weight Groups Per Mile

(Pounds) (Mills)

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”

Declared Combined Fee Rates

Weight Groups Per Mile

(Pounds) (Mills)

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 _____

1 74,001 to 80,000 _____

2 80,001 to 105,500 _____

3 [_____]

4 [(2) For the period beginning on January 1, 2030, and ending on December
5 31, 2031:]

6 [_____]

7 *MILEAGE TAX RATE TABLE "A"*

8 *Declared Combined Fee Rates*

9 *Weight Groups Per Mile*

10 *(Pounds) (Mills)*

11 26,001 to 32,000 _____

12 32,001 to 38,000 _____

13 38,001 to 44,000 _____

14 44,001 to 50,000 _____

15 50,001 to 56,000 _____

16 56,001 to 62,000 _____

17 62,001 to 68,000 _____

18 68,001 to 74,000 _____

19 74,001 to 80,000 _____

20 80,001 to 105,500 _____

21 [_____]

22 [_____]

23 *MILEAGE TAX RATE TABLE "E"*

24 *Declared Combined Fee Rates*

25 *Weight Groups Per Mile*

26 *(Pounds) (Mills)*

27 26,001 to 32,000 _____

28 32,001 to 38,000 _____

29 38,001 to 44,000 _____

30 44,001 to 50,000 _____

31 50,001 to 56,000 _____

1	56,001 to 62,000	_____
2	62,001 to 68,000	_____
3	68,001 to 74,000	_____
4	74,001 to 80,000	_____
5	80,001 to 105,500	_____

6 [_____]

7 [(3) For the period beginning on January 1, 2032, and ending on December
8 31, 2033:]

9 [_____]

MILEAGE TAX RATE TABLE “A”

11	<i>Declared Combined</i>	<i>Fee Rates</i>
12	<i>Weight Groups</i>	<i>Per Mile</i>
13	<i>(Pounds)</i>	<i>(Mills)</i>
14	26,001 to 32,000	_____
15	32,001 to 38,000	_____
16	38,001 to 44,000	_____
17	44,001 to 50,000	_____
18	50,001 to 56,000	_____
19	56,001 to 62,000	_____
20	62,001 to 68,000	_____
21	68,001 to 74,000	_____
22	74,001 to 80,000	_____
23	80,001 to 105,500	_____

24 [_____]

25 [_____]

MILEAGE TAX RATE TABLE “E”

27	<i>Declared Combined</i>	<i>Fee Rates</i>
28	<i>Weight Groups</i>	<i>Per Mile</i>
29	<i>(Pounds)</i>	<i>(Mills)</i>
30	26,001 to 32,000	_____
31	32,001 to 38,000	_____

1	38,001 to 44,000	_____
2	44,001 to 50,000	_____
3	50,001 to 56,000	_____
4	56,001 to 62,000	_____
5	62,001 to 68,000	_____
6	68,001 to 74,000	_____
7	74,001 to 80,000	_____
8	80,001 to 105,500	_____

9 [_____]

10

11

MILEAGE TAX RATE TABLE “A”

12	Declared Combined	Fee Rates
13	Weight Groups	Per Mile
14	(Pounds)	(Mills)
15	26,001 to 32,000	_____
16	32,001 to 38,000	_____
17	38,001 to 44,000	_____
18	44,001 to 50,000	_____
19	50,001 to 56,000	_____
20	56,001 to 62,000	_____
21	62,001 to 68,000	_____
22	68,001 to 74,000	_____
23	74,001 to 80,000	_____
24	80,001 to 105,500	_____

25

26

27

MILEAGE TAX RATE TABLE “E”

28	Declared Combined	Fee Rates
29	Weight Groups	Per Mile
30	(Pounds)	(Mills)
31	26,001 to 32,000	_____

1	32,001 to 38,000	_____
2	38,001 to 44,000	_____
3	44,001 to 50,000	_____
4	50,001 to 56,000	_____
5	56,001 to 62,000	_____
6	62,001 to 68,000	_____
7	68,001 to 74,000	_____
8	74,001 to 80,000	_____
9	80,001 to 105,500	_____

10

11 **SECTION 6. The amendments to ORS 825.476 by section 5 of this**
 12 **2025 Act apply to taxes imposed on or after January 1, 2034.**

13 **SECTION 7. The amendments to ORS 825.476 by section 5 of this**
 14 **2025 Act become operative on January 1, 2034.**

15 **SECTION 8. ORS 825.474 is amended to read:**

16 825.474. (1) In addition to other fees and taxes imposed by law upon car-
 17 riers, there shall be assessed against and collected from every carrier a tax
 18 for the use of the highways, to apply to the cost of administration of this
 19 chapter and for the maintenance, operation, construction and reconstruction
 20 of public highways.

21 (2) The tax rate which shall apply to each motor vehicle shall be based
 22 upon the declared combined weight of the motor vehicle and in accordance
 23 with the weight group tax rates as shown in the tables set forth in ORS
 24 825.476.

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

26 (a) Table “A” in **ORS 825.476** applies to motor vehicles subject to the tax
 27 imposed by this section that are not issued an annual variance permit under
 28 ORS 818.200 (1)(a) to (c) to operate with a combined weight of more than
 29 80,000 pounds.

30 *[(b) Table “B” applies to motor vehicles subject to the tax imposed by this*
 31 *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” in ORS 825.476 applies to electric 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 9. The amendments to ORS 825.474 by section 8 of this 2025 Act become operative on July 1, 2028.

SECTION 10. The amendments to ORS 825.474 by section 8 of this 2025 Act apply to taxes imposed on or after July 1, 2028.

DIESEL FUEL TAX ADMINISTRATION

SECTION 11. 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 navigation of or flight in the air, operated or propelled

by the use of aircraft fuel.

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

(3) “Airport” means any area of land or water, except a restricted landing area, which is designed for the landing and takeoff of aircraft.

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

(5) “Bulk transfer” means any change in ownership of motor vehicle fuel or aircraft fuel contained in a terminal storage facility or any physical movement of motor vehicle fuel or aircraft fuel between terminal storage facilities by pipeline or marine transport.

(6) “Consumer Price Index for All Urban Consumers, West Region” means the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor.

[(6)] (7) “Dealer” means any person who:

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

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

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

(d) Acquires title to or possession of motor vehicle fuels or aircraft fuels in this state and exports the product out of this state.

[(7)] (8) "Department" means the Department of Transportation.

(9) **"Diesel" or "diesel fuel" includes biodiesel and renewable diesel fuel and other diesel fuel blends.**

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

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

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

[(11)] (13) "Motor vehicle" means all vehicles, engines or machines, movable or immovable, operated or propelled by the use of motor vehicle fuel.

[(12)] (14)(a) "Motor vehicle fuel" means *[and includes]* gasoline, **diesel** and any other inflammable or combustible gas or liquid, by whatever name such gasoline, gas or liquid is known 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)] (15) "Person" includes every natural person, association, firm, partnership, corporation or the United States.

[(14)] (16) "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)] (17) "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)] (18) "Terminal storage facility" means any fuel storage facility that has marine or pipeline access.

SECTION 12. 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 13. 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,*

1 receipts, sales and distribution of motor fuel. The records shall include copies
2 of all invoices or bills of all such sales and shall at all times during the
3 business hours of the day be subject to inspection by the department or its
4 deputies or other officers duly authorized by the department. Upon request
5 from the officials to whom is entrusted the enforcement of the motor fuel tax
6 law of another state, territory, country or the federal government, the depart-
7 ment shall forward to such officials any information which it may have rela-
8 tive to the import or export of any motor vehicle fuel by any dealer, provided
9 such other state, territory, country or federal government furnishes like infor-
10 mation to this state.]

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

12 **(a) “Department of Transportation” or “department” includes dep-**
13 **uties or other officers or representatives duly authorized by the de-**
14 **partment.**

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

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

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

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

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

26 **(b) Set up and use any apparatus or appliance, and occupy neces-**
27 **sary space, for the inspection;**

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

29 **(d) Determine whether the dealer or broker has violated any pro-**
30 **vision of ORS 319.010 to 319.430.**

31 **(3) Any dealer or broker that refuses entry to the department for**

1 **an inspection, or a demand to furnish records necessary for the in-**
2 **spection, is subject to a civil penalty under section 24 of this 2025 Act.**

3 **SECTION 14.** ORS 825.555 is amended to read:

4 825.555. (1) The Department of Transportation may enter into an interna-
5 tional fuel tax agreement with jurisdictions outside [of] this state to provide
6 for cooperation and assistance among member jurisdictions in the adminis-
7 tration and collection of taxes imposed on motor carriers for the consump-
8 tion of all fuels used in vehicles operated interstate.

9 (2) An agreement under this section may:

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

12 (b) Impose record keeping requirements.

13 (c) Specify audit procedures.

14 (d) Provide for exchange of information among jurisdictions.

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

17 (f) Define qualified motor vehicles.

18 (g) Specify conditions under which bonds are required.

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

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

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

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

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

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

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

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

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

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

SECTION 15. ORS 810.530 is amended to read:

810.530. (1) A weighmaster or motor carrier enforcement officer in whose presence an offense described in this subsection is committed may arrest or issue a citation for the offense in the same manner as under ORS 810.410 as

1 if the weighmaster or motor carrier enforcement officer were a police officer.

2 This subsection applies to the following offenses:

3 (a) Violation of maximum weight limits under ORS 818.020.

4 (b) Violation of posted weight limits under ORS 818.040.

5 (c) Violation of administratively imposed weight or size limits under ORS
6 818.060.

7 (d) Violation of maximum size limits under ORS 818.090.

8 (e) Exceeding maximum number of vehicles in combination under ORS
9 818.110.

10 (f) Violation of posted limits on use of road under ORS 818.130.

11 (g) Violation of towing safety requirements under ORS 818.160.

12 (h) Operating with sifting or leaking load under ORS 818.300.

13 (i) Dragging objects on highway under ORS 818.320.

14 (j) Unlawful use of devices without wheels under ORS 815.155.

15 (k) Unlawful use of metal objects on tires under ORS 815.160.

16 (L) Operation without pneumatic tires under ORS 815.170.

17 (m) Operation in violation of vehicle variance permit under ORS 818.340.

18 (n) Failure to carry and display permit under ORS 818.350.

19 (o) Failure to comply with commercial vehicle enforcement requirements
20 under ORS 818.400.

21 (p) Violation of any provision of ORS chapter 825.

22 (q) Operation without proper fenders or mudguards under ORS 815.185.

23 (r) Operating a vehicle without driving privileges in violation of ORS
24 807.010 if the person is operating a commercial motor vehicle and the person
25 does not have commercial driving privileges.

26 (s) Violation driving while suspended or revoked in violation of ORS
27 811.175 if the person is operating a commercial motor vehicle while the
28 person's commercial driving privileges are suspended or revoked.

29 (t) Failure to use vehicle traction tires or chains in violation of ORS
30 815.140 if the person is operating a motor vehicle subject to ORS chapter 825
31 or 826.

(u) Failure to carry vehicle traction tires or chains in violation of ORS 815.142 if the person is operating a motor vehicle subject to ORS chapter 825 or 826.

(v) Illegally altering or displaying registration plate in violation of ORS 803.550.

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

(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 op-

eration 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 18 of this 2025 Act.

(i) Improper use of dyed diesel under section 19 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 16. Sections 17 to 19 of this 2025 Act are added to and made a part of the Oregon Vehicle Code.

SECTION 17. “Dyed diesel” has the meaning given that term in ORS 319.520.

SECTION 18. (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.

SECTION 19. (1) A person commits the offense of improper use of dyed diesel if the person operates a motor vehicle on the highways of this state and has dyed diesel in the fuel supply tank of the vehicle in violation of section 23 of this 2025 Act.

(2) The offense described under this section, improper use of dyed

1 **diesel, is a Class A traffic violation.**

2 **SECTION 20.** ORS 319.520 is amended to read:

3 319.520. As used in ORS 319.510 to 319.880, unless the context clearly in-
4 dicates a different meaning:

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

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

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

11 (c) That includes the qualifying information, as designated by the De-
12 partment of Transportation by rule, that is printed on the electronic invoice
13 or electronic statement;

14 (d) That allows the tax status of the cardlock card to be indicated on the
15 electronic invoice or electronic statement and includes state tax as a sepa-
16 rate item on the invoice or statement; and

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

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

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

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

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

28 [(5)] (6) “Domestic customer” means a customer making a purchase at a
29 nonretail facility owned by the cardlock card issuer.

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

1 [(6)] (8) “Foreign customer” means a customer making a purchase at a
2 nonretail facility owned by a seller other than the cardlock card issuer.

3 [(7)] (9) “Fuel” means any combustible gas, liquid or material of a kind
4 used for the generation of power to propel a motor vehicle on the highways
5 except motor vehicle fuel as defined in ORS 319.010.

6 [(8)] (10) “Highway” means every way, thoroughfare and place, of what-
7 ever nature, open to the use of the public for the purpose of vehicular travel.

8 [(9)] (11) “Light weight” means the weight of a vehicle when fully
9 equipped for moving over the highway.

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

12 [(11)] (13) “Motor vehicle” means every self-propelled vehicle operated on
13 the highway, except an implement of husbandry used in agricultural oper-
14 ations and only incidentally operated or moved upon the highway.

15 [(12)] (14) “Nonretail facility” means:

16 (a) An unattended facility accessible only by cardlock card and not asso-
17 ciated with a retail facility; or

18 (b) An unattended portion of a retail facility separate from the retail op-
19 erations and accessible only by cardlock card.

20 [(13)] (15) “Person” means any individual, firm, copartnership, joint ven-
21 ture, association, corporation, trust, receiver or any group or combination
22 acting as a unit.

23 [(14)] (16) “Seller” means:

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

25 (b) If the fuel is dispensed at a nonretail facility, the person that owns
26 the user’s accounts and bills the user for fuel purchased at a nonretail fa-
27 cility.

28 [(15)] (17) “To sell fuel for use in a motor vehicle” means to dispense or
29 place fuel for a price into a receptacle on a motor vehicle, from which re-
30 ceptacle the fuel is supplied to propel the motor vehicle.

31 [(16)] (18) “To use fuel in a motor vehicle” means to receive into any re-

ceptacle 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 21. 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)] **(9)** in the 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 22. Sections 23 and 24 of this 2025 Act are added to and made a part of ORS 319.510 to 319.880.

SECTION 23. Dyed diesel use. (1) A person may operate or maintain a motor vehicle on the highways of this state with dyed diesel in the fuel supply tank only if the use is authorized by an agency of the United States or the person is eligible for a refund under ORS 267.570 (2) or 319.831.

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

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

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

(3) A person that violates this section is subject to a civil penalty under section 24 of this 2025 Act.

SECTION 24. Civil penalties. (1) In addition to any other penalty provided by law, the Department of Transportation may impose a civil penalty for failure to comply with section 23 of this 2025 Act.

(2) Any civil penalty imposed under this section shall be imposed in the manner provided by ORS 183.745.

(3) The department shall adopt rules implementing these provisions, including a schedule of civil penalties.

(4) The civil penalty for each violation of section 23 of this 2025 Act may not exceed the amount of \$10 per gallon of capacity of the supply tank of the motor vehicle, or \$1,000, whichever is greater, plus the amount of tax that would have been paid for an equivalent amount of motor vehicle fuel.

(5) A civil penalty imposed under this section may be remitted or reduced upon such terms and conditions as the department considers proper and consistent with the public health and safety.

(6)(a) In imposing a penalty pursuant to the schedule adopted pursuant to this section, the department shall consider the following factors:

(A) Any prior violations of section 23 of this 2025 Act.

(B) The extent to which the violation threatens the public health or safety and the immediacy of the threat.

(b) The penalty imposed under this section may be remitted or mitigated upon such terms and conditions as the department determines to be proper and consistent with the public benefit.

(7) All penalties recovered under this section shall be paid into the State Treasury and credited to the State Highway Fund.

SECTION 25. ORS 319.700 is amended to read:

319.700. The tax and the penalty imposed upon a user of fuel in a motor vehicle by ORS 319.510 to 319.880 **or penalties associated with the improper use or storage of dyed diesel** shall constitute a lien upon, and shall have the effect of an execution duly levied against, any motor vehicle in connection with which the taxable use is made, attaching at the time of such use. The lien shall not be removed until the tax has been paid or the motor vehicle subject to the lien has been sold in payment of such tax. The lien is paramount to all private liens or encumbrances of whatever character upon the motor vehicle and to the rights of any conditional vendor or any other holder of the legal title in or to the motor vehicle.

SECTION 26. ORS 823.012 is amended to read:

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

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

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

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

(d) ORS 825.160, requirement for person operating as motor carrier to have policy of public liability and property damage insurance.

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

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

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

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

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

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

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

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

(m) Section 23 of this 2025 Act and ORS 319.020 and 319.530 related to the payment of motor vehicle fuel taxes or the use of dyed diesel on the highways.

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

1 emergency is terminated as provided under ORS 401.204.

2 (3) The director may designate by rule a line of succession of deputy di-
3 rectors or other employees of the department who may suspend operations
4 of statutes under this section in the event the director is not available. Any
5 suspension by a person designated by the director under this subsection has
6 the same force and effect as if issued by the director, except that, if the di-
7 rector can be reached, the suspension must be affirmed by the director when
8 the director is reached. If the director does not set aside a suspension within
9 24 hours of being reached, the suspension shall be considered affirmed by the
10 director.

11 **SECTION 27.** ORS 823.023 is amended to read:

12 823.023. (1) The Department of Transportation or authorized represen-
13 tatives may enter upon any premises, or any equipment, rolling stock, **motor**
14 **vehicles** or facilities, operated or occupied by any motor carrier or railroad
15 for the purpose of making any inspection, examination or test reasonably
16 required in the administration of ORS chapters **319**, 823, 824, 825 and 826,
17 and to set up and use on such premises, equipment, rolling stock, **motor**
18 **vehicles** or facilities any apparatus or appliance and occupy reasonable
19 space therefor.

20 (2) The department or authorized representatives shall, upon demand,
21 have the right to inspect the **motor vehicles**, books, accounts, papers, re-
22 cords and memoranda of any motor carrier or railroad and to examine under
23 oath any officer, agent or employee of such motor carrier or railroad in re-
24 lation to its business and affairs.

25 (3) Any person who on behalf of the department makes demand of a motor
26 carrier or railroad for an examination, inspection or test shall, upon request
27 therefor, produce a certificate under the seal of the department showing au-
28 thority to make such examination, inspection or test.

29 (4) The department or authorized representatives shall, upon demand,
30 have the right to enter any premises of a business that the department has
31 reasonable cause to believe tendered for shipment, by motor or rail, any

1 hazardous material and to make any examination, inspection or test reason-
2 ably required to determine compliance with the health and safety regulations
3 administered or enforced by the department. Any person, who on behalf of
4 the department demands to make an examination, inspection or test, shall
5 produce upon request a certificate under the seal of the department showing
6 authority to make the examination, inspection or test.

7 (5) Nothing in this section authorizes the department to use any infor-
8 mation developed thereunder for any purpose inconsistent with any statute
9 governing motor carriers or railroads and administered by the department
10 or to make a disclosure thereof for other than regulatory purposes.

11 **SECTION 28.** ORS 823.027 is amended to read:

12 823.027. (1) Every motor carrier and railroad shall furnish to the Depart-
13 ment of Transportation all information required by the department to carry
14 into effect the provisions of ORS chapters **319**, 823, 824, 825 and 826 and shall
15 make specific answers to all questions submitted by the department.

16 (2) If a motor carrier or railroad is unable to furnish any information
17 required under subsection (1) of this section for any reason beyond its con-
18 trol, it is a good and sufficient reason for such failure. The answer or in-
19 formation shall be verified under oath and returned to the department at the
20 department's office within the period fixed by the department.

21 **SECTION 29.** ORS 823.085 is amended to read:

22 823.085. (1) Any motor carrier or railroad that does, or causes or permits
23 to be done, any matter, act or thing prohibited by ORS chapters **319**, 823, 824,
24 825 and 826, or omits to do any act, matter or thing required to be done by
25 ORS chapters **319**, 823, 824, 825 and 826, is liable to the person injured
26 thereby in the amount of damages sustained in consequence of such vio-
27 lation. If the party seeking damages alleges and proves that the wrong or
28 omission was the result of gross negligence or willful misconduct, the motor
29 carrier or railroad is liable to the person injured thereby in treble the
30 amount of damages sustained in consequence of the violation. The court may
31 award reasonable attorney fees to the prevailing party in an action under

this section.

(2) Any recovery under this section does not affect recovery by the state of the penalty, forfeiture 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 30. 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

1 vehicle; or

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

6 [(8)] (9) "Household goods" means the personal effects or other property
7 used or to be used in a dwelling but does not include property transported
8 from a store or factory or property exclusively for office use.

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

16 [(10)] (11) "Permit" means an authority issued to a carrier under ORS
17 825.102, **825.104**, 825.106, 825.108 or 825.127.

18 [(11)] (12) "Private carrier" means any person who operates a motor ve-
19 hicle over the public highways of this state for the purpose of transporting
20 persons or property when the transportation is incidental to a primary
21 business enterprise, other than transportation, in which such person is en-
22 gaged.

23 [(12)] (13) "Privilege taxes" means the weight-mile tax and fees prescribed
24 in this chapter.

25 [(13)] (14) "Property" includes, but is not limited to, permanent loads such
26 as equipment, appliances, devices, or ballast that are attached to, carried on,
27 or made a part of the vehicle and that are designed to serve some functional
28 purpose.

29 [(14)] (15) "Public highway" means every street, alley, road, highway and
30 thoroughfare in this state used by the public or dedicated or appropriated
31 to public use.

1 [(15)] (16) “Transit-type motor vehicle” means any passenger-carrying ve-
2 hicle that does not have a separate space for transporting baggage or ex-
3 press.

4 [(16)] (17) “Transporter” has the meaning given that term in ORS 466.005.

5 **SECTION 31. Section 32 of this 2025 Act is added to and made a part**
6 **of ORS chapter 825.**

7 **SECTION 32. (1) Before operating a motor vehicle on the public**
8 **highways of this state, an out-of-state motor carrier not licensed un-**
9 **der an international fuel tax agreement shall obtain a valid fuel trip**
10 **permit from the Department of Transportation in accordance with this**
11 **section. A motor carrier shall obtain a fuel trip permit under this**
12 **section if the motor carrier:**

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

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

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

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

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

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

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

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

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

31 (7) The fee for the fuel trip permit shall be determined by the de-

1 **partment by rule.**

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

4 **SECTION 33.** ORS 825.326 is amended to read:

5 825.326. (1) Except as provided in subsection (2) of this section, all fees,
6 taxes, charges and other sums collected by the Department of Transportation
7 **or from International Fuel Tax Agreement member jurisdictions** under
8 this chapter shall be paid into the State Treasury and shall be placed to the
9 credit of an account, separate and distinct from the General Fund, to be
10 known as the Motor Carrier Account. Interest earned by the account shall
11 be credited to the account.

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

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

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

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

31 **SECTION 34.** 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 under ORS 825.100 or a temporary pass under ORS 825.470.**

SECTION 35. ORS 825.141, as amended by section 72 of this 2025 Act, 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 and shall demonstrate operational activity at the time of reinstatement.

SECTION 36. 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 department¹*[, 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*

1 *by the department]* **based on the dates shown on the motor vehicle's**
2 **registration card, as issued by the jurisdiction in which the vehicle is**
3 **registered.**

4 *[(4) All vehicles operating under the carrier's authority shall have the same*
5 *four-quarter period of weight identifier validity. The department may allow a*
6 *carrier to operate with expired weight identifiers for up to one extra quarter*
7 *if the renewal application has been submitted. The extension of time allowed*
8 *by this subsection shall be granted only if the department determines that the*
9 *extension is necessary for the administrative convenience of the department.]*

10 *[(5)]* (4) The department may adopt rules necessary to administer the
11 provisions of this section.

12 **SECTION 37.** ORS 825.492 is amended to read:

13 825.492. *[(1) Whenever in the judgment of the Department of Transportation*
14 *the estimated annual tax payable by a carrier will be less than \$100, and the*
15 *vehicles operated by the carrier are of less than 30,000 pounds combined*
16 *weight, the department may authorize the carrier to file reports annually in*
17 *lieu of monthly reports required by ORS 825.490 and 825.515. Annual reports*
18 *and accompanying remittances shall be filed on or before the due date of*
19 *February 28 for the preceding calendar year.]*

20 *[(2)]* (1) At the request of a motor carrier, the Department **of Transpor-**
21 **tation** may authorize the carrier to file quarterly reports in lieu of monthly
22 reports required by ORS 825.490 and 825.515. Quarterly reports and accom-
23 panying remittances due shall be filed on or before the due date as follows:
24 First calendar quarter, May 31; second quarter, August 31; third quarter,
25 November 30; fourth quarter, February 28.

26 *[(3)]* (2) Such authorizations may be withdrawn at any time upon the
27 mailing of notice to the carrier at the last address of record of the carrier
28 with the department. Any provisions of ORS 825.490 and 825.515 otherwise
29 applicable to reports and remittances shall be applicable to reports and re-
30 mittances under this section.

31 **SECTION 38.** ORS 319.665 is amended to read:

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

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

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

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

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

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

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

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

SECTION 39. ORS 825.250 is amended to read:

825.250. (1) An authorized representative of the Department of Transportation may require a person driving a vehicle or combination of vehicles subject to regulation by the department on a street or highway to stop and submit to an inspection of the driver, the cargo or 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) An authorized representative of the department may require a person driving a vehicle or combination of vehicles subject to regulation by the department on a street or highway 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 40. 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 41. 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

1 at a permanently established truck scale.

2 (b) A vehicle or combination of vehicles must stop and submit to any
3 enforcement of commercial vehicle weight, size, load, **dyed diesel use**, con-
4 formation or equipment regulation when directed to do so by any sign or
5 signal displayed or given by a police officer, motor carrier enforcement offi-
6 cer or weighmaster acting in accordance with authority granted under ORS
7 810.490.

8 (c) A vehicle or combination of vehicles must move into the right lane for
9 purposes of a weight or size check when instructed to do so by a sign indi-
10 cating the presence of a weigh-in-motion scale.

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

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

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

17 (b) A vehicle or combination of vehicles if:

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

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

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

27 (4) The offense described in this section, failure to comply with commer-
28 cial vehicle enforcement requirements, is a Class B misdemeanor. The pen-
29 alty provided under this subsection is in addition to any penalty provided for
30 violation of any prohibition relating to vehicle weight, size, load, conforma-
31 tion or equipment.

SECTION 42. ORS 825.486 is repealed.

SECTION 43. Sections 17 to 19, 23, 24 and 32 of this 2025 Act and the amendments to ORS 295.103, 319.010, 319.390, 319.520, 319.550, 319.665, 319.700, 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 11 to 15, 20, 21, 25 to 30 and 33 to 41 of this 2025 Act and the repeal of ORS 825.486 by section 42 of this 2025 Act become operative on July 1, 2028.

HIGHWAY COST ALLOCATION STUDY

SECTION 44. 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 **and that incorporates the results of the examination described in paragraph (a) of this subsection.**

(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) No later than September 30th of each odd-numbered year, notwithstanding the weight-mile tax rates described under ORS 825.476, the department shall, by rule, decrease the rates effective January 1 of the next even-numbered year in an amount to achieve equity between light and heavy vehicle classes, if:

(A) The most current highway cost allocation report indicates that the equity ratio for the heavy vehicle class is greater than 1-5/100; 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) No later than September 30th of each odd-numbered year, notwithstanding the fuel tax rates computed under ORS 319.020 (4) and 319.530 (1), the department shall, by rule, decrease the rates effective

January 1, of the next even-numbered year 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 1-5/100; 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.

MOTOR VEHICLE FUEL TAX INCREASES

SECTION 45. ORS 319.020 is amended to read:

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

[(a)] (2) **Subject to subsections (6) to (8) of this section, in addition to the taxes otherwise provided for by law,** not later than the 25th day of each calendar month, **every dealer described in subsection (1) of this section shall** render a statement to the Department of Transportation of all motor vehicle fuel or aircraft fuel sold, used, distributed or so withdrawn by

the dealer in the State of Oregon as well as all such fuel sold, used or distributed in this state by a purchaser [*thereof*] **of the fuel** upon which sale, use or distribution the dealer has assumed liability for the applicable license tax during the preceding calendar month. The dealer shall render the statement to the department in the manner provided by the department by rule.

[(b)] (3) Subject to subsections (6) to (8) of this section, in addition to the taxes otherwise provided for by law, and except as provided in ORS 319.270, every dealer described in subsection (1) of this section shall pay a license tax [*computed on the basis of 34 cents per gallon*] on the first sale, use or distribution of such motor vehicle fuel or aircraft fuel so sold, used, distributed or withdrawn as shown by such statement in the manner and within the time provided in ORS 319.010 to 319.430[.] **computed in accordance with subsection (4) of this section.**

(4) For purposes of subsection (3) of this section, the license tax rate shall be computed as follows:

(a) For calendar years 2026 and 2027, 50 cents per gallon.

(b) For calendar year 2028, 55 cents per gallon.

(c) For calendar years 2029 and later, a per-gallon license tax rate set by the Oregon Transportation Commission by:

(A) Dividing the monthly averaged Consumer Price Index for All Urban Consumers, West Region, for the 12 consecutive months ending June 30 of the prior year by the monthly averaged Consumer Price Index for All Urban Consumers, West Region, for the 12 consecutive months ending June 30, 2027;

(B) Multiplying 55 cents by the quotient determined under subparagraph (A) of this paragraph; and

(C) Rounding the product determined under subparagraph (B) of this paragraph to the next lower one-tenth of one cent that is not less than 100 percent or greater than 103 percent of the rate set for the prior calendar year.

(5)(a) The commission shall determine license tax rates as soon as

practicable after September 30 of each year and notify the department of the rate.

(b) The adjusted rate shall become operative on January 1 of the succeeding calendar year.

(c) Before January 1 of each year, the department shall notify dealers of the adjusted rate.

[(2)] (6) When aircraft fuel is sold, used or distributed by a dealer, the license tax shall be computed on the basis of 11 cents per gallon of fuel so sold, used or distributed, except that when aircraft fuel usable in aircraft operated by turbine engines (turbo-prop or jet) is sold, used or distributed, the tax rate shall be three cents per gallon.

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

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

SECTION 46. The amendments to ORS 319.020 by section 45 of this 2025 Act become operative on January 1, 2026.

SECTION 47. ORS 319.020, as amended by section 45 of this 2025 Act, is amended to read:

319.020. (1) This section applies to every dealer engaging in the dealer's own name, or in the name of others, in the first sale, use or distribution of motor vehicle fuel or aircraft fuel or withdrawal of motor vehicle fuel or aircraft fuel for sale, use or distribution within areas in this state within which the state lacks the power to tax the sale, use or distribution of motor vehicle fuel or aircraft fuel.

(2) Subject to subsections (6) to (8) of this section, in addition to the taxes

otherwise provided for by law, not later than the 25th day of each calendar month, every dealer described in subsection (1) of this section shall render a statement to the Department of Transportation of all motor vehicle fuel or aircraft fuel sold, used, distributed or so withdrawn by the dealer in the State of Oregon as well as all such fuel sold, used or distributed in this state by a purchaser of the fuel upon which sale, use or distribution the dealer has assumed liability for the applicable license tax during the preceding calendar month. The dealer shall render the statement to the department in the manner provided by the department by rule.

(3) Subject to subsections (6) to (8) of this section, in addition to the taxes otherwise provided for by law, and except as provided in ORS 319.270, every dealer described in subsection (1) of this section shall pay a license tax on the first sale, use or distribution of such motor vehicle fuel or aircraft fuel so sold, used, distributed or withdrawn as shown by such statement in the manner and within the time provided in ORS 319.010 to 319.430 computed in accordance with subsection (4) of this section.

(4) For purposes of subsection (3) of this section, **the Oregon Transportation Commission shall compute the per-gallon** license tax rate *[shall be computed as follows]* **by:**

[(a) For calendar years 2026 and 2027, 50 cents per gallon.]

[(b) For calendar year 2028, 55 cents per gallon.]

[(c) For calendar years 2029 and later, a per-gallon license tax rate set by the Oregon Transportation Commission by:]

[(A)] (a) Dividing the monthly averaged Consumer Price Index for All Urban Consumers, West Region, for the 12 consecutive months ending June 30 of the prior year by the monthly averaged Consumer Price Index for All Urban Consumers, West Region, for the 12 consecutive months ending June 30, 2027;

[(B)] (b) Multiplying 55 cents by the quotient determined under *[subparagraph (A) of this]* paragraph **(a) of this subsection**; and

[(C)] (c) Rounding the product determined under *[subparagraph (B) of*

1 *this*] paragraph **(b) of this subsection** to the next lower one-tenth of one
 2 cent that is not less than 100 percent or greater than 103 percent of the rate
 3 set for the prior calendar year.

4 (5)(a) The commission shall determine license tax rates as soon as prac-
 5 ticable after September 30 of each year and notify the department of the rate.

6 (b) The adjusted rate shall become operative on January 1 of the suc-
 7 ceeding calendar year.

8 (c) Before January 1 of each year, the department shall notify dealers of
 9 the adjusted rate.

10 (6) When aircraft fuel is sold, used or distributed by a dealer, the license
 11 tax shall be computed on the basis of 11 cents per gallon of fuel so sold, used
 12 or distributed, except that when aircraft fuel usable in aircraft operated by
 13 turbine engines (turbo-prop or jet) is sold, used or distributed, the tax rate
 14 shall be three cents per gallon.

15 (7) In lieu of claiming refund of the tax paid on motor vehicle fuel con-
 16 sumed by such dealer in nonhighway use as provided in ORS 319.280, 319.290
 17 and 319.320, or of any prior erroneous payment of license tax made to the
 18 state by such dealer, the dealer may show such motor vehicle fuel as a credit
 19 or deduction on the monthly statement and payment of tax.

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

24 **SECTION 48. The amendments to ORS 319.020 by section 47 of this**
 25 **2025 Act become operative on January 1, 2030.**

26 **SECTION 49.** ORS 319.530 is amended to read:

27 319.530. (1) To compensate this state partially for the use of its highways,
 28 an excise tax [*hereby is imposed at the rate of 34 cents per gallon*] **is imposed**
 29 on the use of fuel in a motor vehicle **at the rate per gallon computed**
 30 **under ORS 319.020 (4).**

31 (2) Except as otherwise provided in subsections (3) to (6) of this section,

100 cubic feet of fuel used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.

(3) 123.57 cubic feet, or 5.66 pounds, of compressed natural gas used or sold in a gaseous state is taxable at the same rate as one gasoline gallon.

(4) 1.353 gallons, or 5.75 pounds, of liquefied petroleum gas is taxable at the same rate as one gasoline gallon.

(5) 1.71 gallons, or 6.059 pounds, of liquefied natural gas is taxable at the same rate as one diesel gallon.

(6) One kilogram of hydrogen is taxable at the same rate as one gasoline gallon.

SECTION 50. ORS 319.023, as amended by section 1, chapter 82, Oregon Laws 2024, is amended to read:

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

(a) Any amount of tax on aircraft fuel usable in aircraft operated by turbine engines that is computed on a basis in excess of one cent per gallon and any amount of tax on all other aircraft fuel that is computed on a basis in excess of nine cents per gallon, under ORS 319.020 [(2)] **(6)**; and

(b) Any amount of tax on aircraft fuel usable in aircraft operated by turbine engines in excess of one cent per gallon and any amount of tax on all other aircraft fuel in excess of nine cents per gallon, that is deducted before the refunding of tax under ORS 319.330 (1).

(2)(a) Applications for distributions under subsection (5) of this section may not be approved unless the applicant demonstrates a commitment to contribute at least five percent of the costs of the project to which the application relates. The Oregon Department of Aviation shall adopt rules for purposes of this paragraph.

(b) The department may adopt rules that:

(A) Set higher minimum contribution commitment requirements; or

(B) Establish maximum grant amounts.

(3)(a) The State Aviation Board shall establish a review committee composed of one member from each of the area commissions on transportation chartered by the Oregon Transportation Commission.

(b) The review committee shall meet as necessary to review applications for distributions of amounts pursuant to this section. In reviewing applications, the review committee shall consider:

(A) Whether a proposed project:

(i) Reduces transportation costs for Oregon businesses or improves access to jobs and sources of labor in this state;

(ii) Results in an economic benefit to this state;

(iii) Connects elements of Oregon's aviation system in a way that will measurably improve utilization and efficiency of the system;

(iv) Is ready for construction or implementation; and

(v) Has a useful life expectancy that offers maximum benefit to this state; and

(B) How much of the cost of the proposed project can be borne by the applicant from sources other than Oregon Department of Aviation funds or the Connect Oregon Fund.

(c) The review committee shall recommend applications to the State Aviation Board for approval.

(4)(a) Five percent of the amounts described in subsection (1) of this section are appropriated to the Oregon Department of Aviation for the costs of the department and the State Aviation Board in administering this section.

(b) The remaining 95 percent of the amounts described in subsection (1) of this section shall be distributed pursuant to subsections (5) and (6) of this section.

(5)(a) Seventy-five percent of the amounts described in subsection (4)(b) of this section shall be distributed for the following purposes:

(A) To assist airports in Oregon with match requirements for Federal Aviation Administration grants.

(B) To make grants for emergency preparedness and infrastructure

projects, in accordance with the Oregon Resilience Plan or the Oregon Aviation Plan.

(C) To make grants for:

(i) Services critical or essential to aviation, including, but not limited to, fuel, sewer, water and weather equipment;

(ii) Aviation-related business development, including, but not limited to, hangars, parking for business aircraft and related facilities; or

(iii) Airport development for local economic benefit, including, but not limited to, signs and marketing.

(D)(i) To assist commercial air service to rural Oregon.

(ii) The Oregon Department of Aviation may adopt a definition of “rural Oregon” for purposes of this subparagraph.

(b) The State Aviation Board may establish by rule priorities for the distributions made pursuant to this subsection.

(6) Twenty-five percent of the amounts described in subsection (4)(b) of this section shall be distributed to state-owned airports for the purposes of:

(a) Safety improvements recommended by the State Aviation Board and local community airports.

(b) Infrastructure projects at public use airports.

(7)(a) Not later than September 15 of each year, the State Aviation Board shall submit the reports described in paragraph (b) of this subsection, in the manner provided in ORS 192.245, to the interim committees, as applicable, of the Legislative Assembly related to air transportation.

(b) The reports required under this subsection shall describe in detail the projects for which applications have been submitted and approved, the airports affected, the names of the applicants and the persons who will perform the work proposed in the applications, the progress of projects for which applications have been approved and any other information the board considers necessary for a comprehensive analysis of the implementation of this section.

SECTION 51. ORS 319.245 is amended to read:

319.245. (1) As used in this section:

(a) “Indian tribe” means a federally recognized Indian tribe in Oregon.

(b) “Tribal entity” means an entity wholly owned by an Indian tribe.

(c) “Tribal member entity” means an entity wholly owned and operated by an enrolled member of an Indian tribe.

(2) The first sale, use or distribution of motor vehicle fuel in this state is exempt from the license tax imposed under ORS 319.020 [(1)(b)] (3) if:

(a) The motor vehicle fuel is purchased by an Indian tribe, tribal entity or tribal member entity directly or from a dealer that purchased the motor vehicle fuel in a transaction that would otherwise be subject to the tax; and

(b) The motor vehicle fuel is delivered to a service station that is owned by an Indian tribe, tribal entity or tribal member entity and operated on the respective Indian tribe’s reservation or trust land.

(3) In order to be eligible for the exemption under subsection (2) of this section, the Indian tribe must:

(a) Impose a tax on the distribution of the motor vehicle fuel at the same rate as the license tax imposed under ORS 319.020 [(1)(b)] (4);

(b) Expend the revenue from the tax imposed pursuant to paragraph (a) of this subsection solely for uses that are consistent with the requirements of Article IX, section 3a, of the Oregon Constitution; and

(c) Certify annually to the Department of Transportation that the Indian tribe is in compliance with this subsection.

(4) A dealer described in subsection (2)(a) of this section shall report to the department such sales of motor vehicle fuel to Indian tribes, tribal entities and tribal member entities.

(5) The department shall adopt rules prescribing the processes, forms and information that the forms must include for the certification required under subsection (3)(c) of this section and the reports required under subsection (4) of this section.

SECTION 52. ORS 319.410 is amended to read:

319.410. (1) The Department of Transportation shall promptly turn over

the license tax to the State Treasurer to be disposed of as provided in ORS 802.110.

(2) The revenue from the license tax collected from the use, sale or distribution of aircraft fuel as imposed by ORS 319.020 [(2)] **(6)** shall be transferred upon certification of the department to the State Treasurer, who shall credit the certified amount to the State Aviation Account for the purpose of carrying out the provisions of the state aviation laws.

SECTION 53. The amendments to ORS 319.023, 319.245, 319.410 and 319.530 by sections 49 to 52 of this 2025 Act become operative on January 1, 2026.

TRANSIT

SECTION 54. ORS 320.550 is amended to read:

320.550. (1) As used in this section:

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

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

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

(2)(a) A tax is imposed [*at the rate of one-tenth of one percent of*] **on** the wages of an employee who is:

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

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

(b) The tax shall be imposed at the following rates:

(A) For calendar years 2026 and 2027, 0.18 percent.

(B) For calendar years 2028 and 2029, 0.25 percent.

(C) For calendar years 2030 and later, 0.3 percent.

(3) Every employer at the time of the payment of wages shall deduct and withhold from the total amount of the wages paid for services described under subsection (2) of this section an amount equal to the total amount of

wages multiplied by the rate of tax imposed under subsection (2) of this section.

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

(5) For purposes of the tax imposed under this section, an employer is considered a taxpayer.

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

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

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

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

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

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

wages and remitted to the Department of Revenue; and

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

(10) Residents subject to the tax imposed under this section on wages earned outside this state from an employer not doing business within this state shall report and pay the tax in an amount not to exceed [*one-tenth of one percent of*] the wages earned outside this state **multiplied by the rate set under subsection (2)(b) of this section**, and at the time and in the manner, as determined by the Department of Revenue by rule.

SECTION 55. The amendments to ORS 320.550 by section 54 of this 2025 Act become operative on January 1, 2026.

SECTION 55a. ORS 320.550, as amended by section 54 of this 2025 Act, is amended to read:

320.550. (1) As used in this section:

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

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

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

(2)(a) A tax is imposed on the wages of an employee who is:

(A) A resident of this state, regardless of where services are performed.

(B) Not a resident of this state, for services performed in this state.

(b) The tax shall be imposed at the [*following rates:*]

[(A) *For calendar years 2026 and 2027, 0.18 percent.*]

[(B) *For calendar years 2028 and 2029, 0.25 percent.*]

[(C) *For calendar years 2030 and later,*] **rate of 0.3 percent.**

(3) Every employer at the time of the payment of wages shall deduct and withhold from the total amount of the wages paid for services described under subsection (2) of this section an amount equal to the total amount of wages multiplied by the rate of tax imposed under subsection (2) of this section.

(4) An employer shall report and pay the tax imposed under this section

to the Department of Revenue at the time and in the manner determined by the department by rule.

(5) For purposes of the tax imposed under this section, an employer is considered a taxpayer.

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

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

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

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

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

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

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

(10) Residents subject to the tax imposed under this section on wages earned outside this state from an employer not doing business within this state shall report and pay the tax in an amount not to exceed the wages earned outside this state multiplied by the rate set under subsection (2)(b) of this section, and at the time and in the manner, as determined by the Department of Revenue by rule.

SECTION 55b. The amendments to ORS 320.550 by section 55a of this 2025 Act become operative on January 1, 2031.

SECTION 56. (1) No later than September 15, 2026, the Department of Transportation shall conduct a study and review the method of funding distribution from the Statewide Transportation Improvement Fund to qualified entities.

(2) The goal of the review is to determine the department's ability to effectively and equitably distribute moneys in the Statewide Transportation Improvement Fund to address current and reasonably expected transit service levels around this state. As part of the review, the department shall evaluate whether there is sufficient moneys to cover the administrative costs incurred by the department and the Department of Revenue related to the implementation of the tax imposed under ORS 184.752 to 184.766 and 320.550.

SECTION 57. Section 56 of this 2025 Act is repealed on January 2, 2027.

NOTE: Section 58 was deleted by amendment. Subsequent sections were not renumbered.

VEHICLE PRIVILEGE AND USE TAXES

SECTION 59. ORS 320.405 is amended to read:

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

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

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

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

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

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

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

SECTION 60. ORS 320.410 is amended to read:

320.410. (1) A use tax is imposed on the storage, use or other consumption in this state of taxable motor vehicles purchased at retail from any seller.

(2) The use tax shall be computed at the rate of [0.5] **one** percent of the retail sales price of the taxable motor vehicle.

(3) The use tax is a liability of the purchaser of the taxable motor vehicle.

(4) The use tax shall be reduced, but not below zero, by the amount of any privilege, excise, sales or use tax imposed by any jurisdiction on the sale, or on the storage, use or other consumption, of the taxable motor vehicle. The reduction under this subsection shall be made only upon a showing by the purchaser that a privilege, excise, sales or use tax has been paid.

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

(6) A purchaser's liability for the use tax is satisfied by a valid receipt given to the purchaser under ORS 320.420 by the seller of the taxable motor

1 vehicle.

2 **SECTION 60a.** ORS 320.435 is amended to read:

3 320.435. (1) The Department of Revenue shall deposit all revenue collected
4 from the privilege tax imposed under ORS 320.405 and the use tax imposed
5 under ORS 320.410 in a suspense account established under ORS 293.445 for
6 the purpose of receiving the revenue. The department may pay expenses for
7 the administration and enforcement of the privilege and use taxes out of
8 moneys received from the privilege and use taxes. Amounts necessary to pay
9 administrative and enforcement expenses are continuously appropriated to
10 the department from the suspense account.

11 (2) After payment of administrative and enforcement expenses under sub-
12 section (1) of this section and refunds or credits arising from erroneous
13 overpayments, the department shall transfer the balance of the moneys re-
14 ceived from the privilege and use taxes as follows:

15 (a) Moneys attributable to the privilege tax shall be transferred as fol-
16 lows:

17 **(A) Fifty percent of the gross amount of moneys received from the**
18 **privilege tax shall be transferred annually to the Railroad Fund es-**
19 **tablished under ORS 824.014; and**

20 **(B) Of the remaining 50 percent:**

21 [(A)] (i) The greater of \$12 million or 45 percent [*of the gross amount*] of
22 the moneys received [*from the privilege tax*] shall be transferred annually to
23 the Zero-Emission Incentive Fund established under ORS 468.449.

24 [(B)] (ii) After the transfer required under [*subparagraph (A) of this par-*
25 *agraph*] **sub-subparagraph (i) of this subparagraph**, the balance of the
26 moneys shall be transferred to the Connect Oregon Fund established under
27 ORS 367.080.

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

30 **SECTION 60b.** ORS 824.014 is amended to read:

31 824.014. (1) The Railroad Fund is established separate and distinct from

the General Fund. *[Interest earned, if any, shall inure to the benefit of the Railroad Fund.]* **Interest earned by the Railroad Fund shall be credited to the fund.**

(2) All fees, penalties and other moneys collected by the Department of Transportation under ORS 824.010 and 824.012 shall be paid by the department into the State Treasury within 30 days after the collection thereof, and shall be *[placed]* **credited** by the State Treasurer to the *[credit of the]* Railroad Fund *[created by subsection (1) of this section. The fees, penalties and other moneys collected from railroads shall be used only for the purpose of paying the expenses of the department in performing the duties imposed by law upon the department in respect to railroads].*

(3) The fund consists of:

(a) Amounts deposited in the fund under ORS 320.435;

(b) Fees, penalties and other moneys collected from railroads;

(c) Amounts appropriated or otherwise transferred to the fund by the Legislative Assembly; and

(d) Other amounts deposited in the fund from any other source.

(4) Moneys in the Railroad Fund are continuously appropriated to the Department of Transportation for the purposes of:

(a) Carrying out programs or projects to support public transportation by rail; and

(b) Paying the expenses of the department in performing the duties imposed by law upon the department with respect to railroads.

SECTION 61. The amendments to ORS 320.405, 320.410 and 320.435 by sections 59 to 60a of this 2025 Act apply to sales of taxable motor vehicles that become final, and the storage, use or other consumption in this state of taxable motor vehicles that become taxable, on or after January 1, 2026.

VEHICLE FEES AND TAXES

1 **SECTION 62.** ORS 803.420 is amended to read:

2 803.420. (1) The vehicle registration fees imposed under this section shall
3 be based on the classifications determined by the Department of Transpor-
4 tation by rule. The department may classify a vehicle to ensure that regis-
5 tration fees for the vehicle are the same as for other vehicles the department
6 determines to be comparable.

7 (2) Except as otherwise provided in this section, or unless the vehicle is
8 registered quarterly, the fees described in this section are for an entire reg-
9 istration period for the vehicle as described under ORS 803.415. For a vehicle
10 registered for a quarterly registration period under ORS 803.415, the depart-
11 ment shall apportion any fee under this section to reflect the number of
12 quarters registered.

13 (3) Vehicle registration fees are due when a vehicle is registered and
14 when the registered owner renews the registration.

15 (4) In addition to the registration fees listed in this section, a county or
16 a district may impose an additional registration fee as provided under ORS
17 801.041 and 801.042.

18 (5) A rental or leasing company, as defined in ORS 221.275, that elects to
19 initially register a vehicle for an annual or biennial registration period shall
20 pay a fee of \$2 in addition to the vehicle registration fee provided under this
21 section.

22 (6) The registration fees for each year of the registration period for ve-
23 hicles subject to biennial registration are as follows:

24 (a) Passenger vehicles not otherwise provided for in this section or ORS
25 821.320, [~~\$43~~] **\$113**.

26 (b) Utility trailers or light trailers, as those terms are defined by rule by
27 the department, [~~\$63~~] **\$129**.

28 (c) Mopeds and motorcycles, [~~\$44~~] **\$110**.

29 (d) Low-speed vehicles, [~~\$63~~] **\$129**.

30 (e) Medium-speed electric vehicles, [~~\$63~~] **\$129**.

31 (7) The registration fees for vehicles that are subject to biennial regis-

tration and that are listed in this subsection are as follows:

(a) State-owned vehicles registered under ORS 805.045 and undercover vehicles registered under ORS 805.060, \$10 upon registration or renewal.

(b) Fixed load vehicles:

(A) If a declaration of weight described under ORS 803.435 is submitted establishing the weight of the vehicle at 3,000 pounds or less, \$61.

(B) If no declaration of weight is submitted or if the weight of the vehicles is in excess of 3,000 pounds, \$82.

(c) Travel trailers, special use trailers, campers and motor homes, based on length as determined under ORS 803.425:

(A) Trailers or campers that are 6 to 10 feet in length, \$81.

(B) Trailers or campers over 10 feet in length, \$81 plus \$7 a foot for each foot of length over the first 10 feet.

(C) Motor homes that are 6 to 14 feet in length, \$86.

(D) Motor homes over 14 feet in length, \$126 plus \$8 a foot for each foot of length over the first 10 feet.

(8) The registration fee for trailers for hire that are equipped with pneumatic tires made of an elastic material and that are not travel trailers or trailers registered under permanent registration is \$30.

(9) The registration fees for vehicles subject to ownership registration are as follows:

(a) Government-owned vehicles registered under ORS 805.040, \$5.

(b) Vehicles registered with special registration for disabled veterans under ORS 805.100 or for former prisoners of war under ORS 805.110, \$15.

(c) School vehicles registered under ORS 805.050, \$5.

(10) The registration fees for vehicles subject to permanent registration are as follows:

(a) Antique vehicles registered under ORS 805.010, \$100.

(b) Vehicles of special interest registered under ORS 805.020, \$100.

(c) Racing activity vehicles registered under ORS 805.035, \$100.

(d) Trailers, \$10.

(e) State-owned vehicles registered under ORS 805.045 and undercover vehicles registered under ORS 805.060, \$10.

(11) The registration fee for trailers registered as part of a fleet under an agreement reached pursuant to ORS 802.500 is the same fee as the fee for vehicles of the same type registered under other provisions of the Oregon Vehicle Code.

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

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

(a) Service charge for each vehicle entered into a fleet, \$3.

(b) Service charge for each vehicle in the fleet at the time of renewal, \$2.

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

Weight in Pounds				Fee
8,000	or	less		\$ 74
8,001	to	10,000		464
10,001	to	12,000		528
12,001	to	14,000		591
14,001	to	16,000		655
16,001	to	18,000		718
18,001	to	20,000		801

1	20,001	to	22,000	864
2	22,001	to	24,000	949
3	24,001	to	26,000	1,031
4	26,001	to	28,000	375
5	28,001	to	30,000	391
6	30,001	to	32,000	422
7	32,001	to	34,000	438
8	34,001	to	36,000	468
9	36,001	to	38,000	485
10	38,001	to	40,000	515
11	40,001	to	42,000	532
12	42,001	to	44,000	562
13	44,001	to	46,000	578
14	46,001	to	48,000	593
15	48,001	to	50,000	625
16	50,001	to	52,000	656
17	52,001	to	54,000	672
18	54,001	to	56,000	686
19	56,001	to	58,000	717
20	58,001	to	60,000	750
21	60,001	to	62,000	780
22	62,001	to	64,000	811
23	64,001	to	66,000	827
24	66,001	to	68,000	857
25	68,001	to	70,000	874
26	70,001	to	72,000	904
27	72,001	to	74,000	921
28	74,001	to	76,000	951
29	76,001	to	78,000	967
30	78,001	to	80,000	998
31	80,001	to	82,000	1,014

1	82,001	to	84,000	1,045
2	84,001	to	86,000	1,061
3	86,001	to	88,000	1,092
4	88,001	to	90,000	1,108
5	90,001	to	92,000	1,139
6	92,001	to	94,000	1,155
7	94,001	to	96,000	1,185
8	96,001	to	98,000	1,202
9	98,001	to	100,000	1,218
10	100,001	to	102,000	1,249
11	102,001	to	104,000	1,265
12	104,001	to	105,500	1,295

13

14 (b)(A) The registration fee for motor vehicles with a registration weight
 15 of more than 8,000 pounds that are described in ORS 825.015, that are oper-
 16 ated by a charitable organization as defined in ORS 825.017 (13), is as pro-
 17 vided in the following chart:

18

19	Weight in Pounds			Fee
20	8,001	to	10,000	\$ 71
21	10,001	to	12,000	85
22	12,001	to	14,000	92
23	14,001	to	16,000	107
24	16,001	to	18,000	114
25	18,001	to	20,000	128
26	20,001	to	22,000	135
27	22,001	to	24,000	149
28	24,001	to	26,000	156
29	26,001	to	28,000	170
30	28,001	to	30,000	178
31	30,001	to	32,000	192

1	32,001	to	34,000	199
2	34,001	to	36,000	213
3	36,001	to	38,000	220
4	38,001	to	40,000	234
5	40,001	to	42,000	241
6	42,001	to	44,000	256
7	44,001	to	46,000	263
8	46,001	to	48,000	270
9	48,001	to	50,000	284
10	50,001	to	52,000	298
11	52,001	to	54,000	305
12	54,001	to	56,000	312
13	56,001	to	58,000	327
14	58,001	to	60,000	341
15	60,001	to	62,000	355
16	62,001	to	64,000	369
17	64,001	to	66,000	376
18	66,001	to	68,000	391
19	68,001	to	70,000	398
20	70,001	to	72,000	412
21	72,001	to	74,000	419
22	74,001	to	76,000	433
23	76,001	to	78,000	440
24	78,001	to	80,000	454
25	80,001	to	82,000	462
26	82,001	to	84,000	476
27	84,001	to	86,000	483
28	86,001	to	88,000	497
29	88,001	to	90,000	504
30	90,001	to	92,000	518
31	92,001	to	94,000	525

1	94,001	to	96,000	540
2	96,001	to	98,000	547
3	98,001	to	100,000	554
4	100,001	to	102,000	568
5	102,001	to	104,000	575
6	104,001	to	105,500	589

7

8 (B) The registration fee for motor vehicles that are certified under ORS
9 822.205, unless the motor vehicles are registered under paragraph (a) of this
10 subsection, or that are used exclusively to transport manufactured struc-
11 tures, is as provided in the following chart:

12

13	Weight in Pounds			Fee
14	8,000	or	less	\$ 63
15	8,001	to	10,000	145
16	10,001	to	12,000	173
17	12,001	to	14,000	187
18	14,001	to	16,000	217
19	16,001	to	18,000	231
20	18,001	to	20,000	260
21	20,001	to	22,000	274
22	22,001	to	24,000	304
23	24,001	to	26,000	318
24	26,001	to	28,000	346
25	28,001	to	30,000	362
26	30,001	to	32,000	391
27	32,001	to	34,000	405
28	34,001	to	36,000	435
29	36,001	to	38,000	449
30	38,001	to	40,000	477
31	40,001	to	42,000	491

1	42,001	to	44,000	521
2	44,001	to	46,000	535
3	46,001	to	48,000	550
4	48,001	to	50,000	578
5	50,001	to	52,000	608
6	52,001	to	54,000	622
7	54,001	to	56,000	636
8	56,001	to	58,000	665
9	58,001	to	60,000	694
10	60,001	to	62,000	723
11	62,001	to	64,000	753
12	64,001	to	66,000	767
13	66,001	to	68,000	795
14	68,001	to	70,000	809
15	70,001	to	72,000	839
16	72,001	to	74,000	853
17	74,001	to	76,000	882
18	76,001	to	78,000	896
19	78,001	to	80,000	926
20	80,001	to	82,000	940
21	82,001	to	84,000	968
22	84,001	to	86,000	983
23	86,001	to	88,000	1,012
24	88,001	to	90,000	1,027
25	90,001	to	92,000	1,055
26	92,001	to	94,000	1,071
27	94,001	to	96,000	1,099
28	96,001	to	98,000	1,113
29	98,001	to	100,000	1,127
30	100,001	to	102,000	1,157
31	102,001	to	104,000	1,172

104,001 to 105,500 1,200

(C) The owner of a vehicle described in subparagraph (A) or (B) of this paragraph must certify at the time of initial registration, in a manner determined by the department by rule, that the motor vehicle will be used exclusively to transport manufactured structures or exclusively as described in ORS 822.210, unless the motor vehicle is registered under paragraph (a) of this subsection, or as described in ORS 825.015 or 825.017 (13). Registration of a vehicle described in subparagraph (A) or (B) of this paragraph is invalid if the vehicle is operated in any manner other than that described in the certification under this subparagraph.

(c) Subject to paragraph (d) of this subsection, the registration fee for motor vehicles registered as farm vehicles under ORS 805.300 is as provided in the following chart, based upon the registration weight given in the declaration of weight submitted under ORS 803.435:

Weight in Pounds			Fee
8,000	or	less	\$ 50
8,001	to	10,000	65
10,001	to	12,000	75
12,001	to	14,000	97
14,001	to	16,000	108
16,001	to	18,000	129
18,001	to	20,000	141
20,001	to	22,000	162
22,001	to	24,000	172
24,001	to	26,000	195
26,001	to	28,000	204
28,001	to	30,000	226
30,001	to	32,000	237
32,001	to	34,000	258

1	34,001	to	36,000	270
2	36,001	to	38,000	291
3	38,001	to	40,000	302
4	40,001	to	42,000	324
5	42,001	to	44,000	334
6	44,001	to	46,000	356
7	46,001	to	48,000	366
8	48,001	to	50,000	388
9	50,001	to	52,000	399
10	52,001	to	54,000	409
11	54,001	to	56,000	432
12	56,001	to	58,000	453
13	58,001	to	60,000	463
14	60,001	to	62,000	474
15	62,001	to	64,000	496
16	64,001	to	66,000	517
17	66,001	to	68,000	528
18	68,001	to	70,000	540
19	70,001	to	72,000	561
20	72,001	to	74,000	571
21	74,001	to	76,000	594
22	76,001	to	78,000	604
23	78,001	to	80,000	625
24	80,001	to	82,000	636
25	82,001	to	84,000	657
26	84,001	to	86,000	669
27	86,001	to	88,000	690
28	88,001	to	90,000	700
29	90,001	to	92,000	723
30	92,001	to	94,000	733
31	94,001	to	96,000	754

1	96,001	to	98,000	765
2	98,001	to	100,000	787
3	100,001	to	102,000	798
4	102,001	to	104,000	819
5	104,001	to	105,500	831
6	<hr/>			

(d) For any vehicle that is registered under a quarterly registration period, the registration fee is a minimum of \$15 for each quarter registered plus an additional fee of \$2.

(15) The registration and renewal fees for vehicles specified in this subsection that are required to establish a registration weight under ORS 803.430 or 826.013 are as follows:

(a) State-owned vehicles registered under ORS 805.045, \$10.

(b) Undercover vehicles registered under ORS 805.060, \$10.

SECTION 63. ORS 803.090 is amended to read:

803.090. (1) Except as provided in subsection (2) of this section, the fee to issue a certificate of title under ORS 803.045 or 803.140, to transfer title under ORS 803.092, to issue a duplicate or replacement certificate of title under ORS 803.065 or to issue a new title due to name or address change under ORS 803.220 is as follows:

(a) \$182; or

~~[(a)]~~ **(b)** For a salvage title, ~~[\$27]~~ **\$44.**

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

[(c) For a vehicle title for vehicles other than those vehicles described in paragraph (b) of this subsection, \$77.]

(2) If an application for a duplicate or replacement certificate of title is filed at the same time as an application for a transfer of title for the same vehicle, the applicant is required to pay only the transfer of title fee.

(3) The fee for late presentation of certificate of title under ORS 803.105

1 is \$25 from the 31st day after the transfer through the 60th day after the
2 transfer and \$50 thereafter.

3 (4) The fees for title transactions involving a form of title other than a
4 certificate shall be the amounts established by the Department of Transpor-
5 tation by rule under ORS 803.012.

6 **SECTION 64.** ORS 818.225 is amended to read:

7 818.225. (1) As used in this section, “equivalent single-axle load” means
8 the relationship between actual or requested weight and an 18,000 pound
9 single-axle load as determined by the American Association of State Highway
10 and Transportation Officials Road Tests reported at the Proceedings Con-
11 ference of 1962.

12 (2)(a) In addition to any fee for a single-trip nondivisible load permit, a
13 person who is issued the permit or who operates a vehicle in a manner that
14 requires the permit is liable for payment of a road use assessment fee [*of ten*
15 *and nine-tenths cents*] **computed on the basis of the following rates** per
16 equivalent single-axle load mile traveled[.]:

17 **(A) For the period beginning on July 1, 2028, and ending on De-**
18 **cember 31, 2029, \$_____.**

19 **(B) For the period beginning on January 1, 2030, and ending on**
20 **December 31, 2031, \$_____.**

21 **(C) For the period beginning on January 1, 2032, and ending on De-**
22 **cember 31, 2033, \$_____.**

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

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

29 (3) The department may adopt rules:

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

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

SECTION 65. ORS 818.225, as amended by section 64 of this 2025 Act, is amended to read:

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

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

[(A) For the period beginning on July 1, 2028, and ending on December 31, 2029, \$_____.]

[(B) For the period beginning on January 1, 2030, and ending on December 31, 2031, \$_____.]

[(C) For the period beginning on January 1, 2032, and ending on December 31, 2033, \$_____.]

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

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

(3) The department may adopt rules:

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

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

SECTION 66. ORS 825.480 is amended to read:

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

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

(A) For electric motor vehicles:

(i) For the period beginning on July 1, 2028, and ending on December 31, 2029, \$_____.

(ii) For the period beginning on January 1, 2030, and ending on December 31, 2031, \$_____.

(iii) For the period beginning on January 1, 2032, and ending on December 31, 2033, \$_____.

(B) For vehicles other than electric motor vehicles:

(i) For the period beginning on July 1, 2028, and ending on December 31, 2029, \$_____.

(ii) For the period beginning on January 1, 2030, and ending on December 31, 2031, \$_____.

(iii) For the period beginning on January 1, 2032, and ending on December 31, 2033, \$_____.

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

(2) The annual fees provided in subsections (1)[, (4) and (5)] and (3) of this section may be paid on a monthly basis. Any carrier electing to pay fees under this method may not change an election during the same calendar year

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

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

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

[(4)(a)] **(3)(a)** In lieu of other fees provided in ORS 825.474, carriers engaged in the operation of motor vehicles equipped with dump bodies and used in the transportation of sand, gravel, rock, dirt, debris, cinders, asphaltic concrete mix, metallic ores and concentrates or raw nonmetallic products, whether crushed or otherwise, moving from mines, pits or quarries may pay annual fees for such operation computed at the **following** rate *[of \$11.50]* for each 100 pounds of declared combined weight~~[.]~~:

(A) For electric motor vehicles:

(i) For the period beginning on July 1, 2028, and ending on December 31, 2029, \$_____.

(ii) For the period beginning on January 1, 2030, and ending on December 31, 2031, \$_____.

(iii) For the period beginning on January 1, 2032, and ending on December 31, 2033, \$_____.

(B) For vehicles other than electric motor vehicles:

(i) For the period beginning on July 1, 2028, and ending on December 31, 2029, \$_____.

(ii) For the period beginning on January 1, 2030, and ending on December 31, 2031, \$_____.

(iii) For the period beginning on January 1, 2032, and ending on December 31, 2033, \$_____.

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

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

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

SECTION 67. ORS 825.480, as amended by section 66 of this 2025 Act, is amended to read:

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

(A) For electric motor vehicles, \$_____[:]

[(i) For the period beginning on July 1, 2028, and ending on December 31, 2029, \$_____.]

[(ii) For the period beginning on January 1, 2030, and ending on December

31, 2031, \$_____.]

[(iii) For the period beginning on January 1, 2032, and ending on December 31, 2033, \$_____.]

(B) For vehicles other than electric motor vehicles, \$_____[:]

[(i) For the period beginning on July 1, 2028, and ending on December 31, 2029, \$_____.]

[(ii) For the period beginning on January 1, 2030, and ending on December 31, 2031, \$_____.]

[(iii) For the period beginning on January 1, 2032, and ending on December 31, 2033, \$_____.]

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

(2) The annual fees provided in subsections (1) and (3) of this section may be paid on a monthly basis. Any carrier electing to pay fees under this method may not change an election during the same calendar year in which the election is made, but may be relieved from the payment due for any month during which a motor vehicle is not operated. A carrier electing to pay fees under this method shall report and pay these fees on or before the 10th of each month for the preceding month's operations. A monthly report shall be made on all vehicles on the annual fee basis including any vehicle not operated for the month.

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

(A) For electric motor vehicles, \$_____.[:]

[(i) For the period beginning on July 1, 2028, and ending on December 31, 2029, \$_____.]

[(ii) For the period beginning on January 1, 2030, and ending on December 31, 2031, \$_____.]

[(iii) For the period beginning on January 1, 2032, and ending on December 31, 2033, \$_____.]

(B) For vehicles other than electric motor vehicles, \$_____.[:]

[(i) For the period beginning on July 1, 2028, and ending on December 31, 2029, \$_____.]

[(ii) For the period beginning on January 1, 2030, and ending on December 31, 2031, \$_____.]

[(iii) For the period beginning on January 1, 2032, and ending on December 31, 2033, \$_____.]

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

SECTION 68. ORS 803.575 is amended to read:

803.575. (1) The fee for issuance of a duplicate or replacement registration card under ORS 803.510 is \$5.

(2) The fee for issuance of a replacement or duplicate registration plate under ORS 803.530 is the fee established under ORS 803.570, together with a fee of [~~\$12~~] **\$33**.

(3) The fee for transfer of a registration plate under ORS 803.530 is [~~\$30~~] **\$44**.

(4) The fee for issuance of replacement registration stickers under ORS 803.555 is \$10.

(5) The fee for issuance of both replacement or duplicate registration plates and replacement registration stickers, when issued at the same time,

is the fee established under ORS 803.570, together with a fee of [~~\$12~~] **\$33**.

(6) A fee paid under subsection (2), (4) or (5) of this section includes the cost of any duplicate or replacement registration card issued.

SECTION 69. ORS 807.370 is amended to read:

807.370. (1) Fees for issuance of or application for a driving privilege are as follows:

(a) Class C driver license or restricted Class C driver license, [~~\$58~~] **\$100**.

(b) Class C limited term driver license or restricted Class C limited term driver license, \$23.

(c) Commercial driver license, whether or not the driver license contains endorsements, \$160.

(d) Limited term commercial driver license, whether or not the driver license contains endorsements, \$45.

(e) Instruction driver permit, [~~\$30~~] **\$111**.

(f) Commercial learner driver permit, \$40.

(g) Limited term commercial learner driver permit, \$23.

(h) Special student driver permit, \$23.

(i) Emergency driver permit, \$23.

(j) Special limited vision condition learner's permit, \$13.

(k) Disability golf cart driver permit, \$44.

(L) Hardship driver permit application, [~~\$75~~] **\$168**.

(2) In addition to paying a fee under this section for issuance of a commercial driver license of any class, when the Department of Transportation accepts skills test results from a driver competency tester certified under ORS 807.080, the person shall pay a fee of \$40.

(3) Fees for a motorcycle endorsement are as follows:

(a) In addition to any fee for the endorsed driver license, for an original motorcycle endorsement added at the time of an original issuance of a driving privilege or with a renewal or replacement of an existing driving privilege, [~~\$60~~] **\$105**.

(b) For an original motorcycle endorsement added without an original

1 issuance of a driving privilege or without a renewal or replacement of an
2 existing driving privilege, \$60.

3 (c) A Motorcycle Safety Subaccount fee:

4 (A) Upon original issuance of a motorcycle endorsement, \$38.

5 (B) Upon renewal of a driver license with a motorcycle endorsement, \$28.

6 (4) Fees for a farm endorsement are as follows:

7 (a) In addition to any fee for the endorsed driver license, for an original
8 farm endorsement added at the time of an original issuance of a driving
9 privilege or with a renewal or replacement of an existing driving privilege,
10 [~~\$26~~] **\$87**.

11 (b) For an original farm endorsement added without an original issuance
12 of a driving privilege or without a renewal or replacement of an existing
13 driving privilege, [~~\$29~~] **\$87**.

14 (5) Fees for renewal of a driving privilege are as follows:

15 (a) Class C driver license, [~~\$48~~] **\$74**.

16 (b) Class C limited term driver license, \$8.

17 (c) Commercial driver license, \$98.

18 (d) Limited term commercial driver license, \$14.

19 (e) Instruction driver permit, [~~\$26~~] **\$69**.

20 (f) Disability golf cart driver permit, \$32.

21 (6) Fee to replace a driver license or driver permit, [~~\$30~~] **\$56**.

22 (7) Fees to take tests required for driving privileges or to remove re-
23 strictions are as follows:

24 (a) The knowledge test for a Class C driver license or Class C limited
25 term driver license, [~~\$7~~] **\$10**.

26 (b) The knowledge test for a motorcycle endorsement, \$7.

27 (c) The knowledge test for any commercial driver license or commercial
28 learner driver permit, to remove a commercial driving privilege restriction
29 or to add a commercial driving privilege endorsement, \$10.

30 (d) The skills test for a Class C driver license or Class C limited term
31 driver license, [~~\$45~~] **\$111**.

(e) The skills test for any commercial driver license, to remove a restriction or to add any commercial driver license endorsement, [~~\$145~~] **\$540**.

(8) Student Driver Training Fund eligibility fee, \$6.

(9) Limited term Student Driver Training Fund eligibility fee, \$2.

(10) Fee for reinstatement of revoked driving privileges under ORS 809.390 or reinstatement of suspended driving privileges under ORS 809.380, \$85.

(11) The department may adopt rules to provide for the assessment or retention of the skills test fee when a test is scheduled but the applicant fails to appear at the scheduled time.

SECTION 70. ORS 822.700 is amended to read:

822.700. (1) Fee for issuance or renewal of dismantler certificates covering a single place of business, or a supplemental certificate for each additional place of business to be covered by that certificate and operated under the same name, [~~\$500~~] **\$2,492**.

(2) Fee for each duplicate dismantler certificate issued under ORS 822.110, \$40.

(3) Fee for original issuance or renewal of vehicle dealer certificate under ORS 822.020 of a vehicle dealer certificate:

(a) [~~\$1,100~~] **\$2,044**, for a certificate covering a single place of business; and

(b) [~~\$350~~] **\$1,053**, for each additional place of business to be covered by the certificate and operated under the same name.

(4) Fee for each corrected vehicle dealer certificate issued under ORS 822.040, \$30.

(5) If a vehicle dealer or dismantler fails to pay a fee required under this section on or before the date the fee is due, there shall be added as a late payment charge a fee of \$150.

(6) Fee for show license issued under ORS 822.084, \$50.

(7) Fee for issuance of towing business certificate under ORS 822.205 or renewal under ORS 822.210, \$17 for each vehicle used for towing or recovery purposes.

(8) Fee for issuance or renewal of vehicle transporter certificate under

ORS 822.310, [~~\$450~~] **\$1,294**.

(9) Fee for issuance or renewal of driver training instructor certificate under ORS 822.515, \$200.

(10) Fee for issuance or renewal of commercial driver training school certificate under ORS 822.515, \$400.

(11) Fee for issuance or renewal of vehicle appraiser certificate under ORS 819.480, [~~\$100~~] **\$504**.

SECTION 71. ORS 803.645 is amended to read:

803.645. Fees for trip permits issued under ORS 803.600 are as follows:

(1) For a heavy motor vehicle trip permit, \$43.

(2) For a heavy trailer trip permit, [~~\$10~~] **\$27**.

(3) For a light vehicle trip permit, \$35.

(4) For a recreational vehicle trip permit, \$35.

(5) For a registration weight trip permit, [~~\$5~~] **\$27**.

(6) For a registered vehicle trip permit, [~~\$7.50~~] **\$27**.

(7) For a 10-day trip permit issued under ORS 803.600 (2) by a person with a vehicle dealer certificate or a towing business certificate, \$15.

SECTION 71a. ORS 826.023 is amended to read:

826.023. (1) The fee for issuance of a duplicate or replacement registration card is [~~\$3~~] **\$15**.

(2) The fee for issuance of each original, replacement or [~~duplicate~~] **renewal of a** registration plate is [~~\$3~~] **\$20** and includes a registration card and sticker.

[(3) The fee for renewal of a registration plate is \$3 and includes a registration card and sticker.]

(3) The fee for a pair of plates is \$25 and includes a registration card and a pair of stickers.

(4) The fee for issuance of replacement registration stickers is: [~~\$3~~]

(a) For a single sticker, \$12.

(b) For a pair of stickers, \$13.

[(5) If a second plate is required for one vehicle, the fee for the plate or for

1 *a sticker for the plate is \$3.]*

2 **(5) The fee for issuance of each original, replacement or duplicate**
3 **trusted carrier plate is \$36.**

4 **(6) The fee for the issuance of each original, replacement or dupli-**
5 **cate preclearance transponder is \$79.**

6 **SECTION 72.** ORS 825.141 is amended to read:

7 825.141. In addition to any other requirements of this chapter, a carrier
8 whose operating authority has been suspended shall pay a reinstatement fee
9 of \$25 to the Department of Transportation before the operating authority
10 may be reinstated[, *plus \$5 for each vehicle issued a weight identifier under*
11 *ORS 825.450,*] and shall demonstrate operational activity at the time of
12 reinstatement.

13 **SECTION 73.** ORS 803.065 is amended to read:

14 803.065. (1) The Department of Transportation may issue a duplicate or
15 replacement certificate of title when all of the following occur:

16 (a) The department is satisfied as to the loss, mutilation or destruction
17 of a certificate of title or salvage title certificate.

18 (b) The fee for issuance of a [*duplicate or replacement*] certificate of title
19 or for a salvage title certificate established under ORS 803.090 is paid.

20 (2) The department may accept an application for a duplicate or replace-
21 ment title certificate at the time of any transfer of a vehicle under ORS
22 803.092. The following apply to this subsection:

23 (a) The department shall only accept the application if, at the time of
24 transfer, the title certificate is lost, mutilated or destroyed.

25 (b) When the department accepts an application, the department may ac-
26 cept proof of transfer other than the certificate of title or may accept a
27 certificate of title that has not been completed along with other proof of
28 transfer for purposes of transferring a vehicle under ORS 803.092. The de-
29 partment may accept any proof of transfer under this paragraph that estab-
30 lishes to the satisfaction of the department that the vehicle has been
31 transferred including, but not limited to, statements of release of interest,

bills of sale, assignments of interest or other similar proof.

(c) If an application is made under this subsection, the fee for duplicate or replacement title certificate under ORS 803.090 shall be paid in addition to the transfer fee under ORS 803.090.

(d) The department may include the form for application under this subsection as part of the form for transfer of a vehicle or may make the forms separate, as the department finds convenient.

(e) The department is not required by this subsection to issue a duplicate or replacement title before transfer, but may withhold issuance of title until new title is issued upon completion of transfer.

(f) The department may adopt rules to establish procedures and requirements for effecting a transfer under ORS 803.092 when application is made under this subsection at the same time.

SECTION 74. ORS 803.092 is amended to read:

803.092. (1) Except as otherwise provided in this section, upon the transfer of any interest in a vehicle covered by an Oregon title the transferee shall submit an application for title to the Department of Transportation. Such application shall be submitted to the department within 30 days of the date of transfer of interest.

(2) Notwithstanding subsection (1) of this section, application is not required under this section when:

(a) The change involves only a change in the security interest where the security interest holder or lessor is a financial institution, a financial holding company or a bank holding company, as those terms are defined in ORS 706.008, a licensee under ORS chapter 725, or any subsidiary or affiliate of any of the foregoing and the transfer of the interest of the security interest holder or lessor:

(A) Results from the merger, conversion, reorganization, consolidation or acquisition of the security interest holder or lessor;

(B) Is to an entity that is a member of the same affiliated group as the security holder or lessor; or

(C) Is made in connection with a transfer in bulk.

(b) The vehicle is transferred to a vehicle dealer and the vehicle will become part of the dealer's inventory for resale. Upon the transfer of a vehicle to a dealer, however, the dealer shall immediately notify the department of such transfer. This exemption from the requirement to apply for title does not apply if the department determines that application for title is necessary in order to comply with odometer disclosure requirements. If the department determines that application for title is not required, it may require filing of documents under ORS 803.126.

(c) The vehicle is to be titled in another jurisdiction.

(d) The vehicle has been totaled, wrecked, dismantled, disassembled, substantially altered or destroyed, in which case the provisions of ORS 819.010, 819.012, 819.014 or 822.135 relating to notice and surrender of title documents shall be complied with.

(e) The transfer involves the creation or termination of a leasehold interest in a vehicle that is proportionally registered under ORS 826.009 or 826.011, if the department is furnished with satisfactory proof of the lease.

(3) Except as provided in subsection (2) of this section, the transferee shall:

(a) Submit an application that meets requirements for title under ORS 803.045 and 803.050 and any applicable rules of the department.

(b) Submit the title transfer [*fees*] **fee** as required under ORS 803.090.

(c) Comply with the provisions of ORS 803.065 and any applicable rules of the department under that statute and submit the duplicate or replacement title fee as provided under ORS 803.090, if the transfer includes an application for duplicate or replacement title and transfer of title.

(d) Submit an odometer disclosure containing information required by the department for the kind of transaction involved.

(e) Submit any late presentation of certificate of title fee as provided under ORS 803.090 if such fee is required under ORS 803.105.

(4) For purposes of this section:

(a) “Affiliated group” has the meaning given to the term in section 1504(a) of the Internal Revenue Code of 1986, as amended (26 U.S.C. 1504(a)).

(b) A “transfer in bulk” is:

(A) The sale or assignment of, the grant of a security interest in, or any other transfer of either a group of loans secured by vehicles, leases of vehicles or both or a participation or other interest in the group of loans;

(B) The creation of asset-backed securities or other securing of assets involving the loans or leases; or

(C) Any similar transaction involving the loans or leases.

SECTION 75. ORS 803.092, as amended by section 3, chapter 428, Oregon Laws 2023, is amended to read:

803.092. (1) Except as otherwise provided in this section, upon the transfer of any interest in a vehicle covered by an Oregon title the transferee shall submit an application for title to the Department of Transportation. Such application shall be submitted to the department within 30 days of the date of transfer of interest.

(2) Notwithstanding subsection (1) of this section, application is not required under this section when:

(a) The change involves only a change in the security interest where the security interest holder or lessor is a financial institution, a financial holding company or a bank holding company, as those terms are defined in ORS 706.008, a licensee under ORS chapter 725, or any subsidiary or affiliate of any of the foregoing and the transfer of the interest of the security interest holder or lessor:

(A) Results from the merger, conversion, reorganization, consolidation or acquisition of the security interest holder or lessor;

(B) Is to an entity that is a member of the same affiliated group as the security holder or lessor; or

(C) Is made in connection with a transfer in bulk.

(b) The vehicle is transferred to a vehicle dealer and the vehicle will become part of the dealer’s inventory for resale. Upon the transfer of a vehicle

1 to a dealer, however, the dealer shall immediately notify the department of
2 such transfer. This exemption from the requirement to apply for title does
3 not apply if the department determines that application for title is necessary
4 in order to comply with odometer disclosure requirements. If the department
5 determines that application for title is not required, it may require filing of
6 documents under ORS 803.126.

7 (c) The vehicle is to be titled in another jurisdiction.

8 (d) The vehicle has been totaled, wrecked, dismantled, disassembled, sub-
9 stantially altered or destroyed, in which case the provisions of ORS 819.010,
10 819.012, 819.014 or 822.135 relating to notice and surrender of title documents
11 shall be complied with.

12 (e) The transfer involves the creation or termination of a leasehold in-
13 terest in a vehicle that is proportionally registered under ORS 826.009 or
14 826.011, if the department is furnished with satisfactory proof of the lease.

15 (3) Except as provided in subsection (2) of this section, the transferee
16 shall:

17 (a) Submit an application that meets requirements for title under ORS
18 803.045 and 803.050 and any applicable rules of the department.

19 (b) Submit the title transfer [*fees*] **fee** as required under ORS 803.090.

20 (c) Comply with the provisions of ORS 803.065 and any applicable rules
21 of the department under that statute and submit the duplicate or replacement
22 title fee as provided under ORS 803.090, if the transfer includes an applica-
23 tion for duplicate or replacement title and transfer of title.

24 (d) Submit an odometer disclosure containing information required by the
25 department for the kind of transaction involved.

26 (e) Submit any late presentation of certificate of title fee as provided
27 under ORS 803.090 if such fee is required under ORS 803.105.

28 (4)(a) If requested on the application for title, the department shall pro-
29 vide the primary security interest holder with an electronic title. If no re-
30 quest is made on the application, the department may issue a certificate of
31 title.

(b) When the primary security interest holder receives an electronic title, within 30 days of the release of the security interest the primary security interest holder shall electronically submit the release of interest to the department in the manner provided by the department by rule.

(c) A duly certified copy of the department's electronic record of the title reflecting the lien is admissible in any civil, criminal or administrative proceeding in this state as evidence of the existence of a lien.

(d) The department shall adopt rules related to electronic application and the electronic release of liens and notice to lienholders.

(5) For purposes of this section:

(a) "Affiliated group" has the meaning given to the term in section 1504(a) of the Internal Revenue Code of 1986, as amended (26 U.S.C. 1504(a)).

(b) A "transfer in bulk" is:

(A) The sale or assignment of, the grant of a security interest in, or any other transfer of either a group of loans secured by vehicles, leases of vehicles or both or a participation or other interest in the group of loans;

(B) The creation of asset-backed securities or other securing of assets involving the loans or leases; or

(C) Any similar transaction involving the loans or leases.

SECTION 76. Section 18, chapter 30, Oregon Laws 2010, as amended by section 71L, chapter 750, Oregon Laws 2017, section 32, chapter 93, Oregon Laws 2018, and section 11, chapter 491, Oregon Laws 2019, is amended to read:

Sec. 18. The Department of Transportation shall report semiannually to the legislative committees on revenue if the Legislative Assembly is in session or, if the Legislative Assembly is not in session, to the Legislative Revenue Officer. The department's report shall include:

(1) An estimate of the amounts received in the previous two quarters from the increased taxes and fees established in ORS [803.091 and] 803.422 [and section 45, chapter 750, Oregon Laws 2017,] and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270, 825.476, 825.480 and 826.023

1 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 63, 64, 66, 67 and 70, chapter
2 750, Oregon Laws 2017, and an estimate of the projected revenue in the cur-
3 rent quarter and the next quarter from the increased taxes and fees estab-
4 lished in ORS [803.091 and] 803.422 [and section 45, chapter 750, Oregon Laws
5 2017,] and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225,
6 818.270, 825.476, 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52,
7 54, 63, 64, 66, 67 and 70, chapter 750, Oregon Laws 2017.

8 (2) An estimate of the amounts received in the previous biennium to date
9 from the increased taxes and fees established in ORS [803.091 and] 803.422
10 [and section 45, chapter 750, Oregon Laws 2017,] and the amendments to ORS
11 319.020, 319.530, 803.420, 803.645, 818.225, 818.270, 825.476, 825.480 and 826.023
12 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 63, 64, 66, 67 and 70, chapter
13 750, Oregon Laws 2017, and an estimate of the projected revenue in the re-
14 maining current biennium from the increased taxes and fees established in
15 ORS [803.091 and] 803.422 [and section 45, chapter 750, Oregon Laws 2017,]
16 and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270,
17 825.476, 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 63,
18 64, 66, 67 and 70, chapter 750, Oregon Laws 2017.

19 (3) Information about the expenditures and distributions made under ORS
20 367.095, including but not limited to:

21 (a) Information about the department's total funds as well as the funds
22 raised separately by the increased taxes and fees established in ORS [803.091
23 and] 803.422 [and section 45, chapter 750, Oregon Laws 2017,] and the
24 amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270, 825.476,
25 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 63, 64, 66,
26 67 and 70, chapter 750, Oregon Laws 2017, and expended as described in ORS
27 367.095 (3).

28 (b) Semiannual amounts that include all the actual and forecasted ex-
29 penditures and distributions made under ORS 367.095 for each quarter of the
30 current biennium and the forecasted expenditures and distributions for the
31 following biennium.

SECTION 77. Section 45, chapter 750, Oregon Laws 2017, as amended by section 43, chapter 93, Oregon Laws 2018, section 1, chapter 250, Oregon Laws 2019, and section 7, chapter 491, Oregon Laws 2019, is repealed.

SECTION 78. ORS 367.095 is amended to read:

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

(a) The amount attributable to the increase in tax rates by [*section 45, chapter 750, Oregon Laws 2017, and*] the amendments to ORS 319.020 and 319.530 by sections 40 to 43, chapter 750, Oregon Laws 2017.

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

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

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

(a)(A) \$30 million per year shall be used to pay for:

(i) The Interstate 5 Rose Quarter Project;

(ii) The Interstate 205 Improvements: Stafford Road to Oregon Route 213 Project;

(iii) The Interstate 5 Boone Bridge and Seismic Improvement Project; and

(iv) The implementation of the toll program established under ORS 383.150.

(B) The amount described in subparagraph (A) of this paragraph shall be used to pay for costs, including project costs on a current basis and paying for debt service on bonds issued to finance the projects or toll program, only until the later of the date on which the projects or toll program is completed or on which all bonds issued to fund the projects or toll program have been repaid. Any remaining moneys shall be distributed as described in subsection

(3) of this section.

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

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

(a) 50 percent to the Department of Transportation.

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

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

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

(a) \$10 million for safety.

(b) Of the remaining balance:

(A) Forty percent for bridges.

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

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

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

SECTION 79. (1) The amendments to ORS 803.090, 803.420, 803.575, 803.645, 807.370, 818.225, 822.700, 825.141, 825.480 and 826.023 by sections 62 to 64, 66 and 68 to 72 of this 2025 Act apply to taxes and fees imposed on or after January 1, 2026.

(2) The amendments to ORS 818.225 and 825.480 by sections 65 and 67 of this 2025 Act apply to taxes and fees imposed on or after January 1, 2034.

(3) The amendments to ORS 803.090 by section 63 of this 2025 Act apply to titles issued or transferred on or after January 1, 2026.

SECTION 80. The amendments to ORS 818.225 and 825.480 by sections 65 and 67 of this 2025 Act become operative on January 1, 2034.

TRANSFER TAXES

SECTION 81. ORS 320.400 is amended to read:

320.400. As used in ORS 320.400 to 320.490 [*and 803.203*]:

(1)(a) “Bicycle” means:

(A) A vehicle that is designed to be operated on the ground on wheels for the transportation of humans and is propelled exclusively by human power; or

(B) An electric assisted bicycle as defined in ORS 801.258.

(b) “Bicycle” does not include:

(A) Carts;

(B) Durable medical equipment;

(C) In-line skates;

(D) Roller skates;

(E) Skateboards;

(F) Stand-up scooters;

(G) Strollers designed for the transportation of children;

(H) Trailer cycles or other bicycle attachments; or

(I) Wagons.

(2) “Bicycle tax” means the excise tax imposed under ORS 320.415.

(3) “New” means that a motor vehicle:

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

(b) If not equipped with an odometer, has a manufacturer’s certificate of origin or a manufacturer’s statement of origin.

(4) “Privilege tax” means the tax imposed under ORS 320.405.

(5) “Privilege tax vehicle” means a new motor vehicle that:

(a) Has a gross vehicle weight rating of 26,000 pounds or less; and

(b) Is:

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

(B) A camper as defined in ORS 801.180;

(C) A commercial bus as defined in ORS 801.200;

(D) A commercial motor vehicle as defined in ORS 801.208;

(E) A commercial vehicle as defined in ORS 801.210;

(F) A fixed load vehicle as defined in ORS 801.285;

(G) A moped as defined in ORS 801.345;

(H) A motor home as defined in ORS 801.350;

(I) A motor truck as defined in ORS 801.355;

(J) A tank vehicle as defined in ORS 801.522;

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

(L) A truck tractor as defined in ORS 801.575; or

(M) A worker transport bus as defined in ORS 801.610.

(6) “Privilege use tax” means the tax imposed under ORS 320.410.

[(2)(a)] (7)(a) “Retail sales price” means the total price paid at retail for a [taxable] **bicycle or motor** vehicle, exclusive of the amount of any excise, privilege or use tax, to a seller by a purchaser of the [taxable] **bicycle or motor** vehicle.

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

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

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

[(3)] (8) “Seller” means:

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

(b) With respect to the transfer tax and the transfer use tax, a person that sells transfer tax vehicles, whether in the course of the seller's business or otherwise.

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

[(4)] **(9)** "Taxable bicycle" means a new bicycle that has a retail sales price of \$200 or more.

[(5) "Taxable motor vehicle" means a vehicle that:]

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

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

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

[(c) Is:]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 [(7) “Transportation project taxes” means the privilege tax imposed under
2 ORS 320.405, the use tax imposed under ORS 320.410 and the excise tax im-
3 posed under ORS 320.415.]

4 (10) “Transfer sales price” means the total consideration paid or
5 otherwise agreed to by a purchaser for the transfer of ownership of a
6 transfer tax vehicle, as shown on the vehicle bill of sale submitted to
7 the Department of Transportation, exclusive of the amount of any
8 excise, privilege, transfer, sales or use tax paid with respect to the
9 transaction.

10 (11) “Transfer tax” means the tax imposed under section 83 of this
11 2025 Act.

12 (12) “Transfer tax vehicle” means a new or used motor vehicle that:

13 (a) Has a gross vehicle weight rating of 10,000 pounds or less; and

14 (b) Was sold in the transfer tax transaction for a transfer sales
15 price that is greater than \$10,000.

16 (13) “Transfer use tax” means the tax imposed under section 84 of
17 this 2025 Act.

18 (14) “Use taxes” means the privilege use tax and the transfer use
19 tax.

20 (15) “Used” means that a motor vehicle is not a new motor vehicle.

21 [(8)(a)] (16)(a) “Vehicle dealer” means:

22 (A) A person engaged in business in this state that is required to obtain
23 a vehicle dealer certificate under ORS 822.005; and

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

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

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

(B) Sells an otherwise taxable [*motor*] **privilege tax** vehicle at auction at an event described in this paragraph.

SECTION 82. Sections 83, 84 and 91 of this 2025 Act are added to and made a part of ORS 320.400 to 320.490.

SECTION 83. (1) A tax is imposed on the use of transfer tax vehicles sold in this state.

(2)(a) The tax shall be computed by multiplying the transfer sales price by:

(A) For new transfer tax vehicles, two percent.

(B) For used transfer tax vehicles, one percent.

(b) The tax may be rounded to the nearest whole cent.

(c) The tax becomes due upon each transfer of ownership of a transfer tax vehicle.

(3)(a) The tax shall be collected by the Department of Transportation from the purchaser of the transfer tax vehicle in accordance with ORS 803.045.

(b) The purchaser of the transfer tax vehicle from whom the tax is collected shall be considered the taxpayer for purposes of the tax imposed under this section.

SECTION 84. (1) A use tax is imposed on the storage, use or other consumption in this state of transfer tax vehicles purchased from any seller.

(2) The use tax shall be computed by multiplying the transfer sales price by:

(a) For new transfer tax vehicles, two percent.

(b) For used transfer tax vehicles, one percent.

(3) The use tax is a liability of the purchaser of the transfer tax vehicle.

(4) The use tax shall be reduced, but not below zero, by the amount of any privilege, excise, sales, transfer or use tax imposed by any jurisdiction on the sale, or on the storage, use or other consumption,

of the transfer tax vehicle. The reduction under this subsection shall be made only upon a showing by the purchaser that a privilege, excise, sales, transfer or use tax has been paid.

(5) The use tax shall be collected by the Department of Transportation from the purchaser of the transfer tax vehicle in accordance with ORS 803.045.

SECTION 85. ORS 320.401 is amended to read:

320.401. For purposes of ORS 315.037, any tax expenditure enacted with respect to any or all [*transportation project*] taxes **imposed under ORS 320.400 to 320.490** shall remain in continuous effect until the Legislative Assembly expressly provides otherwise.

SECTION 86. ORS 320.405, as amended by section 59 of this 2025 Act, is amended to read:

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

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

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

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

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

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

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

SECTION 87. ORS 320.410, as amended by section 60 of this 2025 Act, is amended to read:

320.410. (1) A use tax is imposed on the storage, use or other consumption in this state of [*taxable motor*] **privilege tax** vehicles purchased at retail from any seller.

(2) The use tax shall be computed at the rate of one percent of the retail sales price of the [*taxable motor*] **privilege tax** vehicle.

(3) The use tax is a liability of the purchaser of the [*taxable motor*] **privilege tax** vehicle.

(4) The use tax shall be reduced, but not below zero, by the amount of any privilege, excise, sales, **transfer** or use tax imposed by any jurisdiction on the sale, or on the storage, use or other consumption, of the [*taxable motor*] **privilege tax** vehicle. The reduction under this subsection shall be made only upon a showing by the purchaser that a privilege, excise, sales or use tax has been paid.

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

[(6) A purchaser's liability for the use tax is satisfied by a valid receipt given to the purchaser under ORS 320.420 by the seller of the taxable motor vehicle.]

(5) The use tax shall be collected by the Department of Transportation from the purchaser of the privilege tax vehicle in accordance with ORS 803.045.

SECTION 88. ORS 320.420 is amended to read:

320.420. *[(1) A seller shall collect the use tax imposed under ORS 320.410 from a purchaser of a taxable motor vehicle and give the purchaser a receipt for the use tax in the manner and form prescribed by the Department of Revenue if:]*

[(a) The seller is:]

[(A) Engaged in business in this state;]

1 *[(B) Required to collect the use tax; or]*

2 *[(C) Authorized by the department, under rules the department adopts, to*
3 *collect the use tax and, for purposes of the use tax, regarded as a seller en-*
4 *gaged in business in this state; and]*

5 *[(b) The seller makes sales of taxable motor vehicles for storage, use or*
6 *other consumption in this state that are subject to the use tax.]*

7 *[(2) A seller required to collect the use tax under this section shall collect*
8 *the tax:]*

9 *[(a) At the time of the taxable sale; or]*

10 *[(b) If the storage, use or other consumption of the taxable motor vehicle is*
11 *not taxable at the time of sale, at the time the storage, use or other consump-*
12 *tion becomes taxable.]*

13 *[(3)] (1) To ensure the proper administration of ORS 320.410 **and section***
14 ***87 of this 2025 Act**, and to prevent evasion of the use [tax] **taxes**, the fol-*
15 *lowing presumptions are established:*

16 (a) A [taxable] motor vehicle is stored, used or otherwise consumed in this
17 state if it is present in this state for private or public display or storage.

18 (b)[(A)] A [taxable] motor vehicle sold by any seller for delivery in this
19 state was sold for storage, use or other consumption in this state unless the
20 contrary is proved.

21 *[(B) The burden of proving the contrary is on the seller unless the seller*
22 *takes from the purchaser a resale certificate to the effect that the taxable motor*
23 *vehicle was purchased for resale in the ordinary course of the purchaser's*
24 *business.]*

25 *[(c)(A) A taxable motor vehicle delivered outside this state to a purchaser*
26 *known by the seller to be a resident of this state was purchased from the seller*
27 *for storage, use or other consumption in this state and stored, used or other-*
28 *wise consumed in this state unless the contrary is proved.]*

29 *[(B) The contrary may be proved by:]*

30 *[(i) A statement in writing, signed by the purchaser or an authorized agent*
31 *of the purchaser and retained by the seller, that the taxable motor vehicle was*

purchased for storage, use or other consumption exclusively at a designated point or points outside this state; or]

(2)(a) A purchaser ordinarily engaged in the business of selling motor vehicles is not liable for use taxes with respect to any motor vehicle purchased in the course of that business upon a showing of:

(A) A resale certificate related to the purchase of the motor vehicle; or

[(ii)] (B) Other evidence satisfactory to the Department of Transportation that the [taxable] motor vehicle was not purchased for storage, use or other consumption in this state.

(b) The resale certificate must be substantially in the form prescribed by the department by rule.

SECTION 89. ORS 320.425 is amended to read:

320.425. (1) Notwithstanding ORS 320.405, a seller is not liable for the privilege tax with respect to a [taxable motor] **privilege tax** vehicle that is sold to:

(a) A purchaser who is not a resident of this state; or

(b) A business if the storage, use or other consumption of the [taxable motor] **privilege tax** vehicle will occur primarily outside this state.

(2) Notwithstanding ORS 320.405, a seller is not liable for the privilege tax with respect to an otherwise taxable [motor] **privilege tax** vehicle that is sold at an event that lasts less than seven consecutive days, for which the public is charged admission and at which otherwise taxable [motor] **privilege tax** vehicles are sold at auction.

(3)(a) Notwithstanding ORS 320.405 [to 320.420] **and 320.415**, a resale certificate taken from a purchaser ordinarily engaged in the business of selling [taxable] **privilege tax** vehicles **or taxable bicycles** relieves the seller from the obligation to collect and remit [transportation project] **the respective** taxes.

(b) For purposes of this subsection, a resale certificate must be substantially in the form prescribed by the Department of Revenue by rule.

(4)(a) Notwithstanding section 83 of this 2025 Act, a purchaser ordinarily engaged in the business of selling transfer tax vehicles is not liable for the transfer tax with respect to any transfer tax vehicle purchased in the course of that business upon a showing of a resale certificate related to the purchase of the transfer tax vehicle.

(b) For purposes of this subsection, a resale certificate must be substantially in the form prescribed by the Department of Transportation by rule.

SECTION 90. ORS 320.430 is amended to read:

320.430. (1)(a) If the amount of [*transportation project taxes*] **privilege taxes or bicycle taxes** paid by a seller or purchaser exceeds the amount of taxes due, the Department of Revenue shall refund the amount of the excess.

(b) Except as provided in paragraph (c) of this subsection, the period prescribed for the department to allow or make a refund of any overpayment of [*transportation project*] **the** taxes paid shall be as provided in ORS 314.415.

(c) The department shall apply any overpayment of tax first to any amount of [*transportation project*] **the** taxes that is then outstanding.

(2)(a) This subsection applies whenever a [*taxable motor*] **privilege tax** vehicle with respect to which the privilege tax [*imposed under ORS 320.405*] has been paid by the vehicle dealer is returned by or on behalf of the purchaser to the vehicle dealer pursuant to ORS 646A.400 to 646A.418.

(b) The vehicle dealer shall notify the department of the return of the [*taxable motor*] **privilege tax** vehicle, and the department shall refund the amount of the privilege tax collected with respect to the [*taxable motor*] **privilege tax** vehicle to the vehicle dealer.

(c) Upon receipt of the refund under this subsection, the vehicle dealer shall return the amount received under paragraph (b) of this subsection to the purchaser.

SECTION 91. (1) If the amount of transfer taxes or use taxes paid by a purchaser exceeds the amount of taxes due, the Department of Transportation shall refund the amount of the excess.

(2) The department shall apply any overpayment of tax first to any amount of transfer taxes or use taxes that is then outstanding.

SECTION 92. ORS 320.435, as amended by section 60a of this 2025 Act, is amended to read:

320.435. (1) The Department of Revenue shall deposit all revenue collected from the privilege tax *[imposed under ORS 320.405 and the use tax imposed under ORS 320.410]* in a suspense account established under ORS 293.445 for the purpose of receiving the revenue. The department may pay expenses for the administration and enforcement of the privilege **tax** *[and use taxes]* out of moneys received from the privilege **tax** *[and use taxes]*. 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 privilege **tax** *[and use taxes]* as follows:

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

[(A)] **(a)** Fifty percent of the gross amount of moneys received from the privilege tax shall be transferred annually to the Railroad Fund established under ORS 824.014; and

[(B)] **(b)** Of the remaining 50 percent:

[(i)] **(A)** The greater of \$12 million or 45 percent of the moneys received shall be transferred annually to the Zero-Emission Incentive Fund established under ORS 468.449.

[(ii)] **(B)** After the transfer required under *[sub-subparagraph (i) of this subparagraph]* **subparagraph (A) of this paragraph**, the balance of the moneys shall be transferred to the Connect Oregon Fund established under ORS 367.080.

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

1 **SECTION 93.** ORS 320.440 is amended to read:

2 320.440. (1) The Department of Revenue shall deposit all revenue collected
3 from the [*excise tax imposed under ORS 320.415*] **bicycle tax** in a suspense
4 account established under ORS 293.445 for the purposes of receiving the
5 [*excise tax*] revenue. The department may pay expenses for the administration
6 and enforcement of the [*excise*] **bicycle** tax out of moneys received from the
7 [*excise*] tax. Amounts necessary to pay administrative and enforcement ex-
8 penses are continuously appropriated to the department from the suspense
9 account.

10 (2) After payment of administrative and enforcement expenses under sub-
11 section (1) of this section and refunds or credits arising from erroneous
12 overpayments, the department shall transfer the balance of the moneys re-
13 ceived from the [*excise*] **bicycle** tax to the Multimodal Active Transportation
14 Fund established under ORS 367.091 for the purpose of providing grants for
15 bicycle and pedestrian transportation projects under ORS 367.093.

16 **SECTION 94.** ORS 320.445 is amended to read:

17 320.445. (1) [*Except as otherwise provided in ORS 320.400 to 320.490 and*
18 *803.203, the use tax imposed under ORS 320.410 and*] The [*excise*] **bicycle** tax
19 [*imposed under ORS 320.415*] shall be collected at the point of sale and
20 remitted by each seller that engages in the retail sale of taxable [*vehicles*]
21 **bicycles**. [*Each*] **The bicycle** tax is considered a tax upon the seller that is
22 required to collect the tax, and the seller is considered a taxpayer.

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

30 (3) Each seller shall pay the [*applicable transportation project*] taxes to the
31 department in the form and manner prescribed by the department, but not

1 later than the date of submitting each quarterly return, without regard to
2 extensions under subsection (5) of this section.

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

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

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

14 **SECTION 95.** ORS 320.450 is amended to read:

15 320.450. (1) Every seller of [*taxable*] **privilege tax vehicles or taxable**
16 **bicycles** [*who*] **that** collects any amount of [*transportation project taxes*]
17 **privilege taxes or bicycle taxes** shall hold the amount in trust for the State
18 of Oregon and for payment to the Department of Revenue in the manner and
19 at the time provided in ORS 320.445.

20 (2) If a seller of [*taxable*] **privilege tax vehicles or taxable bicycles** fails
21 to remit any amount of [*transportation project*] **the** taxes, whether collected
22 or not, the department may enforce collection by the issuance of a distraint
23 warrant for the collection of the delinquent amount and all penalties, inter-
24 est and collection charges accrued on the delinquent amount. The warrant
25 shall be issued and proceeded upon in the same manner and shall have the
26 same force and effect as is prescribed with respect to warrants for the col-
27 lection of delinquent income taxes.

28 (3)(a) In the case of a seller that is assessed under the provisions of ORS
29 305.265 (12) and 314.407 (1), the department may issue a notice of liability to
30 any officer, employee or member of the seller at any time within three years
31 after the assessment. Within 30 days after the date on which the notice of

1 liability is mailed to the officer, employee or member, the officer, employee
2 or member shall pay the assessment, plus penalties and interest, or advise
3 the department in writing of objections to the liability and, if desired, re-
4 quest a conference. A conference shall be governed by the provisions of ORS
5 305.265 pertaining to a conference requested from a notice of deficiency.

6 (b) After a conference or, if no conference is requested, a determination
7 of the issues raised in the written objections, the department shall mail the
8 officer, employee or member a conference letter affirming, canceling or ad-
9 justing the notice of liability. Within 90 days after the date on which the
10 conference letter is mailed to the officer, employee or member, the officer,
11 employee or member shall pay the assessment, plus penalties and interest,
12 or appeal to the tax court in the manner provided for an appeal from a notice
13 of assessment.

14 (c) If the department does not receive payment or written objection to the
15 notice of liability within 30 days after the notice of liability was mailed, the
16 notice of liability becomes final. The officer, employee or member may appeal
17 the notice of liability to the tax court within 90 days after the notice became
18 final in the manner provided for an appeal from a notice of assessment.

19 (4)(a) In the case of a seller that fails to file a return on the due date, in
20 addition to any action described in the provisions of ORS 305.265 (10) and
21 314.400, the department may issue a notice of determination and assessment
22 to any officer, employee or member of the seller at any time within three
23 years after the assessment. The time of assessment against the officer, em-
24 ployee or member is 30 days after the date on which the notice of determi-
25 nation and assessment is mailed. Within 30 days after the date on which the
26 notice of determination and assessment is mailed to the officer, employee or
27 member, the officer, employee or member shall pay the assessment, plus
28 penalties and interest, or advise the department in writing of objections to
29 the assessment and, if desired, request a conference. A conference shall be
30 governed by the provisions of ORS 305.265 pertaining to a conference re-
31 quested from a notice of deficiency.

(b) After a conference or, if no conference is requested, a determination of the issues raised in the written objections, the department shall mail the officer, employee or member a conference letter affirming, canceling or adjusting the notice of determination and assessment. Within 90 days after the date on which the conference letter is mailed to the officer, employee or member, the officer, employee or member shall pay the assessment, plus penalties and interest, or appeal to the tax court in the manner provided for an appeal from a notice of assessment.

(c) If the department does not receive payment or written objection to the notice of determination and assessment within 30 days after the notice of determination and assessment was mailed, the notice of determination and assessment becomes final. The officer, employee or member may appeal the notice of determination and assessment to the tax court within 90 days after the notice became final in the manner provided for an appeal from a notice of assessment.

(5)(a) More than one officer or employee of a corporation may be held jointly and severally liable for payment of [*transportation project*] **privilege taxes or bicycle** taxes.

(b) Notwithstanding the confidentiality provisions of ORS 320.475, if the department determines that more than one officer or employee of a corporation may be held jointly and severally liable for payment of the [*transportation project*] taxes, the department may require any or all of the officers or employees to appear before the department for a joint determination of liability. The department shall notify each officer or employee of the time and place set for the determination of liability.

(c) Each individual notified of a joint determination under this subsection must appear and present such information as is necessary to establish the individual's liability or nonliability for payment of the taxes to the department. If an individual who was notified fails to appear, the department shall make the determination on the basis of all the information and evidence presented. The department's determination is binding on all individuals no-

1 tified and required to appear under this subsection.

2 (d)(A) If any individual determined to be liable for unpaid [*transportation*
3 *project*] taxes under this subsection appeals the determination to the Oregon
4 Tax Court under ORS 320.470, the individual plaintiff shall implead all in-
5 dividuals required to appear with the plaintiff before the department under
6 this subsection. The department may implead any officer or employee who
7 may be held jointly and severally liable for the payment of the [*transporta-*
8 *tion project*] taxes. Each individual impleaded under this paragraph shall be
9 made a party to the action before the tax court and shall make available to
10 the tax court the information that was presented before the department, as
11 well as other information that may be presented to the tax court.

12 (B) The tax court may determine that one or more individuals impleaded
13 under this paragraph are liable for unpaid [*transportation project*] taxes
14 without regard to any earlier determination by the department that an
15 impleaded individual was not liable for the unpaid taxes.

16 (C) If an individual required to appear before the tax court under this
17 subsection fails or refuses to appear or bring such information in part or in
18 whole, or is outside the jurisdiction of the tax court, the tax court shall
19 make its determination on the basis of all the evidence introduced. Not-
20 withstanding ORS 320.475, the evidence introduced in the tax court consti-
21 tutes a public record and shall be available to the parties and the tax court.
22 The determination of the tax court is binding on all individuals made parties
23 to the action under this subsection.

24 (e) This subsection may not be construed to preclude a determination by
25 the department or the tax court that more than one officer or employee is
26 jointly and severally liable for unpaid [*transportation project*] **privilege taxes**
27 **or bicycle** taxes.

28 **SECTION 96.** ORS 320.460 is amended to read:

29 320.460. (1)(a) A seller of [*taxable*] **privilege tax** vehicles **or taxable bi-**
30 **cycles** shall keep receipts, invoices and other pertinent records related to
31 retail sales of [*taxable*] **privilege tax** vehicles **or taxable bicycles** in the

1 form required by the Department of Revenue. Each record shall be preserved
2 for five years from the time to which the record relates, or for as long as the
3 seller retains the [taxable] **privilege tax** vehicles **or taxable bicycles** to
4 which the record relates, whichever is later.

5 (b) During the retention period and at any time prior to the destruction
6 of records, the department may give written notice to the seller not to de-
7 stroy records described in the notice without written permission of the de-
8 partment.

9 (c) Notwithstanding any other provision of law, the department shall
10 preserve reports and returns filed with the department for at least five years.

11 (2) ORS 314.425 applies to the authority of the Department of Revenue to
12 examine, or cause to be examined by an agent or representative designated
13 by the department for the purpose, any books, papers, records or memoranda
14 bearing upon the matter required to be included in any return required under
15 ORS [320.400 to 320.490 and 803.203] **320.445** for the purpose of ascertaining
16 the correctness of the return or for the purpose of making an estimate of the
17 taxable sales of the taxpayer.

18 **SECTION 97.** ORS 320.465 is amended to read:

19 320.465. (1) The Department of Revenue may, by order or subpoena to be
20 served with the same force and effect and in the same manner as a subpoena
21 is served in a civil action in the circuit court or the Oregon Tax Court, re-
22 quire the production at any time and place the department designates of any
23 books, papers, accounts or other information necessary to carry out ORS
24 320.400 to 320.490 [and 803.203]. The department may require the attendance
25 of any individual having knowledge in the premises, and may take testimony
26 and require proof material for the information, with power to administer
27 oaths to the individual.

28 (2)(a) If an individual fails to comply with a subpoena or order of the
29 department or to produce or permit the examination or inspection of any
30 books, papers, records and equipment pertinent to an investigation or inquiry
31 under ORS 320.400 to 320.490 [and 803.203], or to testify to any matter re-

1 garding which the individual is lawfully interrogated, the department may
2 apply to the Oregon Tax Court or to the circuit court of the county in which
3 the individual resides or where the individual is for an order to the indi-
4 vidual to attend and testify or otherwise comply with the demand or request
5 of the department.

6 (b) The department shall apply to the court by ex parte motion, upon
7 which the court shall make an order requiring the individual against whom
8 the motion is directed to comply with the request or demand of the depart-
9 ment within 10 days after the service of the order, or within the additional
10 time granted by the court, or to justify the failure within that time. The
11 order shall be served upon the individual to whom it is directed in the
12 manner required by this state for service of process, which is required to
13 confer jurisdiction upon the court.

14 (3) Failure to obey any order issued by the court under this section is
15 contempt of court.

16 (4) The remedy provided by this section is in addition to other remedies,
17 civil or criminal, existing under the tax laws or other laws of this state.

18 **SECTION 98.** ORS 320.470 is amended to read:

19 320.470. (1) Notwithstanding the confidentiality provisions of ORS 320.475,
20 the Department of Revenue may disclose information received under ORS
21 320.400 to 320.490 [*and 803.203*] to the Department of Transportation for the
22 purposes of carrying out the provisions of ORS [*320.405, 320.410 and*
23 *803.203*] **320.400 to 320.490.**

24 (2) The Department of Transportation may disclose information obtained
25 under ORS 320.410 and 803.203 **and sections 83 and 84 of this 2025 Act** to
26 the Department of Revenue for the purposes of carrying out the provisions
27 of ORS 320.400 to 320.490 [*and 803.203*].

28 (3) [*Any*] **An** officer or employee of the Department of Transportation to
29 whom information is disclosed under subsection (1) of this section is not re-
30 quired to execute a certificate under ORS 314.840 (3)(a).

31 (4) Except as otherwise provided in ORS 320.400 to 320.490 [*and 803.203*],

a person aggrieved by an act or determination of the Department of Revenue or its authorized agent under ORS 320.400 to 320.490 [*and 803.203*] may appeal, within 90 days after the act or determination, to the Oregon Tax Court in the manner provided in ORS 305.404 to 305.560. These appeal rights are the exclusive remedy available to determine the person's liability for the [*transportation project taxes*] **privilege tax or the bicycle tax**.

SECTION 99. ORS 320.475 is amended to read:

320.475. Except as otherwise provided in ORS 320.400 to 320.490 [*and 803.203*] or where the context requires otherwise, the provisions of ORS chapters 305 and 314 as to the audit and examination of returns, periods of limitation, determinations of and notices of deficiencies, assessments, collections, liens, delinquencies, claims for refund and refunds, conferences, appeals to the Oregon Tax Court, stays of collection pending appeal, confidentiality of returns and the related penalties, and the related procedures, apply to the determinations of taxes, penalties and interest under ORS 320.400 to 320.490 [*and 803.203*].

SECTION 100. ORS 320.480 is amended to read:

320.480. (1) The Department of Revenue shall administer and enforce [*ORS 320.400 to 320.490 and 803.203*] **the privilege tax and the bicycle tax**.

(2) The department may adopt or establish rules and procedures that the department considers necessary or appropriate for the implementation, administration and enforcement of [*ORS 320.400 to 320.490 and 803.203*] **the privilege tax and the bicycle tax** and that are consistent with ORS 320.400 to 320.490 [*and 803.203*].

(3) The Department of Transportation [*shall*] **may** enter into [*an*] **any** agreement with the Department of Revenue **that the departments consider necessary or convenient** for purposes of the implementation, administration and enforcement [*by the Department of Transportation of those provisions of ORS 803.203, and rules or procedures adopted or established by the Department of Revenue under this section, that the Department of Transportation and the Department of Revenue determine are necessary for the effective*]

and efficient implementation, administration and enforcement of ORS 803.203] of the **privilege tax, the transfer tax, the use taxes or the bicycle tax.**

SECTION 101. ORS 320.490 is amended to read:

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

[(a)] **(A)** Authorized by statute; or

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

[(2)] **(b)** This [section] **subsection** applies to:

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

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

(2) A local government may not impose any privilege, excise, sales, transfer or use tax on or with respect to transfer tax vehicles unless the tax is:

(a) Authorized by statute; or

(b) Approved by the governing body of the local government and in effect on or before the effective date of this 2025 Act.

SECTION 102. ORS 320.455 and 320.485 are repealed.

SECTION 103. ORS 803.045 is amended to read:

803.045. (1) The Department of Transportation shall issue title for a vehicle if the applicant and the vehicle meet the following qualifications:

(a) The applicant must satisfy the department that the applicant is the owner of the vehicle and is otherwise entitled to have title issued in the applicant's name.

(b) Except as otherwise provided in ORS 803.050 (2), the applicant must submit a completed and signed application for title described in ORS 803.050.

(c) The applicant must pay the fee for issuance of a certificate of title under ORS 803.090 or the fee for issuance of title in another form, as estab-

lished by the department by rule in accordance with ORS 803.012.

(d) The applicant must pay any amount of tax imposed under ORS 320.410 or section 83 or 84 of this 2025 Act that is due with respect to the transaction in which the motor vehicle for which title is sought was purchased.

[(d)] **(e)** If the vehicle is a reconstructed vehicle or an assembled vehicle, the applicant must provide the following information in addition to any other information required under this section:

(A) The certificate of title last issued for the frame of the vehicle, a salvage title certificate issued for the vehicle or other evidence of ownership satisfactory to the department.

(B) Bills of sale for major components used to build the vehicle.

[(e)] **(f)** If the vehicle is covered by an Oregon title or salvage title certificate, the applicant shall surrender the Oregon title or salvage title certificate, submit an application as provided under ORS 803.065 or submit other evidence of ownership satisfactory to the department.

[(f)] **(g)** Unless the department adopts rules to the contrary, if the vehicle is from another jurisdiction, the applicant shall surrender to the department with the application the certificate of title issued by the other jurisdiction, if such jurisdiction requires certificates of title. If such jurisdiction does not require certificates of title, then the applicant shall surrender the registration cards.

[(g)] **(h)** If required by the department, the applicant must submit proof of ownership as described under ORS 803.205.

[(h)] **(i)** Other than a racing activity vehicle as defined in ORS 801.404, if the department has reason to believe a vehicle was not certified by the original manufacturer as conforming to federal vehicle standards, the department may require the applicant to provide proof satisfactory to the department that the vehicle conforms to federal vehicle standards.

[(i)] **(j)** Unless the vehicle is exempted from odometer disclosure requirements, the applicant shall submit an appropriate odometer disclosure form.

The department shall determine what constitutes an appropriate form in any particular situation. The department may make exceptions by rule to the requirement for submission of an odometer disclosure form.

(2) The department may not issue title for a vehicle:

(a) Required by ORS 803.210 to be inspected unless the vehicle has been inspected as described in ORS 803.212 and the inspection fee paid under ORS 803.215.

(b) If the current vehicle title, certificate, ownership document or the vehicle record available through electronic record inquiry:

(A) Has a junk status;

(B) Is a junk title, junk certificate or similar ownership document issued by another jurisdiction; or

(C) Has a junk or similar brand or notation.

(c) As prescribed in ORS 803.591.

(3) The department may adopt any rules it considers necessary for the administration of subsection (2)(a) and (b) of this section.

SECTION 104. ORS 803.203 is amended to read:

803.203. (1) A person that purchases a [*taxable motor*] **privilege tax** vehicle from a seller that is not subject to the privilege tax imposed under ORS 320.405 **or a transfer tax vehicle** may not register or title the [*taxable motor*] vehicle in Oregon unless the person provides proof that:

(a)(A) The person paid the **privilege** use tax imposed under ORS 320.410;
or

[(b)] (B) The person is not required to pay the **privilege** use tax for the reasons provided in ORS 320.410 (4) **or 320.420**; [*or*]

(b)(A) **The person paid the transfer tax imposed under section 83 of this 2025 Act; or**

(B) **The person is not required to pay the transfer tax for the reasons provided in ORS 320.425;**

(c)(A) **The person paid the transfer use tax imposed under section 84 of this 2025 Act; or**

(B) The person is not required to pay the transfer use tax for the reasons provided in ORS 320.410 (4) or 320.420; or

~~[(c)]~~ **(d)** The *[taxable motor]* vehicle was purchased and titled by a car rental company as defined in ORS 803.219 using an electronic integrator.

(2) The person shall provide the proof described in subsection (1) of this section to the Department of Transportation in the manner established by the department by rule.

SECTION 105. ORS 803.585 is amended to read:

803.585. (1) Except as otherwise provided in this section or ORS 801.041 or 801.042, the registration fees under the vehicle code are in lieu of all other taxes and licenses, except municipal license fees under regulatory ordinances, imposed on vehicles, the owners of such vehicles or the use of or any privilege related to such vehicles. Fixed load vehicles are not exempt from ad valorem taxation by this section.

(2) Travel trailers subject to registration and titling under the vehicle code are not subject to ad valorem taxation, but may be reclassified as manufactured structures and made subject to taxation as provided in ORS 308.880.

(3) This section does not apply to the privilege tax imposed under ORS 320.405, ~~[or] the~~ **privilege** use tax imposed under ORS 320.410, **the transfer tax imposed under section 83 of this 2025 Act or the transfer use tax imposed under section 84 of this 2025 Act.**

SECTION 106. ORS 822.043 is amended to read:

822.043. (1) As used in this section:

(a) “Integrator” has the meaning given that term in ORS 802.600.

(b) “Vehicle dealer” means a person issued a vehicle dealer certificate under ORS 822.020.

(2) A vehicle dealer that the Department of Transportation has designated to act as an agent of the department under ORS 802.031 may elect to prepare, submit, or prepare and submit documents necessary to:

(a) Issue or transfer a certificate of title for a vehicle;

1 (b) Register a vehicle or transfer registration of a vehicle;

2 (c) Issue a registration plate;

3 (d) Verify and clear a title;

4 (e) Perfect, release or satisfy a lien or other security interest;

5 (f) Comply with federal security requirements; or

6 (g) Render any other services for the purpose of complying with state and
7 federal laws related to the sale of a vehicle.

8 (3) A vehicle dealer who prepares any documents described in subsection
9 (2) of this section:

10 (a) May charge a purchaser of a vehicle a document processing fee for the
11 preparation of those documents.

12 (b) May not charge a purchaser of a vehicle a document processing fee
13 for the submission of any document or the issuance of a registration plate.

14 (c) May charge a purchaser of a vehicle a document processing fee for
15 performing any of the services described in subsection (2) of this section in
16 connection with preparing the documents described in subsection (2) of this
17 section.

18 (4) A purchaser of a vehicle may negotiate the amount of the document
19 processing fee with a vehicle dealer, but in no case shall the document pro-
20 cessing fee charged by a vehicle dealer under this section exceed:

21 (a) \$250, if the vehicle dealer uses an integrator; or

22 (b) \$200, if the vehicle dealer does not use an integrator.

23 (5) If a vehicle dealer charges a document processing fee under subsection
24 (4)(a) of this section, of the amount collected \$35 shall be paid to the
25 integrator.

26 (6) Unless otherwise provided by rule, if a vehicle dealer uses an
27 integrator and charges a document processing fee greater than that charged
28 for not using an integrator, the dealer must inform the purchaser of the ve-
29 hicle of the option of using an integrator to prepare the documents. The
30 purchaser may then elect whether or not to have the vehicle dealer use an
31 integrator to prepare the documents.

(7) If the purchaser of a vehicle pays a document processing fee, the vehicle dealer shall prepare and submit all documents to complete the transaction as permitted by law.

(8)(a) A vehicle dealer who collects the privilege tax imposed under ORS 320.405 from the purchaser of a [*taxable motor*] **privilege tax** vehicle may collect the privilege tax at the same time and in the same manner as the vehicle dealer collects document processing fees under this section. The amount of the privilege tax shall be in addition to and not in lieu of document processing fees collected under this section.

(b) A vehicle dealer may exclude the amount of the privilege tax from the capitalized cost and offering price of a [*taxable motor*] **privilege tax** vehicle as those terms are defined by the Department of Justice by rule.

SECTION 107. ORS 317A.100, as amended by section 26, chapter 75, Oregon Laws 2024, is amended to read:

317A.100. As used in ORS 317A.100 to 317A.158:

(1)(a) “Commercial activity” means:

(A) The total amount realized by a person, arising from transactions and activity in the regular course of the person’s trade or business, without deduction for expenses incurred by the trade or business;

(B) If received by a financial institution:

(i) If the reporting person for a financial institution is a holding company, all items of income reported on the FR Y-9 filed by the holding company;

(ii) If the reporting person for a financial institution is a bank organization, all items of income reported on the call report filed by the bank organization; and

(iii) If the reporting person for a financial institution is a nonbank financial organization, all items of income reported in accordance with generally accepted accounting principles; and

(C)(i) If received by an insurer, as reported on the statement of premiums accompanying the annual statement required under ORS 731.574 to be filed with the Director of the Department of Consumer and Business Services, all

gross direct life insurance premiums, gross direct accident and health insurance premiums and gross direct property and casualty insurance premiums; and

(ii) The gross amount of surplus lines premiums received on Oregon home state risks as shown in the report required by ORS 735.465.

(b) "Commercial activity" does not include:

(A) Interest income except:

(i) Interest on credit sales; or

(ii) Interest income, including service charges, received by financial institutions;

(B) Receipts from the sale, exchange or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code, without regard to the length of time the person held the asset;

(C) If received by an insurer, federally reinsured premiums or income from transactions between a reciprocal insurer and its attorney in fact operating under ORS 731.142;

(D) Receipts from hedging transactions, to the extent that the transactions are entered into primarily to protect a financial position, including transactions intended to manage the risk of exposure to foreign currency fluctuations that affect assets, liabilities, profits, losses, equity or investments in foreign operations, risk of exposure to interest rate fluctuations or risk of commodity price fluctuations;

(E) Proceeds received attributable to the repayment, maturity or redemption of the principal of a loan, bond, mutual fund, certificate of deposit or marketable instrument;

(F) The principal amount received under a repurchase agreement or on account of any transaction properly characterized as a loan to the person;

(G) Contributions received by a trust, plan or other arrangement, any of which is described in section 501(a) of the Internal Revenue Code, or to which title 26, subtitle A, chapter 1, subchapter (D) of the Internal Revenue Code applies;

(H) Compensation, whether current or deferred, and whether in cash or in kind, received or to be received by an employee, a former employee or the employee's legal successor for services rendered to or for an employer, including reimbursements received by or for an individual for medical or education expenses, health insurance premiums or employee expenses or on account of a dependent care spending account, legal services plan, any cafeteria plan described in section 125 of the Internal Revenue Code or any similar employee reimbursement;

(I) Proceeds received from the issuance of the taxpayer's own stock, options, warrants, puts or calls, or from the sale of the taxpayer's treasury stock;

(J) Proceeds received on the account of payments from insurance policies, including crop insurance policies, owned by the taxpayer, except those proceeds received for the loss of commercial activity;

(K) Gifts or charitable contributions received, membership dues received by trade, professional, homeowners' or condominium associations, payments received for educational courses, meetings or meals, or similar payments to a trade, professional or other similar association, and fundraising receipts received by any person when any excess receipts are donated or used exclusively for charitable purposes;

(L) Damages received as the result of litigation in excess of amounts that, if received without litigation, would be treated as commercial activity;

(M) Property, money and other amounts received or acquired by an agent on behalf of another in excess of the agent's commission, fee or other remuneration;

(N) Tax refunds from any tax program, other tax benefit recoveries and reimbursements for the tax imposed under ORS 317A.100 to 317A.158 made by entities that are part of the same unitary group as provided under ORS 317A.106, and reimbursements made by entities that are not members of a unitary group that are required to be made for economic parity among multiple owners of an entity whose tax obligation under ORS 317A.100 to

1 317A.158 is required to be reported and paid entirely by one owner, as pro-
2 vided in ORS 317A.106;

3 (O) Pension reversions;

4 (P) Contributions to capital;

5 (Q) Receipts from the sale, transfer, exchange or other disposition of mo-
6 tor vehicle fuel or any other product used for the propulsion of motor vehi-
7 cles;

8 (R) In the case of receipts from the sale of cigarettes or tobacco products
9 by a wholesale dealer, retail dealer, distributor, manufacturer or seller, an
10 amount equal to the federal and state excise taxes paid by any person on or
11 for such cigarettes or tobacco products under subtitle E of the Internal
12 Revenue Code or ORS chapter 323;

13 (S) In the case of receipts from the sale of malt beverages or wine, as
14 defined in ORS 471.001, cider, as defined in ORS 471.023 or distilled liquor,
15 as defined in ORS 471.001, by a person holding a license issued under ORS
16 chapter 471, an amount equal to the federal and state excise taxes paid by
17 any person on or for such malt beverages, wine or distilled liquor under
18 subtitle E of the Internal Revenue Code or ORS chapter 471 or 473, and any
19 amount paid to the Oregon Liquor and Cannabis Commission for sales of
20 distilled spirits by an agent appointed under ORS 471.750;

21 (T) In the case of receipts from the sale of marijuana items, as defined in
22 ORS 475C.009, by a person holding a license issued under ORS 475C.005 to
23 475C.525, an amount equal to the federal and state excise taxes paid by any
24 person on or for such marijuana items under subtitle E of the Internal Rev-
25 enue Code or ORS 475C.670 to 475C.734 and any local retail taxes authorized
26 under ORS 475C.453;

27 (U) Local taxes collected by a restaurant or other food establishment on
28 sales of meals, prepared food or beverages;

29 (V) Tips or gratuities collected by a restaurant or other food establish-
30 ment and passed on to employees;

31 (W) Receipts realized by a vehicle dealer certified under ORS 822.020 or

1 a person described in ORS 320.400 [(8)(a)(B)] **(16)(a)(B)** from the sale or other
2 transfer of a motor vehicle, as defined in ORS 801.360, to another vehicle
3 dealer for the purpose of resale by the transferee vehicle dealer, but only if
4 the sale or other transfer was based upon the transferee's need to meet a
5 specific customer's preference for a motor vehicle or is an exchange of new
6 vehicles between franchised motor vehicle dealerships;

7 (X) Registration fees or taxes collected by a vehicle dealer certified under
8 ORS 822.020 or a person described in ORS 320.400 [(8)(a)(B)] **(16)(a)(B)** at the
9 sale or other transfer of a motor vehicle, as defined in ORS 801.360, that are
10 owed to a third party by the purchaser of the motor vehicle and passed to
11 the third party by the dealer;

12 (Y) Receipts from a financial institution for services provided to the fi-
13 nancial institution in connection with the issuance, processing, servicing and
14 management of loans or credit accounts, if the financial institution and the
15 recipient of the receipts have at least 50 percent of their ownership interests
16 owned or controlled, directly or constructively through related interests, by
17 common owners;

18 (Z) In the case of amounts retained as commissions by a holder of a li-
19 cense under ORS chapter 462, an amount equal to the amounts specified un-
20 der ORS chapter 462 that must be paid to or collected by the Department of
21 Revenue as a tax and the amounts specified under ORS chapter 462 to be
22 used as purse money;

23 (AA) Receipts of residential care facilities as defined in ORS 443.400 or
24 in-home care agencies as defined in ORS 443.305, to the extent that the re-
25 cepts are derived from or received as compensation for providing services
26 to a medical assistance or Medicare recipient;

27 (BB) Dividends received;

28 (CC) Distributive income received from a pass-through entity;

29 (DD) Receipts from sales to a wholesaler in this state, if the seller re-
30 ceives certification at the time of sale from the wholesaler that the whole-
31 saler will sell the purchased property outside this state;

(EE) Receipts from the wholesale or retail sale of groceries, including receipts of a person that owns groceries at the time of sale and compensation of any consignee engaged in effecting the sale of groceries on behalf the owner of the groceries, but only to the extent that the compensation relates to grocery sales;

(FF) Receipts from transactions among members of a unitary group;

(GG) Moneys, including public purpose charge moneys collected under ORS 757.612 and moneys collected to plan for and pursue cost-effective energy efficiency resources under ORS 757.054, that are collected from customers, passed to a utility and approved by the Public Utility Commission and that support energy conservation, renewable resource acquisition and low-income assistance programs;

(HH) Moneys collected by a utility from customers for the payment of loans through on-bill financing;

(II) Surcharges collected under ORS 757.736;

(JJ) Moneys passed to a utility by the Bonneville Power Administration for the purpose of effectuating the Regional Power Act Exchange credits or pursuant to any settlement associated with the exchange credit;

(KK) Moneys collected or recovered, by entities listed in ORS 756.310, cable operators as defined in 47 U.S.C. 522(5), telecommunications carriers as defined in 47 U.S.C. 153(51) and providers of information services as defined in 47 U.S.C. 153(24), for fees payable under ORS 756.310, right-of-way fees, franchise fees, privilege taxes, federal taxes and local taxes;

(LL) Charges paid to the Residential Service Protection Fund required by chapter 290, Oregon Laws 1987;

(MM) Universal service surcharge moneys collected or recovered and paid into the universal service fund established in ORS 759.425;

(NN) Moneys collected for public purpose funding as described in ORS 759.430;

(OO) Moneys collected or recovered and paid into the federal universal service fund as determined by the Federal Communications Commission;

1 (PP) In the case of a seller or provider of telecommunications services,
2 the amount of tax imposed under ORS 403.200 for access to the emergency
3 communications system that is collected from subscribers or consumers;

4 (QQ) In the case of a transient lodging tax collector, the amount of tax
5 imposed under ORS 320.305 and of any local transient lodging tax imposed
6 upon the occupancy of transit lodging;

7 (RR) In the case of a seller of bicycles, the amount of tax imposed under
8 ORS 320.415 upon retail sales of bicycles;

9 (SS) In the case of a qualified heavy equipment provider, the amount of
10 tax imposed under ORS 307.872 upon the rental price of heavy equipment;

11 (TT) Farmer sales to an agricultural cooperative in this state that is a
12 cooperative organization described in section 1381 of the Internal Revenue
13 Code;

14 (UU) Revenue received by a business entity that is mandated by contract
15 or subcontract to be distributed to another person or entity if the revenue
16 constitutes sales commissions that are paid to a person who is not an em-
17 ployee of the business entity, including, without limitation, a split-fee real
18 estate commission;

19 (VV) Receipts from the sale of fluid milk by dairy farmers that are not
20 members of an agricultural cooperative; and

21 (WW)(i) Cost paid by a dealer for items of precious metal.

22 (ii) As used in this subparagraph, “item of precious metal” means an item
23 of gold, silver, platinum, rhodium or palladium that has been put through a
24 process of smelting or refining and that is in a state or condition that its
25 value depends on its contents and not its form.

26 (2) “Cost inputs” means:

27 (a) The cost of goods sold as calculated in arriving at federal taxable in-
28 come under the Internal Revenue Code; or

29 (b) In the case of a taxpayer that is engaged in a farming operation, as
30 defined in ORS 317A.102, and that does not report cost of goods sold for
31 federal tax purposes, the taxpayer’s operating expenses excluding labor costs.

(3) “Doing business” means engaging in any activity, whether legal or illegal, that is conducted for, or results in, the receipt of commercial activity at any time during a calendar year.

(4) “Excluded person” means any of the following:

(a) Organizations described in sections 501(c) and 501(j) of the Internal Revenue Code, unless the exemption is denied under section 501(h), (i) or (m) or under section 502, 503 or 505 of the Internal Revenue Code.

(b) Organizations described in section 501(d) of the Internal Revenue Code, unless the exemption is denied under section 502 or 503 of the Internal Revenue Code.

(c) Organizations described in section 501(e) of the Internal Revenue Code.

(d) Organizations described in section 501(f) of the Internal Revenue Code.

(e) Charitable risk pools described in section 501(n) of the Internal Revenue Code.

(f) Organizations described in section 521 of the Internal Revenue Code.

(g) Qualified state tuition programs described in section 529 of the Internal Revenue Code.

(h) Foreign or alien insurance companies, but only with respect to the underwriting profit derived from writing wet marine and transportation insurance subject to tax under ORS 731.824 and 731.828 or if an insurance company is subject to the retaliatory tax under ORS 731.854 and 731.859.

(i) Governmental entities.

(j) Any person with commercial activity that does not exceed \$750,000 for the tax year, other than a person that is part of a unitary group as provided in ORS 317A.106 with commercial activity in excess of \$750,000.

(k) Hospitals subject to assessment under ORS 414.855, long term care facilities subject to assessment under ORS 409.801 or any entity subject to assessment under ORS 414.880 or section 3 or 5, chapter 538, Oregon Laws 2017.

(L) Manufactured dwelling park nonprofit cooperatives organized under

ORS chapter 62.

(5) “Financial institution” has the meaning given that term in ORS 314.610, except that “financial institution” does not include a credit union.

(6)(a) “FR Y-9” means the consolidated or parent-only financial statements that a holding company is required to file with the Federal Reserve Board pursuant to 12 U.S.C. 1844.

(b) In the case of a holding company required to file both consolidated and parent-only financial statements, “FR Y-9” means the consolidated financial statements that the holding company is required to file.

(7) “Governmental entity” means:

(a) The United States and any of its unincorporated agencies and instrumentalities.

(b) Any incorporated agency or instrumentality of the United States wholly owned by the United States or by a corporation wholly owned by the United States.

(c) The State of Oregon and any of its unincorporated agencies and instrumentalities.

(d) Any county, city, district or other political subdivision of the state.

(e) A special government body as defined in ORS 174.117.

(f) A federally recognized Indian tribe.

(8) “Groceries” means food as defined in 7 U.S.C. 2012(k), but does not include cannabinoid edibles or marijuana seeds.

(9)(a) “Hedging transaction” means a hedging transaction as defined in section 1221 of the Internal Revenue Code or a transaction accorded hedge accounting treatment under Financial Accounting Standards Board Statement No. 133.

(b) “Hedging transaction” does not include a transaction in which an actual transfer of title of real or tangible property to another entity occurs.

(10) “Insurer” has the meaning given that term in ORS 317.010.

(11) “Internal Revenue Code,” except where the Legislative Assembly has provided otherwise, refers to the laws of the United States or to the Internal

Revenue Code as they are amended and in effect on December 31, 2023.

(12) “Labor costs” means total compensation of all employees, not to include compensation paid to any single employee in excess of \$500,000.

(13)(a) “Motor vehicle fuel or any other product used for the propulsion of motor vehicles” means:

(A) Motor vehicle fuel as defined in ORS 319.010; and

(B) Fuel the use of which in a motor vehicle is subject to taxation under ORS 319.530.

(b) “Motor vehicle fuel or any other product used for the propulsion of motor vehicles” does not mean:

(A) Electricity; or

(B) Electric batteries or any other mechanical or physical component or accessory of a motor vehicle.

(14) “Person” includes individuals, combinations of individuals of any form, receivers, assignees, trustees in bankruptcy, firms, companies, joint-stock companies, business trusts, estates, partnerships, limited liability partnerships, limited liability companies, associations, joint ventures, clubs, societies, entities organized as for-profit corporations under ORS chapter 60, C corporations, S corporations, qualified subchapter S subsidiaries, qualified subchapter S trusts, trusts, entities that are disregarded for federal income tax purposes and any other entities.

(15) “Retailer” means a person doing business by selling tangible personal property to a purchaser for a purpose other than:

(a) Resale by the purchaser of the property as tangible personal property in the regular course of business;

(b) Incorporation by the purchaser of the property in the course of regular business as an ingredient or component of real or personal property; or

(c) Consumption by the purchaser of the property in the production for sale of a new article of tangible personal property.

(16) “Taxable commercial activity” means commercial activity sourced to this state under ORS 317A.128, less any subtraction pursuant to ORS

317A.119.

(17)(a) “Taxpayer” means any person or unitary group required to register, file or pay tax under ORS 317A.100 to 317A.158.

(b) “Taxpayer” does not include excluded persons, except to the extent that a tax-exempt entity has unrelated business income as described in the Internal Revenue Code.

(18) “Tax year” means, except as otherwise provided in ORS 317A.103, a taxpayer’s annual accounting period used for federal income tax purposes under section 441 of the Internal Revenue Code.

(19)(a) “Unitary business” means a business enterprise in which there exists directly or indirectly between the members or parts of the enterprise a sharing or exchange of value as demonstrated by:

(A) Centralized management or a common executive force;

(B) Centralized administrative services or functions resulting in economies of scale; or

(C) Flow of goods, capital resources or services demonstrating functional integration.

(b) “Unitary business” may include a business enterprise the activities of which:

(A) Are in the same general line of business, such as manufacturing, wholesaling or retailing; or

(B) Constitute steps in a vertically integrated process, such as the steps involved in the production of natural resources, which might include exploration, mining, refining and marketing.

(20) “Unitary group” means a group of persons with more than 50 percent common ownership, either direct or indirect, that is engaged in business activities that constitute a unitary business.

(21) “Wholesaler” means a person primarily doing business by merchant distribution of tangible personal property to retailers or to other wholesalers.

SECTION 108. 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.

(e) Moneys and revenues derived from the **privilege** use tax imposed under ORS 320.410.

(f) Moneys and revenues derived from the transfer tax imposed under section 83 of this 2025 Act.

(g) Moneys and revenues derived from the transfer use tax imposed under section 84 of this 2025 Act.

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

~~[(g)]~~ **(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 109. Sections 83, 84 and 91 of this 2025 Act, the amend-

ments to ORS 317A.100, 320.400, 320.401, 320.405, 320.410, 320.420, 320.425, 320.430, 320.435, 320.440, 320.445, 320.450, 320.460, 320.465, 320.470, 320.475, 320.480, 320.490, 366.505, 803.045, 803.203, 803.585 and 822.043 by sections 81, 85 to 90, 92 to 101 and 103 to 108 of this 2025 Act and the repeal of ORS 320.455 and 320.485 by section 102 of this 2025 Act become operative on January 1, 2027.

USE OF REVENUES

SECTION 110. (1) The following amounts shall be distributed in the manner prescribed in this section:

(a) The amount attributable to the increase in tax rates by the amendments to ORS 319.020 and 319.530 by sections 45 and 49 of this 2025 Act.

(b) The amount attributable to the increase in taxes and fees by the amendments to ORS 803.420 and 803.090 by sections 62 and 63 of this 2025 Act.

(2) Of the moneys described in subsection (1) of this section, \$125 million per year shall be deposited by the Department of Transportation into the Anchor Project Account established in section 120 of this 2025 Act and shall be used to pay for costs, including project costs, on a current basis and to pay for debt service on bonds issued to finance transportation projects in the following order of priority:

(a) The Interstate 5 Rose Quarter Project;

(b) The Abernethy Bridge Project; and

(c) The Oregon Transportation Commission shall determine the order of completion for the following project or project phases with the remaining funds:

(A) The Interstate 205 Freeway Widening Project;

(B) The Newberg-Dundee Bypass Project; and

(C) The State Highway 22 and Center Street Bridge seismic retrofit

in the City of Salem.

(3) When the Oregon Transportation Commission determines that a project listed in subsection (2)(c) of this section is completed, the commission shall reallocate any amount remaining from the allocation made under this section to the next project or project phase on the list.

(4) Once the Oregon Transportation Commission determines that all projects listed in subsection (2)(c) of this section are completed, \$125 million each year shall be allocated as described in subsection (5) of this section.

(5) The moneys described in subsection (1) of this section that remain after the allocation of moneys described in subsection (2) of this section shall be allocated as follows:

(a) 50 percent to the Department of Transportation.

(b) 28.63 percent to counties for distribution as provided in ORS 366.762.

(c) 1.37 percent to small counties for distribution as provided in ORS 366.772 (3).

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

SECTION 111. Section 110 of this 2025 Act is amended to read:

Sec. 110. (1) The following amounts shall be distributed in the manner prescribed in this section:

(a) The amount attributable to the increase in tax rates by the amendments to ORS 319.020 and 319.530 by sections 45 and 49 of this 2025 Act.

(b) The amount attributable to the increase in taxes and fees by the amendments to ORS 803.420 and 803.090 by sections 62 and 63 of this 2025 Act.

(c) The amount attributable to the moneys and revenues derived from the transfer tax imposed under section 83 of this 2025 Act.

(d) The amount attributable to moneys and revenues derived from the transfer use tax imposed under section 84 of this 2025 Act.

1 *[(2) Of the moneys described in subsection (1) of this section, \$125 million*
 2 *per year shall be deposited by the Department of Transportation into the An-*
 3 *chor Project Account established in section 120 of this 2025 Act and shall be*
 4 *used to pay for costs, including project costs, on a current basis and to pay for*
 5 *debt service on bonds issued to finance transportation projects in the following*
 6 *order of priority:]*

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

9 **(a) \$125 million per year shall be deposited into the Great Streets**
 10 **Fund established in section 156 of this 2025 Act for the purpose of**
 11 **providing grants under section 156 of this 2025 Act.**

12 **(b) \$25 million per year shall be deposited into the Safe Routes to**
 13 **Schools Fund for the purpose of providing Safe Routes to Schools**
 14 **matching grants under ORS 184.742.**

15 **(c) \$5 million per year for the Wildlife-Vehicle Collision Reduction**
 16 **Fund established under section 117 of this 2025 Act.**

17 **(d) \$125 million per year shall be deposited by the Department of**
 18 **Transportation into the Anchor Project Account established in section**
 19 **120 of this 2025 Act and shall be used to pay for costs, including project**
 20 **costs, on a current basis and to pay for debt service on bonds issued**
 21 **to finance transportation projects in the following order of priority:**

22 **[(a)] (A) The Interstate 5 Rose Quarter Project;**

23 **[(b)] (B) The Abernethy Bridge Project; and**

24 **[(c)] (C) The Oregon Transportation Commission shall determine the order**
 25 **of completion for the following project or project phases with the remaining**
 26 **funds:**

27 **[(A)] (i) The Interstate 205 Freeway Widening Project;**

28 **[(B)] (ii) The Newberg-Dundee Bypass Project; and**

29 **[(C)] (iii) The State Highway 22 and Center Street Bridge seismic retrofit**
 30 **in the City of Salem.**

31 **(3) When the Oregon Transportation Commission determines that a**

project listed in subsection [(2)(c)] **(2)(d)** of this section is completed, the commission shall reallocate any amount remaining from the allocation made under this section to the next project on the list.

(4) Once the Oregon Transportation Commission determines that all projects listed in subsection [(2)(c)] **(2)(d)** of this section are completed, \$125 million each year shall be allocated as described in subsection (5) of this section.

(5) The moneys described in subsection (1) of this section that remain after the allocation of moneys described in subsection (2) of this section shall be allocated as follows:

(a) 50 percent to the Department of Transportation.

(b) 28.63 percent to counties for distribution as provided in ORS 366.762.

(c) 1.37 percent to small counties for distribution as provided in ORS 366.772 (3).

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

SECTION 112. The amendments to section 110 of this 2025 Act by section 111 of this 2025 Act become operative on July 1, 2027.

SECTION 113. Section 110 of this 2025 Act, as amended by section 111 of this 2025 Act, is amended to read:

Sec. 110. (1) The following amounts shall be distributed in the manner prescribed in this section:

(a) The amount attributable to the increase in tax rates by the amendments to ORS 319.020 and 319.530 by sections 45 and 49 of this 2025 Act.

(b) The amount attributable to the increase in taxes and fees by the amendments to ORS 803.420, [and] 803.090, **818.225, 825.474, 825.476 and 825.480** by sections **2, 8, 62 [and 63] to 64 and 66** of this 2025 Act.

(c) The amount attributable to the moneys and revenues derived from the transfer tax imposed under section 83 of this 2025 Act.

(d) The amount attributable to moneys and revenues derived from the transfer use tax imposed under section 84 of this 2025 Act.

(2) The amounts described in subsection (1) of this section shall be dis-

tributed in the following order and for the following purposes:

(a) \$125 million per year shall be deposited into the Great Streets Fund established in section 156 of this 2025 Act for the purpose of providing grants under section 156 of this 2025 Act.

(b) \$25 million per year shall be deposited into the Safe Routes to Schools Fund for the purpose of providing Safe Routes to Schools matching grants under ORS 184.742.

(c) \$5 million per year for the Wildlife-Vehicle Collision Reduction Fund established under section 117 of this 2025 Act.

(d) \$125 million per year shall be deposited by the Department of Transportation into the Anchor Project Account established in section 120 of this 2025 Act and shall be used to pay for costs, including project costs, on a current basis and to pay for debt service on bonds issued to finance transportation projects in the following order of priority:

(A) The Interstate 5 Rose Quarter Project;

(B) The Abernethy Bridge Project; and

(C) The Oregon Transportation Commission shall determine the order of completion for the following project or project phases with the remaining funds:

(i) The Interstate 205 Freeway Widening Project;

(ii) The Newberg-Dundee Bypass Project; and

(iii) The State Highway 22 and Center Street Bridge seismic retrofit in the City of Salem.

(3) When the Oregon Transportation Commission determines that a project listed in subsection (2)(d) of this section is completed, the commission shall reallocate any amount remaining from the allocation made under this section to the next project on the list.

(4) Once the Oregon Transportation Commission determines that all projects listed in subsection (2)(d) of this section are completed, \$125 million each year shall be allocated as described in subsection (5) of this section.

(5) The moneys described in subsection (1) of this section that remain af-

ter the allocation of moneys described in subsection (2) of this section shall be allocated as follows:

(a) 50 percent to the Department of Transportation.

(b) 28.63 percent to counties for distribution as provided in ORS 366.762.

(c) 1.37 percent to small counties for distribution as provided in ORS 366.772 (3).

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

SECTION 114. The amendments to section 110 of this 2025 Act by section 113 of this 2025 Act become operative on July 1, 2028.

SECTION 115. Section 110 of this 2025 Act, as amended by sections 111 and 113 of this 2025 Act, is amended to read:

Sec. 110. (1) The following amounts shall be distributed in the manner prescribed in this section:

(a) The amount attributable to the increase in tax rates by the amendments to ORS 319.020 and 319.530 by sections 45 and 49 of this 2025 Act.

(b) The amount attributable to the increase in taxes and fees by the amendments to ORS 803.420, 803.090, 818.225, 825.474, 825.476 and 825.480 by sections 2, **5**, 8[, 62 to 64 and 66] **and 62 to 67** of this 2025 Act.

(c) The amount attributable to the moneys and revenues derived from the transfer tax imposed under section 83 of this 2025 Act.

(d) The amount attributable to moneys and revenues derived from the transfer use tax imposed under section 84 of this 2025 Act.

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

(a) \$125 million per year shall be deposited into the Great Streets Fund established in section 156 of this 2025 Act for the purpose of providing grants under section 156 of this 2025 Act.

(b) \$25 million per year shall be deposited into the Safe Routes to Schools Fund for the purpose of providing Safe Routes to Schools matching grants under ORS 184.742.

(c) \$5 million per year for the Wildlife-Vehicle Collision Reduction Fund

established under section 117 of this 2025 Act.

(d) \$125 million per year shall be deposited by the Department of Transportation into the Anchor Project Account established in section 120 of this 2025 Act and shall be used to pay for costs, including project costs, on a current basis and to pay for debt service on bonds issued to finance transportation projects in the following order of priority:

(A) The Interstate 5 Rose Quarter Project;

(B) The Abernethy Bridge Project; and

(C) The Oregon Transportation Commission shall determine the order of completion for the following project or project phases with the remaining funds:

(i) The Interstate 205 Freeway Widening Project;

(ii) The Newberg-Dundee Bypass Project; and

(iii) The State Highway 22 and Center Street Bridge seismic retrofit in the City of Salem.

(3) When the Oregon Transportation Commission determines that a project listed in subsection (2)(d) of this section is completed, the commission shall reallocate any amount remaining from the allocation made under this section to the next project on the list.

(4) Once the Oregon Transportation Commission determines that all projects listed in subsection (2)(d) of this section are completed, \$125 million each year shall be allocated as described in subsection (5) of this section.

(5) The moneys described in subsection (1) of this section that remain after the allocation of moneys described in subsection (2) of this section shall be allocated as follows:

(a) 50 percent to the Department of Transportation.

(b) 28.63 percent to counties for distribution as provided in ORS 366.762.

(c) 1.37 percent to small counties for distribution as provided in ORS 366.772 (3).

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

SECTION 116. The amendments to section 110 of this 2025 Act by

section 115 of this 2025 Act become operative on January 1, 2034.

SECTION 117. (1) The Wildlife-Vehicle Collision Reduction Fund is established in the State Treasury, separate and distinct from the State Highway Fund. Interest earned by the Wildlife-Vehicle Collision Reduction Fund shall be credited to the fund.

(2) The Wildlife-Vehicle Collision Reduction Fund shall consist of:

(a) Amounts deposited in the fund by the Department of Transportation under section 110 of this 2025 Act;

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

(c) Other amounts deposited in the fund from any other source.

(3) Moneys in the Wildlife-Vehicle Collision Reduction Fund are continuously appropriated to the Department of Transportation for the purposes of carrying out the program established under ORS 366.161.

SECTION 118. Section 117 of this 2025 Act becomes operative on July 1, 2027.

SECTION 119. Section 71d, chapter 750, Oregon Laws 2017, is amended to read:

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

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

(a) Region one:..... \$ 249,700,000

(A) State Highway 211

1 improvements beginning where
2 the highway intersects with
3 State Highway 213 and ending
4 where the highway intersects
5 Molalla Avenue in the
6 City of Molalla
7 (B) WaNaPa Street improvements
8 in the City of Cascade
9 Locks
10 (C) Port of Hood River bridge
11 replacement environmental
12 impact study
13 (D) Columbia Boulevard
14 pedestrian safety
15 (E) Southeast Powell
16 Boulevard jurisdiction
17 transfer as described
18 under section 134, **chapter**
19 **750, Oregon Laws 2017**
20 *[of this 2017 Act]*
21 (F) Interstate 205 active traffic
22 management project
23 (G) Interstate 205 corridor
24 bottleneck project
25 (H) State Highway 217
26 Northbound project
27 (I) State Highway 217
28 Southbound project
29 (J) Improvements to Graham
30 Road where it intersects
31 with Interstate 84 in

1 the City of Troutdale

2 (b) Region 2: \$ 201,950,000

3 (A) Oregon Manufacturing

4 Innovation Center

5 Access Roads in Columbia

6 County

7 (B) Interstate 5 at the

8 Aurora-Donald interchange,

9 Phase I

10 (C) State Highway 99E in

11 the City of Halsey

12 (D) State Highway 214

13 pedestrian safety

14 improvements at the

15 intersection with

16 Jefferson Street in the

17 City of Silverton

18 (E) Territorial Highway

19 jurisdiction transfer

20 as described under

21 section 134, **chapter 750,**

22 **Oregon Laws 2017** [*of this*]

23 [*this 2017 Act*]

24 (F) U.S. Highway 20 safety

25 upgrades from the

26 City of Albany to the

27 City of Corvallis

28 [(G) *State Highway 58, adding*]

29 [*passing lanes west of the*]

30 [*City of Oakridge*]

31 [(H)] (G) State Highway 22 and Center

1 Street Bridge, seismic
2 retrofit in the City
3 of Salem
4 [(I)] (H) State Highway 99 in
5 City of Eugene
6 jurisdiction transfer
7 as described
8 under section 134,
9 **chapter 750, Oregon**
10 **Laws 2017** [of]
11 [this 2017 Act]
12 [(J)] (I) State Highway 126
13 Florence-Eugene
14 Highway for
15 environmental impact study
16 [(K)] (J) 42nd Street in the City
17 of Springfield
18 [(L)] (K) Newberg and Dundee Bypass,
19 State Highway 99W,
20 Phase II, design only
21 (c) Region 3: \$ 75 million
22 (A) Scottsburg Bridge on
23 State Highway 38 in
24 Douglas County
25 (B) Southern Oregon seismic
26 triage transportation
27 project
28 (d) Region 4: \$ 76,493,000
29 (A) U.S. Highway 97 Cooley
30 Road mid-term
31 improvements

1	(B)	U.S. Highway 97 at	
2		Terrabonne	
3	(C)	Improvements to Alder	
4		Creek Road in	
5		Wheeler County	
6	(D)	Pedestrian safety	
7		improvements	
8		in the City of Dufur	
9	(E)	Pedestrian safety	
10		improvements in the	
11		City of Prineville	
12	(F)	Tom McCall Road	
13		roundabout	
14	(G)	Pedestrian safety	
15		improvements	
16		in the City of Arlington	
17	(e)	Region 5:	\$ 43,647,000
18	(A)	Port of Umatilla Road	
19	(B)	Hermiston North First	
20		Place Project in the	
21		City of Hermiston	
22	(C)	State Highway 30 and	
23		Hughes Lane intersection	
24		in Baker County	
25	(D)	Eastern Oregon Trade and	
26		Event Center access road	
27	(E)	Pedestrian safety	
28		improvements in the	
29		City of Heppner	
30	(F)	Pedestrian safety	
31		improvements in the	

1 City of Milton-Freewater
 2 (G) Columbia Development
 3 Authority Access Road
 4 (H) Pedestrian safety
 5 improvements
 6 in the City of Burns
 7 (I) Pedestrian safety
 8 improvements
 9 in the City of Irrigon
 10 (J) U.S. Highway 20 freight
 11 mobility enhancements
 12 (K) Cedar Street and Hughes
 13 Lane enhancements in
 14 Baker County

15
 16 (3)(a) When the commission determines that a project described in this
 17 section is completed, the commission shall reallocate any amount remaining
 18 from the allocation made under this section to another project described in
 19 the same region.

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

24 (4) The amounts described in this section for jurisdiction transfers de-
 25 scribed in section 134, **chapter 750, Oregon Laws 2017**, [*of this 2017 Act*]
 26 may not be allocated until after the transfer for which the allocation is
 27 dedicated occurs.

28 **SECTION 120. (1) The Anchor Project Account is created within the**
 29 **State Highway Fund. Moneys in the account are continuously appro-**
 30 **priated to the Department of Transportation. Interest on the account**
 31 **is credited to the State Highway Fund.**

1 **(2) The account consists of:**

2 **(a) Amounts deposited in the fund under section 110 of this 2025 Act;**

3 **(b) Amounts appropriated or otherwise transferred to the fund by**
4 **the Legislative Assembly; and**

5 **(c) Other amounts deposited in the fund from any other source.**

6 **(3) The funds in the account shall be used by the department in**
7 **carrying out the purposes for which the funds were received under**
8 **section 110 (2)(c) of this 2025 Act.**

9 **SECTION 120a.** Section 120 of this 2025 Act is amended to read:

10 **Sec. 120.** (1) The Anchor Project Account is created within the State
11 Highway Fund. Moneys in the account are continuously appropriated to the
12 Department of Transportation. Interest on the account is credited to the
13 State Highway Fund.

14 (2) The account consists of:

15 (a) Amounts deposited in the fund under section 110 of this 2025 Act;

16 (b) Amounts appropriated or otherwise transferred to the fund by the
17 Legislative Assembly; and

18 (c) Other amounts deposited in the fund from any other source.

19 (3) The funds in the account shall be used by the department in carrying
20 out the purposes for which the funds were received under section 110
21 [(2)(c)] **(2)(d)** of this 2025 Act.

22 **SECTION 120b.** **The amendments to section 120 of this 2025 Act by**
23 **section 120a of this 2025 Act become operative on July 1, 2027.**

24 **SECTION 121.** ORS 366.772 is amended to read:

25 366.772. (1) Not later than July 31 in each calendar year, the sum of
26 \$5,500,000 shall be withdrawn from the appropriation specified in ORS 366.762
27 and the sum of \$250,000 shall be withdrawn from moneys available to the
28 Department of Transportation from the State Highway Fund. The sums
29 withdrawn shall be transferred to a separate account to be administered by
30 the Department of Transportation.

31 (2) Not later than July 31 in each calendar year, the sum of \$5,750,000

shall be withdrawn from the separate account described in subsection (1) of this section and distributed to counties as follows:

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

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

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

(3) Not later than July 31 in each calendar year, moneys received under section 110 (5)(c) of this 2025 Act shall be distributed proportionally to counties with fewer than 200,000 registered vehicles based on a ratio of road miles maintained by each county to registered vehicles.

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

(a) Not a part of the state highway system;

(b) Within counties with fewer than 200,000 registered vehicles; and

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

[(4)] (5) All moneys in the account shall be allotted each year.

SECTION 122. ORS 366.805 is amended to read:

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

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

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

(2) Each year, the sum of [\$2,500,000] **\$3,000,000** shall be withdrawn from the appropriation specified in ORS 366.800 and [\$2,500,000] **\$3,000,000** shall be withdrawn from moneys available to the Department of Transportation from the State Highway Fund. The sums withdrawn shall be transferred to a separate account to be administered by the Department of Transportation. The following apply to the account described in this subsection:

(a) Money from the account shall be used only on roads:

(A) That are not a part of the state highway system, with the exception of project elements that are required to comply with federal or state law;

(B) That are within, **or under the jurisdiction of**, cities with populations of 5,000 or fewer persons; and

(C) That are inadequate for the capacity the roads serve or are in a condition detrimental to safety.

(b) To the extent moneys are available to fund whole projects, all moneys in the account shall be allocated each year.

(c) Subject to paragraph (d) of this subsection, the department shall determine annual allocation after considering applications, including project budgets, submitted by the cities to the department.

(d) The department may enter into agreements with cities upon the advice and counsel of the small city advisory committee to determine allocation based on those applications.

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

(4) For purposes of this section:

(a) Region one consists of Clackamas, Hood River, Multnomah and Washington Counties.

(b) Region two consists of Benton, Clatsop, Columbia, Lane, Lincoln, Linn, Marion, Polk, Tillamook and Yamhill Counties.

(c) Region three consists of Coos, Curry, Douglas, Jackson and Josephine Counties.

(d) Region four consists of Crook, Deschutes, Gilliam, Jefferson, Klamath, Lake, Sherman, Wasco and Wheeler Counties.

(e) Region five consists of Baker, Grant, Harney, Malheur, Morrow, Umatilla, Union and Wallowa Counties.

ROAD USAGE CHARGE

SECTION 123. Section 124 of this 2025 Act is added to and made a part of ORS 319.883 to 319.946.

SECTION 124. The recording, reporting and payment provisions of ORS 319.883 to 319.946 do not apply to a registered owner or lessee voluntarily participating in the per-mile road usage charge program for reporting periods beginning on or after July 1, 2031, until such reporting period, if any, for which the registered owner or lessee is required to participate in the per-mile road usage charge program under ORS 319.883, as amended by sections 122 and 124 of this 2025 Act.

SECTION 125. Section 124 of this 2025 Act is repealed on January 2, 2037.

SECTION 126. ORS 319.890 and section 2, chapter 428, Oregon Laws 2019, are repealed on July 1, 2031.

SECTION 127. ORS 319.883 is amended to read:

319.883. As used in ORS 319.883 to 319.946:

(1) “Delivery vehicle” means a motor vehicle that:

(a) Has a gross vehicle weight rating greater than 8,000 pounds and not more than 26,000 pounds;

1 (b) Is operated by a person required to be licensed under ORS
2 825.100;

3 (c) Is used for the delivery of e-commerce property from a fulfill-
4 ment center to addresses in Oregon; and

5 (d) Uses any source of motive power.

6 (2) “E-commerce property” means tangible personal property pur-
7 chased through electronic commerce.

8 (3)(a) “Electric delivery vehicle” means a delivery vehicle that uses
9 electricity as its only source of motive power.

10 (b) “Electric delivery vehicle” does not include any delivery vehicle
11 that is used exclusively to deliver medical goods or supplies.

12 (4) “Electric vehicle” means a motor vehicle that uses only elec-
13 tricity as its source of motive power.

14 (5) “Electronic commerce” means engaging in commercial or retail
15 transactions predominantly over the Internet or a computer network,
16 using the Internet as a platform for transacting business or facilitat-
17 ing the use of the Internet by other persons for transacting business,
18 and may be further defined by the Department of Transportation by
19 rule.

20 (6) “Fleet of delivery vehicles” or “fleet” means 10 or more delivery
21 vehicles owned or operated by a person for the purpose of:

22 (a) Delivering e-commerce property sold or otherwise transferred
23 in the course of the person’s own business; or

24 (b) Delivering, for consideration under an agreement with another
25 person, e-commerce property sold or otherwise transferred in the
26 course of the other person’s business.

27 [(1)] (7) “Fuel taxes” means motor vehicle fuel taxes imposed under ORS
28 319.010 to 319.430 and taxes imposed on the use of fuel in a motor vehicle
29 under ORS 319.510 to 319.880.

30 [(2)] (8) “Highway” has the meaning given that term in ORS 801.305.

31 [(3)] (9) “Lessee” means a person that leases a motor vehicle that is re-

quired to be registered in Oregon.

[(4)(a)] **(10)(a)** “Motor vehicle” has the meaning given that term in ORS 801.360.

(b) “Motor vehicle” does not mean a motor vehicle designed to travel with fewer than four wheels in contact with the ground.

[(5)] **(11)** “Registered owner” means a person, other than a vehicle dealer that holds a certificate issued under ORS 822.020, that is required to register a motor vehicle in Oregon.

[(6)] **(12)** “Subject vehicle” means a motor vehicle that: *[is the subject of an application approved pursuant to ORS 319.890.]*

(a) Is or will be classified as a passenger vehicle by the Department of Transportation and that is:

(A) For reporting periods beginning on or after July 1, 2026, an electric vehicle that is not a new electric vehicle;

(B) For reporting periods beginning on or after January 1, 2027:

(i) A motor vehicle described in subparagraph (A) of this paragraph; or

(ii) A new electric vehicle;

(C) For reporting periods beginning on or after July 1, 2027:

(i) A motor vehicle described in subparagraph (A) or (B) of this paragraph; or

(ii) A plug-in hybrid electric vehicle;

(D) For reporting periods beginning before July 1, 2031:

(i) A motor vehicle described in subparagraph (A), (B) or (C) of this paragraph; or

(ii) The subject of an application approved pursuant to ORS 319.890; or

(b) For reporting periods beginning on or after July 1, 2028, is an electric delivery vehicle.

(13) “Taxpayer” means:

(a) The registered owner of a subject vehicle;

1 **(b) The lessee of a subject vehicle; or**

2 **(c) The owner or operator of an electric delivery vehicle.**

3 [(7)] (14) “Vehicle dealer” means a person engaged in business in this
4 state that is required to obtain a vehicle dealer certificate under ORS
5 822.005.

6 **SECTION 128. The amendments to ORS 319.883 by section 127 of this**
7 **2025 Act become operative on July 1, 2026.**

8 **SECTION 129.** ORS 319.883, as amended by section 127 of this 2025 Act,
9 is amended to read:

10 319.883. As used in ORS 319.883 to 319.946:

11 (1) “Delivery vehicle” means a motor vehicle that:

12 (a) Has a gross vehicle weight rating greater than 8,000 pounds and not
13 more than 26,000 pounds;

14 (b) Is operated by a person required to be licensed under ORS 825.100;

15 (c) Is used for the delivery of e-commerce property from a fulfillment
16 center to addresses in Oregon; and

17 (d) Uses any source of motive power.

18 (2) “E-commerce property” means tangible personal property purchased
19 through electronic commerce.

20 (3)(a) “Electric delivery vehicle” means a delivery vehicle that uses elec-
21 tricity as its only source of motive power.

22 (b) “Electric delivery vehicle” does not include any delivery vehicle that
23 is used exclusively to deliver medical goods or supplies.

24 (4) “Electric vehicle” means a motor vehicle that uses only electricity as
25 its source of motive power.

26 (5) “Electronic commerce” means engaging in commercial or retail trans-
27 actions predominantly over the Internet or a computer network, using the
28 Internet as a platform for transacting business or facilitating the use of the
29 Internet by other persons for transacting business, and may be further de-
30 fined by the Department of Transportation by rule.

31 (6) “Fleet of delivery vehicles” or “fleet” means 10 or more delivery ve-

hicles owned or operated by a person for the purpose of:

(a) Delivering e-commerce property sold or otherwise transferred in the course of the person's own business; or

(b) Delivering, for consideration under an agreement with another person, e-commerce property sold or otherwise transferred in the course of the other person's business.

(7) "Fuel taxes" means motor vehicle fuel taxes imposed under ORS 319.010 to 319.430 and taxes imposed on the use of fuel in a motor vehicle under ORS 319.510 to 319.880.

(8) "Highway" has the meaning given that term in ORS 801.305.

(9) "Lessee" means a person that leases a motor vehicle that is required to be registered in Oregon.

(10)(a) "Motor vehicle" has the meaning given that term in ORS 801.360.

(b) "Motor vehicle" does not mean a motor vehicle designed to travel with fewer than four wheels in contact with the ground.

(11) "Registered owner" means a person, other than a vehicle dealer that holds a certificate issued under ORS 822.020, that is required to register a motor vehicle in Oregon.

(12) "Subject vehicle" means a motor vehicle that:

(a) Is or will be classified as a passenger vehicle by the Department of Transportation and that is:

(A) *[For reporting periods beginning on or after July 1, 2026,]* An electric vehicle that is not a new electric vehicle;

[(B) For reporting periods beginning on or after January 1, 2027:]

[(i) A motor vehicle described in subparagraph (A) of this paragraph; or]

[(ii)] (B) A new electric vehicle; or

[(C) For reporting periods beginning on or after July 1, 2027:]

[(i) A motor vehicle described in subparagraph (A) or (B) of this paragraph; or]

[(ii)] (C) A plug-in hybrid electric vehicle; or

[(D) For reporting periods beginning before July 1, 2031:]

1 *[(i) A motor vehicle described in subparagraph (A), (B) or (C) of this par-*
2 *agraph; or]*

3 *[(ii) The subject of an application approved pursuant to ORS 319.890; or]*

4 (b) *[For reporting periods beginning on or after July 1, 2028,]* Is an electric
5 delivery vehicle.

6 (13) “Taxpayer” means:

7 (a) The registered owner of a subject vehicle;

8 (b) The lessee of a subject vehicle; or

9 (c) The owner or operator of an electric delivery vehicle.

10 (14) “Vehicle dealer” means a person engaged in business in this state
11 that is required to obtain a vehicle dealer certificate under ORS 822.005.

12 **SECTION 130. The amendments to ORS 319.883 by section 129 of this**
13 **2025 Act become operative on July 1, 2031.**

14 **SECTION 131.** ORS 319.885 is amended to read:

15 319.885. (1)(a) Except as provided in paragraph (b) of this subsection, the
16 registered owner of a subject vehicle shall pay a per-mile road usage charge
17 for metered use by the subject vehicle of the highways in Oregon.

18 (b) During the term of a lease, the lessee of a subject vehicle shall pay
19 the per-mile road usage charge for metered use by the subject vehicle of the
20 highways in Oregon.

21 **(2)(a) Except as provided in paragraph (b) of this subsection,** the rate
22 of the per-mile road usage charge is five percent of the rate of the per-gallon
23 license tax provided in ORS 319.020 *[(1)(b)]* **(4)** in effect at the time the
24 charge becomes due.

25 **(b) Instead of paying the per-mile rate under paragraph (a) of this**
26 **section, a registered owner or lessee may elect to pay a flat annual fee**
27 **of \$340.**

28 **(3) A subject vehicle is not subject to the additional amount of**
29 **registration fees imposed under ORS 803.422.**

30 **SECTION 132. The amendments to ORS 319.885 by section 131 of this**
31 **2025 Act become operative on July 1, 2026.**

1 **SECTION 133.** ORS 319.885, as amended by section 131 of this 2025 Act,
2 is amended to read:

3 319.885. (1)(a) Except as provided in paragraph (b) **or (c)** of this sub-
4 section, the registered owner of a subject vehicle shall pay a per-mile road
5 usage charge for metered use by the subject vehicle of the highways in
6 Oregon.

7 (b) During the term of a lease, the lessee of a subject vehicle shall pay
8 the per-mile road usage charge for metered use by the subject vehicle of the
9 highways in Oregon.

10 **(c) The owner or operator of a fleet of delivery vehicles shall pay**
11 **the total amount of the per-mile road usage charge for metered use**
12 **of the highways in Oregon by all electric delivery vehicles in the owner**
13 **or operator's fleet.**

14 (2)(a) Except as provided in [*paragraph (b)*] **paragraphs (b) and (c)** of
15 this subsection, the rate of the per-mile road usage charge is five percent of
16 the rate of the per-gallon license tax provided in ORS 319.020 (4) in effect
17 at the time the charge becomes due.

18 (b) Instead of paying the per-mile rate under paragraph (a) of this section,
19 a registered owner or lessee may elect to pay a flat annual fee of \$340.

20 **(c) For an electric delivery vehicle, the rate of the per-mile road**
21 **usage charge is 10 percent of the rate of the per-gallon license tax**
22 **provided in ORS 319.020 (4) in effect at the time the charge becomes**
23 **due.**

24 (3) A subject vehicle is not subject to the additional amount of registra-
25 tion fees imposed under ORS 803.422.

26 **SECTION 134. The amendments to ORS 319.885 by section 133 of this**
27 **2025 Act become operative on July 1, 2028.**

28 **SECTION 135.** ORS 319.910 is amended to read:

29 319.910. (1) The Department of Transportation shall establish by rule re-
30 porting periods for the road usage charges imposed under ORS 319.885.

31 (2) Reporting periods established under this section may vary according

to the facts and circumstances applicable to classes of [*registered owners, lessees*] **taxpayers** and subject vehicles.

(3) In establishing reporting periods, the department shall consider:

(a) The effort required by [*registered owners or lessees*] **taxpayers** to report metered use and to pay the per-mile road usage charge;

(b) The amount of the per-mile road usage charge owed;

(c) The cost to the [*registered owner or lessee*] **taxpayer** of reporting metered use and of paying the per-mile road usage charge;

(d) The administrative cost to the department; and

(e) Other relevant factors that the department deems important.

SECTION 136. ORS 319.915 is amended to read:

319.915. (1) As used in this section:

(a) “Certified service provider” means an entity that has entered into an agreement with the Department of Transportation under ORS 367.806 for reporting metered use by a subject vehicle or for administrative services related to the collection of per-mile road usage charges and authorized employees of the entity.

(b) “Personally identifiable information” means any information that identifies or describes a person, including, but not limited to, the person’s travel pattern data, per-mile road usage charge account number, address, telephone number, electronic mail address, driver license or identification card number, registration plate number, **information related to a permit issued under section 150 of this 2025 Act**, photograph, recorded images, bank account information and credit card number.

(c) “VIN summary report” means a monthly report by the department or a certified service provider that includes a summary of all vehicle identification numbers of subject vehicles and associated total metered use during the month. The report may not include location information.

(2) Except as provided in subsections (3) and (4) of this section, personally identifiable information used for reporting metered use or for administrative services related to the collection of the per-mile road usage charge imposed

under ORS 319.885 is confidential within the meaning of ORS 192.355 (9)(a) and is a public record exempt from disclosure under ORS 192.311 to 192.478.

(3)(a) The department, a certified service provider or a contractor for a certified service provider may not disclose personally identifiable information used or developed for reporting metered use by a subject vehicle or for administrative services related to the collection of per-mile road usage charges to any person except:

(A) The [*registered owner or lessee*] **taxpayer**;

(B) A financial institution, for the purpose of collecting per-mile road usage charges owed;

(C) Employees of the department;

(D) A certified service provider;

(E) A contractor for a certified service provider, but only to the extent the contractor provides services directly related to the certified service provider's agreement with the department;

(F) An entity expressly approved **by the taxpayer** to receive the information [*by the registered owner or lessee of the subject vehicle*]; or

(G) A police officer pursuant to a valid court order based on probable cause and issued at the request of a federal, state or local law enforcement agency in an authorized criminal investigation involving a person to whom the requested information pertains.

(b) Disclosure under paragraph (a) of this subsection is limited to personally identifiable information necessary to the respective recipient's function under ORS 319.883 to 319.946.

(4)(a) Not later than 30 days after completion of payment processing, dispute resolution for a single reporting period or a noncompliance investigation, whichever is latest, the department and certified service providers shall destroy records of the location and daily metered use of subject vehicles.

(b) Notwithstanding paragraph (a) of this subsection:

(A) For purposes of traffic management and research, the department and

certified service providers may retain, aggregate and use information in the records after removing personally identifiable information.

(B) A certified service provider may retain the records if the *[registered owner or lessee]* **taxpayer** consents to the retention. Consent under this subparagraph does not entitle the department to obtain or use the records or the information contained in the records.

(C) Monthly summaries of metered use by subject vehicles may be retained in VIN summary reports by the department and certified service providers.

(5) The department, in any agreement with a certified service provider, shall provide for penalties if the certified service provider violates this section.

SECTION 137. ORS 319.920 is amended to read:

319.920. (1) On a date determined by the Department of Transportation under ORS 319.910, *[the registered owner or lessee of a subject vehicle]* a **taxpayer** shall report the metered use by the **taxpayer's** subject vehicle and pay to the department the per-mile road usage charge due under ORS 319.885 for the reporting period.

(2) Unless a *[registered owner or lessee]* **taxpayer** presents evidence in a manner approved by the department by rule that the subject vehicle has been driven outside this state, the department shall assume that all metered use reported represents miles driven by the subject vehicle on the highways in Oregon.

SECTION 138. ORS 319.925 is amended to read:

319.925. (1) The Department of Transportation shall provide a refund to a *[registered owner or lessee]* **taxpayer** that has overpaid the per-mile road usage charge imposed under ORS 319.885.

(2) The department may provide by rule that the refund under this section be granted as a credit against future per-mile road usage charges incurred by the *[registered owner or lessee]* **taxpayer**.

SECTION 139. ORS 319.930 is amended to read:

1 319.930. (1) A [*registered owner or lessee*] **taxpayer** that has paid the
2 per-mile road usage charge imposed under ORS 319.885 may apply to the
3 Department of Transportation for a refund for metered use of a road,
4 thoroughfare or property in private ownership.

5 (2) An application for a refund under this section must be submitted to
6 the department within 15 months after the date on which the per-mile road
7 usage charge for which a refund is claimed is paid.

8 (3) The application required under this section shall be in a form pre-
9 scribed by the department by rule and must include a signed statement by
10 the applicant indicating the number of miles for which the refund is claimed.

11 (4) The department may require the applicant for a refund under this
12 section to furnish any information the department considers necessary for
13 processing the application.

14 **SECTION 140.** ORS 803.422 is amended to read:

15 803.422. (1) As used in this section[,]:

16 (a) **“Electric vehicle” means a motor vehicle that uses electricity**
17 **as its only source of motive power.**

18 (b) **“Miles per gallon” or “MPG” means the distance traveled in a vehicle**
19 **powered by one gallon of fuel.**

20 (2) The Department of Transportation shall determine the combined MPG
21 ratings for each motor vehicle pursuant to a method determined by the de-
22 partment.

23 (3) Except as provided in ORS **319.885 and** 319.890 (3), in addition to the
24 registration fees prescribed under ORS 803.420 (6)(a), there shall be paid for
25 each year of the registration period, an additional amount as follows:

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

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

28 [(c)] (b) For vehicles that have a **combined** rating of 40 MPG or greater,
29 \$35.

30 [(d)] (c) For electric vehicles, \$115.

31 **SECTION 141.** The amendments to ORS 803.422 by section 140 of this

2025 Act become operative on January 1, 2026.

SECTION 142. ORS 803.422, as amended by section 140 of this 2025 Act, is amended to read:

803.422. (1) As used in this section,[:]

[(a) “*Electric vehicle*” means a motor vehicle that uses electricity as its only source of motive power.]

[(b)] “miles per gallon” or “MPG” means the distance traveled in a vehicle powered by one gallon of fuel.

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

(3) Except as provided in ORS 319.885 [*and 319.890 (3)*], in addition to the registration fees prescribed under ORS 803.420 (6)(a), there shall be paid for each year of the registration period, an additional amount as follows:

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

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

[(c) *For electric vehicles, \$115.*]

SECTION 143. The amendments to ORS 803.422 by section 142 of this 2025 Act become operative on July 1, 2031.

SECTION 144. ORS 803.445 is amended to read:

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

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

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

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

(5) A county or district may not impose a vehicle registration fee that would by itself, or in combination with any other vehicle registration fee

1 imposed under this section, exceed the sum of the fee imposed under ORS
2 803.420 (6)(a) and the fee applicable to the registered vehicle under ORS
3 803.422. The owner of any vehicle subject to multiple fees under this section
4 shall be allowed a credit or credits with respect to one or more of such fees
5 so that the total of such fees does not exceed the sum of the fee imposed
6 under ORS 803.420 (6)(a) and the fee applicable to the registered vehicle un-
7 der ORS 803.422.

8 **(6) A subject vehicle exempt under ORS 319.885 (3) from the fees**
9 **applicable under ORS 803.422 shall remain liable for any amount of**
10 **vehicle registration fee imposed by a county or a district under this**
11 **section that would be required if the exemption did not exist. As used**
12 **in this subsection, “subject vehicle” has the meaning given that term**
13 **in ORS 319.883.**

14 **SECTION 145.** ORS 801.041 is amended to read:

15 801.041. The following apply to the authority granted to counties by ORS
16 801.040 to establish registration fees for vehicles:

17 (1) An ordinance establishing registration fees under this section must
18 be enacted by the county imposing the registration fee and filed with the
19 Department of Transportation. Notwithstanding ORS 203.055 or any pro-
20 vision of a county charter, the governing body of a county with a population
21 of 350,000 or more may enact an ordinance establishing registration fees. The
22 governing body of a county with a population of less than 350,000 may enact
23 an ordinance establishing registration fees after submitting the ordinance to
24 the electors of the county for their approval. The governing body of the
25 county imposing the registration fee shall enter into an intergovernmental
26 agreement under ORS 190.010 with the department by which the department
27 shall collect the registration fees, pay them over to the county and, if nec-
28 essary, allow the credit or credits described in ORS 803.445 (5). The inter-
29 governmental agreement must state the date on which the department shall
30 begin collecting registration fees for the county.

31 (2) The authority granted by this section allows the establishment of

1 registration fees in addition to those described in ORS 803.420 and 803.422.
 2 There is no authority under this section to affect registration periods, qual-
 3 ifications, cards, plates, requirements or any other provision relating to ve-
 4 hicle registration under the vehicle code.

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

9 (a) Snowmobiles and Class I all-terrain vehicles.

10 (b) Fixed load vehicles.

11 (c) Vehicles registered under ORS 805.100 to disabled veterans.

12 (d) Vehicles registered as antique vehicles under ORS 805.010.

13 (e) Vehicles registered as vehicles of special interest under ORS 805.020.

14 (f) Government-owned or operated vehicles registered under ORS 805.040
 15 or 805.045.

16 (g) School buses or school activity vehicles registered under ORS 805.050.

17 (h) Law enforcement undercover vehicles registered under ORS 805.060.

18 (i) Vehicles registered on a proportional basis for interstate operation.

19 (j) Vehicles with a registration weight of 26,001 pounds or more described
 20 in ORS 803.420 (14)(a) or (b).

21 (k) Vehicles registered as farm vehicles under the provisions of ORS
 22 805.300.

23 (L) Travel trailers, campers and motor homes.

24 (m) Vehicles registered to an employment address as provided in ORS
 25 802.250 when the eligible public employee or household member's residence
 26 address is not within the county of the employment address. The department
 27 may adopt rules it considers necessary for the administration of this para-
 28 graph.

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

30 (4)(a) Any registration fee imposed by a county must be a fixed amount
 31 not to exceed, with respect to any vehicle class, the sum of the registration

fee established under ORS 803.420 (6)(a) and the fee applicable to the registered vehicle under ORS 803.422. For vehicles on which a flat fee is imposed under ORS 803.420, the fee must be a whole dollar amount.

(b) A subject vehicle exempt under ORS 319.885 (3) from the fees applicable under ORS 803.422 shall remain liable for any amount of vehicle registration fee imposed by a county under this section that would be required if the exemption did not exist. As used in this subsection, “subject vehicle” has the meaning given that term in ORS 319.883.

(5) Moneys from registration fees established under this section must be paid to the county establishing the registration fees as provided in ORS 802.110.

(6) Except as provided in ORS 801.044, or unless a different distribution is agreed upon by the county and the cities within the jurisdiction of the county, the county ordinance shall provide for payment of at least 40 percent of the moneys from registration fees established under this section to cities within the county.

(7) The moneys for the cities and the county shall be used for any purpose for which moneys from registration fees may be used, including the payment of debt service and costs related to bonds or other obligations issued for such purposes.

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

SECTION 146. ORS 801.042 is amended to read:

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

(1) Before the governing body of a district can impose a registration fee under this section, it must submit the proposal to the electors of the district for their approval and, if the proposal is approved, enter into an intergov-

ernmental agreement under ORS 190.010 with the governing bodies of all counties, other districts and cities with populations of over 300,000 that overlap the district. The intergovernmental agreement must state the registration fees and, if necessary, how the revenue from the fees shall be apportioned among counties and the districts. Before the governing body of a county can enter into such an intergovernmental agreement, the county shall consult with the cities in its jurisdiction.

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

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

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

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

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

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

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

1 be a fixed amount not to exceed, with respect to any vehicle class, the reg-
2 istration fee established under ORS 803.420 (6)(a) and the fee applicable to
3 the registered vehicle under ORS 803.422. For vehicles on which a flat fee
4 is imposed under ORS 803.420, the fee must be a whole dollar amount.

5 **(9) A subject vehicle exempt under ORS 319.885 (3) from the fees**
6 **applicable under ORS 803.422 shall remain liable for any amount of**
7 **vehicle registration fee imposed by a district under this section that**
8 **would be required if the exemption did not exist. As used in this sub-**
9 **section, “subject vehicle” has the meaning given that term in ORS**
10 **319.883.**

11 **SECTION 147.** Section 6, chapter 491, Oregon Laws 2019, is amended to
12 read:

13 **Sec. 6. (1)** Notwithstanding ORS 803.445 (5), a metropolitan service dis-
14 trict established under ORS chapter 268 may impose a vehicle registration
15 fee that does not exceed the sum of the fee imposed under ORS 803.420 (6)(a)
16 and the fee applicable to the registered vehicle under ORS 803.422, if the
17 vehicle registration fee is approved by the electors of the district before
18 December 31, 2022.

19 **(2) A subject vehicle exempt under ORS 319.885 (3) from the fees**
20 **applicable under ORS 803.422 shall remain liable for any amount of**
21 **vehicle registration fee imposed by a district under this section that**
22 **would be required if the exemption did not exist. As used in this sec-**
23 **tion, “subject vehicle” has the meaning given that term in ORS**
24 **319.883.**

25 **SECTION 148.** ORS 803.091 is repealed on July 1, 2026.

26 **SECTION 149.** Section 150 of this 2025 Act is added to and made a
27 part of ORS 319.883 to 319.946.

28 **SECTION 150.** (1) As used in this section, “permit tag” means a tag
29 or sticker or other form of identification that the Department of
30 Transportation considers appropriate for the purpose of showing com-
31 pliance with this section.

1 **(2) The owner or operator of a fleet of delivery vehicles shall obtain**
2 **a per-mile road usage permit from the department.**

3 **(3) The following apply to per-mile road usage permits issued under**
4 **this section:**

5 **(a) Permits issued or renewed under this section may be annual or**
6 **biennial as determined by the department by rule.**

7 **(b) The department shall assign an identification to a fleet of de-**
8 **livery vehicles and, upon payment of appropriate fees, issue permit**
9 **tags to the fleet owners or operators. The department may establish**
10 **the use of any appropriate form of identification under this paragraph**
11 **that the department considers convenient.**

12 **(c) The permit tag issued under this section shall be displayed on**
13 **any delivery vehicle to which it has been assigned by the department.**

14 **(d) Application for a per-mile road usage permit under this section**
15 **shall be in the manner determined by the department by rule.**

16 **(e) An owner or operator of a fleet shall maintain records and pro-**
17 **vide information to the department as required by the department by**
18 **rule and allow the department to audit the records of the owner or**
19 **operator and conduct inspections at any reasonable time to determine**
20 **compliance with this section and payment of the per-mile road usage**
21 **charge under ORS 319.885.**

22 **(f) Delivery vehicles shall be added to a fleet and transferred from**
23 **the fleet according to procedures established by the department by**
24 **rule.**

25 **(g) The delivery vehicles in the fleet shall be marked in compliance**
26 **with any requirement for vehicle markings the department determines**
27 **to be necessary for identification of the vehicles.**

28 **(h) The per-mile road usage permit fee for a delivery vehicle in a**
29 **fleet that is subject to this section is \$20.**

30 **(i) The department may schedule the time for payment of per-mile**
31 **road usage permit fees in any manner convenient to the department**

or to the fleet owner or operator.

(j) An owner or operator of a fleet shall comply with any rules the department adopts for the permitting of fleets of delivery vehicles under this section.

(k) The department shall establish procedures for the reporting of odometer disclosures for the delivery vehicles in a fleet on a quarterly basis. The reports shall provide any information the department determines by rule to be necessary for the administration of the per-mile road usage charge.

(4) The department shall adopt rules necessary for the administration of this section. The rules may include any provisions that increase the convenience of the administration or of the permitting process under this section.

SECTION 151. ORS 319.940 is amended to read:

319.940. (1) A person may not intentionally make a false statement in a report or refund application or when supplying other information required under ORS 319.920 or 319.930 **or section 150 of this 2025 Act.**

(2) A person may not intentionally apply for, receive or attempt to receive a refund under ORS 319.925 or 319.930 to which the person is not entitled.

(3) A person may not intentionally aid or assist another person to violate any provision of ORS 319.920, 319.925 or 319.930 **or section 150 of this 2025 Act.**

(4) A person who violates any provision of this section commits a Class A violation.

SECTION 152. ORS 815.425 is amended to read:

815.425. (1) A person commits the offense of failure to submit an odometer disclosure if the person is required by ORS 803.102, 803.370, 805.120 or 815.415 **or section 150 of this 2025 Act** to submit an odometer disclosure and the person fails to submit the required odometer disclosure.

(2) The offense described in this section, failure to submit an odometer disclosure, is a Class C misdemeanor.

SECTION 153. Section 150 of this 2025 Act and the amendments to ORS 319.910, 319.915, 319.920, 319.925, 319.930, 319.940, 367.095, 801.041, 801.042, 803.445 and 815.425 and section 18, chapter 30, Oregon Laws 2010, section 45, chapter 750, Oregon Laws 2017, and section 6, chapter 491, Oregon Laws 2019, by sections 76 to 78, 135 to 139, 144 to 147, 151 and 152 of this 2025 Act become operative on July 1, 2026.

GREAT STREETS PROGRAM AND GENERAL CHANGES

SECTION 154. Section 1, chapter 323, Oregon Laws 2023, is amended to read:

Sec. 1. (1) The [*Jurisdictional Transfer*] **Great Streets** Advisory Committee is established within the Department of Transportation.

(2) The committee consists of 11 members appointed by the Governor. The members of the committee shall include:

(a) Two members who are transportation engineers;

(b) Two members who represent cities and who have experience working on transportation projects;

(c) One member who represents a county and who has experience working on transportation projects;

(d) One member who represents a regional government and who has experience working on transportation projects;

(e) One member who represents road users;

(f) One member who represents law enforcement;

(g) One member who represents transit users;

(h) One member who represents the advisory committee on bicycle traffic established in ORS 366.112; and

(i) One member who represents the Transportation Safety Committee established in ORS 802.300.

(3) The Governor shall appoint members to the [*Jurisdictional Transfer*] **Great Streets** Advisory Committee so that there is at least one member of

the committee from each congressional district in this state.

(4) The [*Jurisdictional Transfer*] **Great Streets** Advisory Committee shall, from the jurisdictional transfer applications submitted under section 3, **chapter 323, Oregon Laws 2023** [*of this 2023 Act*]:

(a) Review the applications; and

(b) Develop a list of three jurisdictional transfers to recommend for **grant** funding **under section 157 of this 2025 Act**.

(5) The committee shall actively solicit reviews and comments from the Oregon Transportation Commission in the development of the list described in subsection (4)(b) of this section. The committee shall also shall take into consideration the following:

(a) The difference between the applicant's and the department's standards of maintenance;

(b) The amount of deferred maintenance;

(c) A description of how the highway is used in the community;

(d) The climate impact of a transfer and subsequent upgrades the applicant could provide;

(e) The potential positive impacts on historically underserved groups;

(f) The increase in multimodal transportation options provided by a transfer;

(g) A description of the safety issues that exist; and

(h) A transfer readiness assessment that may include:

(A) The interest of the community;

(B) Funding capacity of the applicant for the transfer and maintenance in the future; and

(C) The existing condition of the highway and its current state of maintenance.

(6) No later than September 15 of each [*even-numbered*] year, the [*Jurisdictional Transfer*] **Great Streets** Advisory Committee shall submit a report to the Joint Committee on Transportation, in the manner provided in ORS 192.245, **and to the Oregon Transportation Commission**, that includes:

(a) The list of jurisdictional transfers recommended for funding under subsection (4)(b) of this section[.];

(b) The list of final projects selected for grant awards under section 157 of this 2025 Act; and

(c) The status of progress on the projects awarded a grant under section 157 of this 2025 Act.

(7) The term of office of each member of the [*Jurisdictional Transfer*] **Great Streets** Advisory Committee is four years, but a member serves at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall appoint a successor whose term begins on January 1 next following. A member is eligible for reappointment. However, a member of the committee may not serve more than two terms. If there is a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the unexpired term. When a vacancy occurs in an appointment made from a congressional district, the successor shall be appointed from the congressional district for which the vacancy exists.

(8) A majority of the members of the committee constitutes a quorum for the transaction of business.

(9) Official action by the committee requires the approval of a majority of the members of the committee.

(10) The committee shall elect one of its members to serve as chairperson.

(11) The committee shall meet at times and places specified by the call of the chairperson or of a majority of the members of the committee, provided that the committee meets at least four times a year.

(12) The committee may adopt rules necessary for the operation of the committee.

(13) The Department of Transportation shall provide assistance and space for meetings as requested by the chair of the committee.

(14) Qualified members, as defined in ORS 292.495, of the advisory committee are entitled to compensation for actual and necessary travel or other expenses incurred in the performance of their official duties as specified for

qualified members of boards or commissions in ORS 292.495 (4).

SECTION 155. Section 3, chapter 323, Oregon Laws 2023, is amended to read:

Sec. 3. (1) The Department of Transportation shall adopt rules specifying the process by which a city or county may apply for inclusion on the list of jurisdictional transfers recommended for funding and submitted to the Joint Committee on Transportation under section 1, **chapter 323, Oregon Laws 2023** [of this 2023 Act].

(2) An application under this section must be on a form prescribed by the department and must include the following:

- (a) The name of the city or county;
- (b) A description of the portion of the highway to be transferred;
- (c) A desired timeline for the transfer;
- (d) The scope of the transfer;
- (e) A description of which body assumes liability during and after the transfer;
- (f) The cost to update the segment of highway transferred to a state of good repair; and
- (g) Any other information necessary or helpful to the [Jurisdictional Transfer] **Great Streets** Advisory Committee established in section 1, **chapter 323, Oregon Laws 2023**, [of this 2023 Act] in making its recommendations to the Joint Committee on Transportation.

(3) A jurisdictional transfer applicant must submit:

- (a) Plans to provide at least 20 percent of the moneys required for the jurisdictional transfer; and
- (b) A community vision plan that describes the applicant's plan for managing and improving the highway.

SECTION 156. (1) **The Great Streets Fund is established in the State Treasury, separate and distinct from the General Fund. Earnings on moneys in the Great Streets Fund shall be deposited into the fund. Moneys in the Great Streets Fund are continuously appropriated to**

the Department of Transportation for the purposes described in this section and in section 1, chapter 323, Oregon Laws 2023.

(2) The fund consists of the following:

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

(b) Earnings on moneys in the fund.

(c) Moneys from any other source.

(3) The department shall use moneys in the Great Streets Fund to provide grants as provided in section 157 of this 2025 Act.

SECTION 156a. Section 156 of this 2025 Act is amended to read:

Sec. 156. (1) The Great Streets Fund is established in the State Treasury, separate and distinct from the General Fund. Earnings on moneys in the Great Streets Fund shall be deposited into the fund. Moneys in the Great Streets Fund are continuously appropriated to the Department of Transportation for the purposes described in this section and in section 1, chapter 323, Oregon Laws 2023.

(2) The fund consists of the following:

(a) Moneys transferred to the fund under section 110 of this 2025 Act.

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

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

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

(3) The department shall use moneys in the Great Streets Fund to provide grants as provided in section 157 of this 2025 Act.

SECTION 156b. The amendments to section 156 of this 2025 Act by section 156a of this 2025 Act become operative on July 1, 2027.

SECTION 157. (1) The Department of Transportation may provide, from moneys in the Great Streets Fund established under section 156 of this 2025 Act, grants for projects identified by the Great Streets Advisory Committee under section 1 (4), chapter 323, Oregon Laws 2023.

(2) The department shall adopt rules, after consulting with the

1 **Great Streets Advisory Committee, specifying the process by which a**
2 **public body may apply for a grant under this section and prescribing**
3 **the terms and conditions of grants.**

4 **(3) The department, in consultation with the Great Streets Advisory**
5 **Committee, shall make the final selection of projects to be awarded**
6 **grants with moneys in the Great Streets Fund. The department shall**
7 **prioritize projects for grants that:**

8 **(a) Support jurisdictional transfers;**

9 **(b) Benefit facilities with:**

10 **(A) Above-average risk and rates of traffic injury or death;**

11 **(B) Limited transportation options; or**

12 **(C) A history of known safety concerns for vulnerable road users;**

13 **(c) Improve safety, access and mobility for all highway users;**

14 **(d) Combine infrastructure elements such as sidewalks, curb ramps,**
15 **crosswalks, lighting and bike lanes into coordinated projects that**
16 **promote efficient and complete highways;**

17 **(e) Reduce vehicle miles traveled and greenhouse gas emissions; or**

18 **(f) Support multimodal connectivity and regional mobility.**

19 **SECTION 158.** ORS 802.348 is amended to read:

20 802.348. (1) The Department of Transportation shall ensure that the
21 membership of advisory committees to the department reflects the racial and
22 ethnic and ability composition of this state as determined by the most recent
23 American Community Survey from the United States Census Bureau.

24 (2) Subsection (1) of this section applies to all advisory committees to the
25 department, including but not limited to:

26 (a) The Continuous Improvement Advisory Committee established in ORS
27 184.665.

28 (b) The Freight Advisory Committee established in ORS 366.212.

29 (c) The Road User Fee Task Force established in ORS 184.843.

30 (d) Any stakeholder forum established under ORS 366.215.

31 (e) The advisory committee on vehicle dealer regulation established in

ORS 802.370.

(f) The advisory committee on bicycle traffic established in ORS 366.112.

(g) The Transportation Safety Committee established in ORS 802.300.

[(h) The Jurisdictional Transfer Advisory Committee established in section 1, chapter 323, Oregon Laws 2023.]

SECTION 159. Sections 6 and 7, chapter 323, Oregon Laws 2023, are repealed.

SECTION 160. ORS 366.215 is amended to read:

366.215. (1) The Oregon Transportation Commission may select, establish, adopt, lay out, locate, alter, relocate, change and realign primary and secondary state highways, **except that the commission may not reduce the width of an existing motor vehicle travel lane on an identified freight route to less than 12 feet.**

(2) Except as provided in subsection (3) of this section, the commission may not permanently reduce the vehicle-carrying capacity of an identified freight route when altering, relocating, changing or realigning a state highway unless safety or access considerations require the reduction.

(3) A local government, as defined in ORS 174.116, may apply to the commission for an exemption from the prohibition in subsection (2) of this section. The commission shall grant the exemption if it finds that the exemption is in the best interest of the state and that freight movement is not unreasonably impeded by the exemption.

CAPTIONS

SECTION 161. The unit and section 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.