

AN ACT

HB 2041

Relating to transportation; creating new provisions; amending ORS 279.033, 366.005, 366.155, 366.215, 366.507, 366.524, 366.540, 366.541, 367.620, 803.090, 803.215, 803.420, 803.570, 807.340, 807.370, 818.225, 825.450, 825.476 and 825.480 and section 2, chapter 240, Oregon Laws 2001; repealing section 3, chapter 240, Oregon Laws 2001, section 4, chapter 669, Oregon Laws 2001, and section 3, chapter 3, Oregon Laws 2002; and providing for revenue raising that requires approval by a three-fifths majority.

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

## **CURRENT TAXES AND FEES**

**SECTION 1.** ORS 803.090 is amended to read:

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

(1) The transfer fee under ORS 803.092:

(a) For a salvage title, \$17.

(b) For a trailer over 8,000 pounds, a motor vehicle with a gross vehicle weight rating of 26,000 pounds or more or a truck tractor, \$90.

(c) For vehicles not described in paragraph (b) of this subsection, [~~\$30~~] **\$55**.

(2) The fee for issuance of a certificate of title under ORS 803.045 or 820.591:

(a) For a trailer over 8,000 pounds, a motor vehicle with a gross vehicle weight rating of 26,000 pounds or more or a truck tractor, \$90.

(b) For vehicles not described in paragraph (a) of this subsection, [~~\$30~~] **\$55**.

(3) The fee for issuance of a salvage title certificate under ORS 803.140, \$17.

(4) The fee for issuance of a duplicate or replacement certificate of title under ORS 803.065 or 820.591:

(a) For a duplicate or replacement salvage title certificate, \$17.

(b) For a trailer over 8,000 pounds, a motor vehicle with a gross vehicle weight rating of 26,000 pounds or more or a truck tractor, \$90.

(c) For a vehicle not described in paragraph (b) of this subsection, [~~\$30~~] **\$55**.

(5) The fee under subsection (4) of this section must be paid at the same time as a transfer fee under this section if application is made at the same time as application for transfer.

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

(a) For a new salvage title certificate, \$17.

(b) For a trailer over 8,000 pounds, a motor vehicle with a gross vehicle weight rating of 26,000 pounds or more or a truck tractor, \$90.

(c) For a vehicle not described in paragraph (b) of this subsection, [~~\$30~~] **\$55**.

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

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

**SECTION 2.** ORS 803.420 is amended to read:

803.420. This section establishes registration fees for vehicles. If there is uncertainty as to the classification of a vehicle for purposes of the payment of registration fees under the vehicle code, the Department of Transportation may classify the vehicle to assure that registration fees for the vehicle are the same as for vehicles the department determines to be comparable. The registration fees for the vehicle shall be those based on the classification determined by the department. Except as otherwise provided in this section, or unless the vehicle is registered quarterly, the fees described in this section are for an entire registration period for the vehicle as described under ORS 803.415. The department shall apportion any fee under this section to reflect the number of quarters registered for a vehicle registered for a quarterly registration period under ORS 803.415. The fees are payable when a vehicle is registered

and upon renewal of registration. Except as provided in ORS 801.041 (3) and 801.042 (7), the fee shall be increased by any amount established by the governing body of a county or by the governing body of a district, as defined in ORS 801.237 under ORS 801.041 or 801.042 as an additional registration fee for the vehicle. The fees for registration of vehicles are as follows:

(1) Vehicles not otherwise provided for in this section or ORS 820.580 or 821.320, [~~\$15~~] **\$27** for each year of the registration period.

(2) Mopeds, [~~\$4.50~~] **\$15** for each year of the registration period.

(3) Motorcycles, [~~\$4.50~~] **\$15** for each year of the registration period.

(4) Government-owned vehicles registered under ORS 805.040, [~~\$2~~] **\$3.50**.

(5) State-owned vehicles registered under ORS 805.045, [~~\$2~~] **\$3.50** on registration or renewal.

(6) Undercover vehicles registered under ORS 805.060, [~~\$2~~] **\$3.50** on registration or renewal.

(7) Antique vehicles registered under ORS 805.010, [~~\$30~~] **\$54**.

(8) Vehicles of special interest registered under ORS 805.020, [~~\$45~~] **\$81**.

(9) Electric vehicles and hybrid vehicles that use electricity and another source of motive power, as follows:

(a) The registration fee for an electric or hybrid vehicle not otherwise described in this subsection is [~~\$30~~] **\$27** for each year of the registration period.

(b) The registration fee for electric or hybrid vehicles that have two or three wheels is [~~\$30~~] **\$27**. This paragraph does not apply to electric or hybrid mopeds. Electric or hybrid mopeds are subject to the same registration fee as otherwise provided for mopeds under this section.

(c) The registration fees for the following electric or hybrid vehicles are the same as for comparable nonelectric vehicles described in this section plus 50 percent of such fee:

(A) Motor homes.

(B) Commercial buses.

(C) Vehicles registered as farm vehicles under ORS 805.300.

(D) Vehicles required to establish registration weight under ORS 803.430 or 826.013.

(10) Motor vehicles required to establish a registration weight under ORS 803.430 or 826.013, and commercial buses as provided in the following chart, based upon the weight submitted in the declaration of weight prepared under ORS 803.435 or 826.015:

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| Weight in Pounds | Fee                             |
|------------------|---------------------------------|
| 8,000 or less    | [ <del>\$15</del> ] <b>\$27</b> |
| 8,001 to 10,000  | [ <del>110</del> ] <b>169</b>   |
| 10,001 to 12,000 | [ <del>125</del> ] <b>192</b>   |
| 12,001 to 14,000 | [ <del>140</del> ] <b>215</b>   |
| 14,001 to 16,000 | [ <del>155</del> ] <b>238</b>   |
| 16,001 to 18,000 | [ <del>170</del> ] <b>261</b>   |
| 18,001 to 20,000 | [ <del>190</del> ] <b>291</b>   |
| 20,001 to 22,000 | [ <del>205</del> ] <b>314</b>   |
| 22,001 to 24,000 | [ <del>225</del> ] <b>345</b>   |
| 24,001 to 26,000 | [ <del>245</del> ] <b>375</b>   |
| 26,001 to 28,000 | [ <del>120</del> ] <b>184</b>   |
| 28,001 to 30,000 | [ <del>125</del> ] <b>192</b>   |
| 30,001 to 32,000 | [ <del>135</del> ] <b>207</b>   |
| 32,001 to 34,000 | [ <del>140</del> ] <b>215</b>   |
| 34,001 to 36,000 | [ <del>150</del> ] <b>230</b>   |
| 36,001 to 38,000 | [ <del>155</del> ] <b>238</b>   |
| 38,001 to 40,000 | [ <del>165</del> ] <b>253</b>   |
| 40,001 to 42,000 | [ <del>170</del> ] <b>261</b>   |
| 42,001 to 44,000 | [ <del>180</del> ] <b>276</b>   |
| 44,001 to 46,000 | [ <del>185</del> ] <b>284</b>   |
| 46,001 to 48,000 | [ <del>190</del> ] <b>291</b>   |
| 48,001 to 50,000 | [ <del>200</del> ] <b>307</b>   |

|         |    |         |       |            |
|---------|----|---------|-------|------------|
| 50,001  | to | 52,000  | [210] | <b>322</b> |
| 52,001  | to | 54,000  | [215] | <b>330</b> |
| 54,001  | to | 56,000  | [220] | <b>337</b> |
| 56,001  | to | 58,000  | [230] | <b>352</b> |
| 58,001  | to | 60,000  | [240] | <b>368</b> |
| 60,001  | to | 62,000  | [250] | <b>383</b> |
| 62,001  | to | 64,000  | [260] | <b>398</b> |
| 64,001  | to | 66,000  | [265] | <b>406</b> |
| 66,001  | to | 68,000  | [275] | <b>421</b> |
| 68,001  | to | 70,000  | [280] | <b>429</b> |
| 70,001  | to | 72,000  | [290] | <b>444</b> |
| 72,001  | to | 74,000  | [295] | <b>452</b> |
| 74,001  | to | 76,000  | [305] | <b>467</b> |
| 76,001  | to | 78,000  | [310] | <b>475</b> |
| 78,001  | to | 80,000  | [320] | <b>490</b> |
| 80,001  | to | 82,000  | [325] | <b>498</b> |
| 82,001  | to | 84,000  | [335] | <b>513</b> |
| 84,001  | to | 86,000  | [340] | <b>521</b> |
| 86,001  | to | 88,000  | [350] | <b>536</b> |
| 88,001  | to | 90,000  | [355] | <b>544</b> |
| 90,001  | to | 92,000  | [365] | <b>559</b> |
| 92,001  | to | 94,000  | [370] | <b>567</b> |
| 94,001  | to | 96,000  | [380] | <b>582</b> |
| 96,001  | to | 98,000  | [385] | <b>590</b> |
| 98,001  | to | 100,000 | [390] | <b>598</b> |
| 100,001 | to | 102,000 | [400] | <b>613</b> |
| 102,001 | to | 104,000 | [405] | <b>621</b> |
| 104,001 | to | 105,500 | [415] | <b>636</b> |

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(11)(a) Motor vehicles with a registration weight of more than 8,000 pounds that are described in ORS 825.015, that are operated by a charitable organization as described in ORS 825.017 (15), that are certified under ORS 822.205 or that are used exclusively to transport manufactured structures, as provided in the following chart:

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| Weight in Pounds |    |        | Fee   |
|------------------|----|--------|-------|
| 8,001            | to | 10,000 | \$ 50 |
| 10,001           | to | 12,000 | 60    |
| 12,001           | to | 14,000 | 65    |
| 14,001           | to | 16,000 | 75    |
| 16,001           | to | 18,000 | 80    |
| 18,001           | to | 20,000 | 90    |
| 20,001           | to | 22,000 | 95    |
| 22,001           | to | 24,000 | 105   |
| 24,001           | to | 26,000 | 110   |
| 26,001           | to | 28,000 | 120   |
| 28,001           | to | 30,000 | 125   |
| 30,001           | to | 32,000 | 135   |
| 32,001           | to | 34,000 | 140   |
| 34,001           | to | 36,000 | 150   |
| 36,001           | to | 38,000 | 155   |
| 38,001           | to | 40,000 | 165   |

|         |    |         |     |
|---------|----|---------|-----|
| 40,001  | to | 42,000  | 170 |
| 42,001  | to | 44,000  | 180 |
| 44,001  | to | 46,000  | 185 |
| 46,001  | to | 48,000  | 190 |
| 48,001  | to | 50,000  | 200 |
| 50,001  | to | 52,000  | 210 |
| 52,001  | to | 54,000  | 215 |
| 54,001  | to | 56,000  | 220 |
| 56,001  | to | 58,000  | 230 |
| 58,001  | to | 60,000  | 240 |
| 60,001  | to | 62,000  | 250 |
| 62,001  | to | 64,000  | 260 |
| 64,001  | to | 66,000  | 265 |
| 66,001  | to | 68,000  | 275 |
| 68,001  | to | 70,000  | 280 |
| 70,001  | to | 72,000  | 290 |
| 72,001  | to | 74,000  | 295 |
| 74,001  | to | 76,000  | 305 |
| 76,001  | to | 78,000  | 310 |
| 78,001  | to | 80,000  | 320 |
| 80,001  | to | 82,000  | 325 |
| 82,001  | to | 84,000  | 335 |
| 84,001  | to | 86,000  | 340 |
| 86,001  | to | 88,000  | 350 |
| 88,001  | to | 90,000  | 355 |
| 90,001  | to | 92,000  | 365 |
| 92,001  | to | 94,000  | 370 |
| 94,001  | to | 96,000  | 380 |
| 96,001  | to | 98,000  | 385 |
| 98,001  | to | 100,000 | 390 |
| 100,001 | to | 102,000 | 400 |
| 102,001 | to | 104,000 | 405 |
| 104,001 | to | 105,500 | 415 |

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(b) The owner of a vehicle described in paragraph (a) of this subsection 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, 825.015 or 825.017 (15). Registration of a vehicle described in paragraph (a) of this subsection is invalid if the vehicle is operated in any manner other than that described in the certification under this paragraph.

(12) Trailers registered under permanent registration, \$10.

(13) Fixed load vehicles as follows:

(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, [~~\$30~~] **\$54**.

(b) If no declaration of weight is submitted or if the weight of the vehicle is in excess of 3,000 pounds, \$75.

(14) Trailers for hire that are equipped with pneumatic tires made of an elastic material and that are not travel trailers, manufactured structures or trailers registered under permanent registration, [~~\$15~~] **\$27**.

(15) Trailers registered as part of a fleet under an agreement reached pursuant to ORS 802.500, the same as the fee for vehicles of the same type registered under other provisions of the Oregon Vehicle Code.

(16) Travel trailers, campers and motor homes as follows, based on length as determined under ORS 803.425:

(a) For travel trailers or campers that are 6 to 10 feet in length, [~~\$54~~] **\$81**.

(b) For travel trailers or campers over 10 feet in length, [~~\$54~~] **\$81** plus [~~\$4.50~~] **\$6.75** a foot for each foot of length over the first 10 feet.

(c) For motor homes that are 6 to 10 feet in length, [~~\$84~~] **\$126**.

(d) For motor homes over 10 feet in length, [~~\$84~~] **\$126** plus [~~\$5~~] **\$7.50** a foot for each foot of length over the first 10 feet.

(17) Special use trailers as follows, based on length as determined under ORS 803.425:

(a) For lengths 6 to 10 feet, [~~\$30~~] **\$54**.

(b) For special use trailers over 10 feet in length, [~~\$30~~] **\$54** plus \$3 a foot for each foot of length over the first 10 feet.

(18) Fees for vehicles with proportional registration under ORS 826.009, or proportioned fleet registration under ORS 826.011, are as provided 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.

(19) For any vehicle that is registered under a quarterly registration period, a minimum of \$15 for each quarter registered plus an additional fee of \$1.

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

(a) A \$2 service charge for each vehicle entered into a fleet.

(b) A \$1 service charge for each vehicle in the fleet at the time of renewal.

(21) The registration fee for vehicles with special registration for disabled veterans under ORS 805.100 is a fee of \$15.

(22) The registration fee for manufactured structures is as provided in ORS 820.580.

(23) Subject to subsection (19) of this section, the registration fee for motor vehicles registered as farm vehicles under ORS 805.300 is as follows based upon the registration weight given in the declaration of weight submitted under ORS 803.435:

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| Weight in Pounds | Fee                             |
|------------------|---------------------------------|
| 8,000 or less    | [ <del>\$15</del> ] <b>\$27</b> |
| 8,001 to 10,000  | 30                              |
| 10,001 to 12,000 | 35                              |
| 12,001 to 14,000 | 45                              |
| 14,001 to 16,000 | 50                              |
| 16,001 to 18,000 | 60                              |
| 18,001 to 20,000 | 65                              |
| 20,001 to 22,000 | 75                              |
| 22,001 to 24,000 | 80                              |
| 24,001 to 26,000 | 90                              |
| 26,001 to 28,000 | 95                              |
| 28,001 to 30,000 | 105                             |
| 30,001 to 32,000 | 110                             |
| 32,001 to 34,000 | 120                             |
| 34,001 to 36,000 | 125                             |
| 36,001 to 38,000 | 135                             |
| 38,001 to 40,000 | 140                             |
| 40,001 to 42,000 | 150                             |
| 42,001 to 44,000 | 155                             |
| 44,001 to 46,000 | 165                             |
| 46,001 to 48,000 | 170                             |
| 48,001 to 50,000 | 180                             |
| 50,001 to 52,000 | 185                             |
| 52,001 to 54,000 | 190                             |
| 54,001 to 56,000 | 200                             |
| 56,001 to 58,000 | 210                             |
| 58,001 to 60,000 | 215                             |
| 60,001 to 62,000 | 220                             |

|                    |     |
|--------------------|-----|
| 62,001 to 64,000   | 230 |
| 64,001 to 66,000   | 240 |
| 66,001 to 68,000   | 245 |
| 68,001 to 70,000   | 250 |
| 70,001 to 72,000   | 260 |
| 72,001 to 74,000   | 265 |
| 74,001 to 76,000   | 275 |
| 76,001 to 78,000   | 280 |
| 78,001 to 80,000   | 290 |
| 80,001 to 82,000   | 295 |
| 82,001 to 84,000   | 305 |
| 84,001 to 86,000   | 310 |
| 86,001 to 88,000   | 320 |
| 88,001 to 90,000   | 325 |
| 90,001 to 92,000   | 335 |
| 92,001 to 94,000   | 340 |
| 94,001 to 96,000   | 350 |
| 96,001 to 98,000   | 355 |
| 98,001 to 100,000  | 365 |
| 100,001 to 102,000 | 370 |
| 102,001 to 104,000 | 380 |
| 104,001 to 105,500 | 385 |

(24) The registration fee for school vehicles registered under ORS 805.050 is \$7.50.

(25) The registration fee for a low-speed vehicle is [~~\$60~~] **\$54**.

**SECTION 3.** ORS 818.225 is amended to read:

818.225. (1)(a) In addition to any fee for a single-trip nondivisible load permit, a person who is issued the permit or who operates a vehicle in a manner that requires the permit is liable for payment of a road use assessment fee of [~~five and two-tenths cents~~] **five and seven-tenths cents** per equivalent single-axle load mile traveled. As used in this subsection, “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. The Department of Transportation may adopt rules to standardize the determination of equivalent single-axle load computation based on average highway conditions.

(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.

(2) The department by rule may establish procedures for payment, collection and enforcement of the fees and assessments established by this chapter.

**SECTION 4.** ORS 825.476 is amended to read:

825.476.

MILEAGE TAX RATE TABLE “A”

|  |                                  |
|--|----------------------------------|
| Declared Combined<br>Weight Groups<br>(Pounds) | Fee Rates<br>Per Mile<br>(Mills) |
|--|----------------------------------|

|                  |         |              |
|------------------|---------|--------------|
| 26,001 to 28,000 | [36.4]  | <b>40.0</b>  |
| 28,001 to 30,000 | [38.6]  | <b>42.4</b>  |
| 30,001 to 32,000 | [40.3]  | <b>44.3</b>  |
| 32,001 to 34,000 | [42.1]  | <b>46.3</b>  |
| 34,001 to 36,000 | [43.8]  | <b>48.1</b>  |
| 36,001 to 38,000 | [46.0]  | <b>50.6</b>  |
| 38,001 to 40,000 | [47.8]  | <b>52.5</b>  |
| 40,001 to 42,000 | [49.5]  | <b>54.4</b>  |
| 42,001 to 44,000 | [51.3]  | <b>56.4</b>  |
| 44,001 to 46,000 | [53.0]  | <b>58.3</b>  |
| 46,001 to 48,000 | [54.8]  | <b>60.2</b>  |
| 48,001 to 50,000 | [56.6]  | <b>62.2</b>  |
| 50,001 to 52,000 | [58.7]  | <b>64.5</b>  |
| 52,001 to 54,000 | [60.9]  | <b>66.9</b>  |
| 54,001 to 56,000 | [63.1]  | <b>69.4</b>  |
| 56,001 to 58,000 | [65.8]  | <b>72.3</b>  |
| 58,001 to 60,000 | [68.8]  | <b>75.6</b>  |
| 60,001 to 62,000 | [72.3]  | <b>79.5</b>  |
| 62,001 to 64,000 | [76.3]  | <b>83.9</b>  |
| 64,001 to 66,000 | [80.7]  | <b>88.7</b>  |
| 66,001 to 68,000 | [86.4]  | <b>95.0</b>  |
| 68,001 to 70,000 | [92.5]  | <b>101.7</b> |
| 70,001 to 72,000 | [98.6]  | <b>108.4</b> |
| 72,001 to 74,000 | [104.3] | <b>114.6</b> |
| 74,001 to 76,000 | [109.6] | <b>120.5</b> |
| 76,001 to 78,000 | [114.9] | <b>126.3</b> |
| 78,001 to 80,000 | [119.7] | <b>131.6</b> |

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AXLE-WEIGHT MILEAGE  
TAX RATE TABLE "B"

| Declared Combined<br>Weight Groups<br>(Pounds) | Number of Axles        |                       |                       |                       |                       |
|--|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 5                      | 6<br>(Mills)          | 7                     | 8                     | 9 or<br>more          |
| 80,001 to 82,000                               | [123.6<br><b>135.9</b> | 113.1<br><b>124.3</b> | 105.7<br><b>116.2</b> | 100.4<br><b>110.4</b> | 94.7<br><b>104.1</b>  |
| 82,001 to 84,000                               | [127.6<br><b>140.3</b> | 114.9<br><b>126.3</b> | 107.4<br><b>118.1</b> | 101.7<br><b>111.8</b> | 96.0<br><b>105.5</b>  |
| 84,001 to 86,000                               | [131.5<br><b>144.5</b> | 117.5<br><b>129.2</b> | 109.2<br><b>120.0</b> | 103.0<br><b>113.2</b> | 97.3<br><b>107.0</b>  |
| 86,001 to 88,000                               | [135.9<br><b>149.4</b> | 120.1<br><b>132.0</b> | 110.9<br><b>121.9</b> | 104.8<br><b>115.2</b> | 98.6<br><b>108.4</b>  |
| 88,001 to 90,000                               | [141.2<br><b>155.2</b> | 123.2<br><b>135.4</b> | 112.7<br><b>123.9</b> | 106.5<br><b>117.1</b> | 100.4<br><b>110.4</b> |
| 90,001 to 92,000                               | [147.3<br><b>161.9</b> | 126.7<br><b>139.3</b> | 114.4<br><b>125.7</b> | 108.3<br><b>119.0</b> | 102.2<br><b>112.3</b> |
| 92,001 to 94,000                               | [153.9<br><b>169.2</b> | 130.2<br><b>143.1</b> | 116.2<br><b>127.7</b> | 110.0<br><b>120.9</b> | 103.5<br><b>113.8</b> |
| 94,001 to 96,000                               | [160.9<br><b>176.9</b> | 134.2<br><b>147.5</b> | 118.4<br><b>130.1</b> | 111.8<br><b>122.9</b> | 105.2<br><b>115.6</b> |
| 96,001 to 98,000                               | [168.4                 | 139.0                 | 121.0                 | 113.6                 | 107.0]                |

|                    | <b>185.1</b> | <b>152.8</b> | <b>133.0</b> | <b>124.9</b> | <b>117.6</b> |
|--------------------|--------------|--------------|--------------|--------------|--------------|
| 98,001 to 100,000  | [144.2       | 123.6        | 115.7        | 108.7]       |              |
|                    | <b>158.5</b> | <b>135.9</b> | <b>127.2</b> | <b>119.5</b> |              |
| 100,001 to 102,000 |              | [126.3       | 118.4        | 110.5]       |              |
|                    |              | <b>138.8</b> | <b>130.1</b> | <b>121.5</b> |              |
| 102,001 to 104,000 |              | [128.9       | 121.0        | 112.7]       |              |
|                    |              | <b>141.7</b> | <b>133.0</b> | <b>123.9</b> |              |
| 104,001 to 105,500 |              | [132.4       | 123.6        | 114.9]       |              |
|                    |              | <b>145.5</b> | <b>135.9</b> | <b>126.3</b> |              |

**SECTION 5.** 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 [*five dollars and fifty-five cents*] **six dollars and ten cents** for each 100 pounds of declared combined weight.

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

(2) The annual fees provided in subsections (1), (4) and (5) of this section may be paid on a monthly basis. Any carrier electing to pay fees under this method may not change an election during the same calendar year in which the election is made, but may be relieved from the payment due for any month on a motor vehicle which 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 [*four dollars and fifty-five cents*] **five dollars** for each 100 pounds of declared combined weight.

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

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

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

(5)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in operating motor vehicles in the transportation of wood chips, sawdust, barkdust, hog fuel or shavings may pay annual fees for such operation computed at the rate of [*twenty-two dollars and forty cents*] **twenty-four dollars and sixty-two cents** 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.

**BONDS**

**SECTION 6.** ORS 367.620, as amended by section 1, chapter 3, Oregon Laws 2002, is amended to read:

367.620. (1) [*Except as provided in subsection (2) of this section,*] The principal amount of Highway User Tax Bonds issued under ORS 367.615 shall be subject to the provisions of ORS 286.505 to 286.545.



(2) Highway User Tax Bonds may be issued under ORS 367.615 for the purposes described in ORS 367.622 in an aggregate principal amount sufficient to produce net proceeds of not more than \$500 million. [*The provisions of ORS 286.505 to 286.545 do not apply to bonds described in this subsection.*]

(3)(a) Highway User Tax Bonds may be issued under ORS 367.615 for bridge purposes described in section 10 (1) of this 2003 Act in an aggregate principal amount sufficient to produce net proceeds of not more than \$1.6 billion.

(b) Highway User Tax Bonds may be issued under ORS 367.615 for modernization purposes described in sections 10 (2) and 11 of this 2003 Act in an aggregate principal amount sufficient to produce net proceeds of not more than \$300 million.

(c) The Department of Transportation may designate the extent to which a series of bonds authorized under this subsection is secured and payable on a parity of lien or on a subordinate basis to existing or future Highway User Tax Bonds.

**SECTION 7.** Sections 18, 53 and 55 of this 2003 Act and the amendments to ORS 367.620 by section 6 of this 2003 Act do not impair the interests of the holders of any Highway User Tax Bonds that are outstanding on the effective date of this 2003 Act or any obligations of the agreements of the Department of Transportation's Master Highway User Tax Revenue Bond Declaration dated August 1, 2000, as amended and supplemented.

**SECTION 8.** Notwithstanding ORS 367.620 (1), the provisions of ORS 286.505 to 286.545 do not apply to bonds described in ORS 367.620 (3) for the biennium beginning July 1, 2003.

## USES OF MONEYS

**SECTION 9.** Sections 7, 10 and 11 of this 2003 Act are added to and made a part of ORS chapter 367.

**SECTION 10.** (1) Proceeds of bonds authorized under ORS 367.620 (3)(a) shall be used as follows:

(a) Replacement and repair of bridges on state highways, \$1.3 billion. The Oregon Transportation Commission shall choose projects under this paragraph that meet the criteria for freight mobility projects as defined in section 37 of this 2003 Act.

(b) Replacement and repair of bridges on county and city highways, \$300 million. The commission shall choose projects under this paragraph that meet the criteria for freight mobility projects as defined in section 37 of this 2003 Act. In determining which bridges to replace or repair under this paragraph, the commission shall consult with representatives of local governments.

(2) Except as otherwise provided in section 11 of this 2003 Act, proceeds of bonds authorized under ORS 367.620 (3)(b) shall be used for the modernization program described in ORS 366.507. The commission shall give funding priority for modernization projects funded with the proceeds of bonds authorized under ORS 367.620 (3)(b) to projects that are ready for construction.

**SECTION 11.** (1) The Oregon Transportation Commission shall use \$100 million of the net proceeds of bonds authorized under ORS 367.620 (3)(b):

(a) For the capitalizable cost of planning, development, design and construction of projects recommended by the Freight Advisory Committee created by section 2, chapter 240, Oregon Laws 2001.

(b) To provide or improve access to industrial land sites. In selecting sites under this paragraph, the commission shall consult with the Economic and Community Development Department and local governments and shall give preference to sites for which local matching moneys are available.

(c) To provide or improve access to sites where jobs can be created.

(2) Notwithstanding ORS 366.507 (4)(b), projects selected under this section need not be equitably distributed throughout the state.

**SECTION 12.** (1) In order to facilitate the replacement and repair of bridges described in section 10 of this 2003 Act, the Department of Transportation, after consultation with affected road authorities, may designate temporary detour routes, and may specify conditions of travel, over highways that are not state highways.

(2) Prior to directing traffic onto a detour route chosen under this section, the department may repair or

reconstruct the highways chosen as detour routes if the repair or reconstruction will be cost-effective in minimizing or preventing damage from the increased traffic on the detour route.

(3) The department shall repair damage to highways that are designated as detour routes under this section if the damage results from the increase in traffic caused by the detour.

(4) The department may exercise the authority granted under this section for as long as the replacement and repair of bridges described in section 10 of this 2003 Act continues, or until January 2, 2013, whichever comes first.

**SECTION 13. Section 12 of this 2003 Act is repealed on January 2, 2013.**

**SECTION 14. ORS 366.507 is amended to read:**

366.507. The Department of Transportation shall use an amount equal to the amount of moneys in the State Highway Fund that becomes available for its use from the increase in tax rates created by the amendments to ORS 319.020, 319.530, 825.476 and 825.480 by sections 1, 2 and 10 to 15, chapter 209, Oregon Laws 1985, and an amount equal to one-third of the amount of moneys in the State Highway Fund that becomes available for its use from any increase in tax rates created by the amendments to ORS 319.020, 319.530, 825.476 and 825.480 by sections 5, 6 and 8 to 15, chapter 899, Oregon Laws 1987, and from any increase in tax rates that results from the provisions of sections 16 and 17, chapter 899, Oregon Laws 1987, to establish and operate a state modernization program for highways. The program established under this section and the use of moneys in the program are subject to the following:

(1) The moneys may be used by the department to retire bonds that the department issues for the modernization program under bonding authority of the department.

(2) The intent of the modernization program is to increase highway safety, to accelerate improvements from the backlog of needs on the state highways and to fund modernization of highways and local roads to support economic development in Oregon. Projects both on and off the state highway system are eligible.

(3) Projects to be implemented by the modernization program shall be selected by the Oregon Transportation Commission. The criteria for selection of projects will be established after public hearings that allow citizens an opportunity to review the criteria. **The commission may use up to one-half of moneys available under this section for modernization projects selected by the commission from a list of projects of statewide significance.**

(4) In developing criteria for selection of projects, the commission shall consider the following:

(a) Projects **must** be of significance to the state highway system.

*[(b) Projects not be selected on the interstate highway system.]*

*[(c)]* **(b) Except for projects that are of statewide significance, projects must** be equitably distributed throughout Oregon.

*[(d)]* **(c)** Projects may be on county or city arterial roads connecting to or supporting a state highway.

*[(e)]* **(d)** Priority **may** be given to projects that make a meaningful contribution to increased highway safety.

*[(f)]* **(e)** Priority **may** also be given to projects that encourage economic development where:

(A) There is commitment by private industry to construct a facility.

(B) There is support from other state agencies.

*[(g)]* **(f)** Priority **may** be given where there is local government or private sector financial participation, or both, in the improvement in addition to improvements adjacent to the project.

*[(h)]* **(g)** Priority **may** be given where there is strong local support.

(5) Except as otherwise provided in this subsection, federal moneys or moneys from the State Highway Fund other than those described in this section may be used for the modernization program as long as the total amount used is equal to the amount described in this section. Federal moneys that are appropriated by Congress for specific projects and federal moneys that are allocated by the United States Department of Transportation for specific projects may not be used for the modernization program under this section.

**SECTION 15. ORS 366.507, as amended by section 2, chapter 766, Oregon Laws 2001, is amended to read:**

366.507. The Department of Transportation shall use an amount equal to the moneys in the State Highway Fund that become available for its use from the increase in tax rates created by the amendments to ORS 319.020, 319.530, 825.476 and 825.480 by sections 1, 2 and 10 to 15, chapter 209, Oregon Laws 1985, and an amount equal to one-third of the moneys in the State Highway Fund that become available for its use from any increase in tax rates created by the amendments to ORS 319.020, 319.530, 825.476 and 825.480 by sections 5, 6 and 8 to 15, chapter 899, Oregon Laws 1987, and from any increase in tax rates that results from the provisions of sections 16 and 17, chapter 899,

Oregon Laws 1987, exclusively to establish a state modernization program for highways. The program established under this section and the use of moneys in the program are subject to the following:

(1) The moneys may be used by the department to retire bonds that the department issues for the modernization program under bonding authority of the department.

(2) The intent of the modernization program is to increase highway safety, to accelerate improvements from the backlog of needs on the state highways and to fund modernization of highways and local roads to support economic development in Oregon. Projects both on and off the state highway system are eligible.

(3) Projects to be implemented by the modernization program shall be selected by the Oregon Transportation Commission. The criteria for selection of projects will be established after public hearings that allow citizens an opportunity to review the criteria. **The commission may use up to one-half of moneys available under this section for modernization projects selected by the commission from a list of projects of statewide significance.**

(4) In developing criteria for selection of projects, the commission shall consider the following:

(a) Projects **must** be of significance to the state highway system.

*[(b) Projects not be selected on the interstate highway system.]*

*[(c)]* **(b) Except for projects that are of statewide significance, projects must** be equitably distributed throughout Oregon.

*[(d)]* **(c)** Projects may be on county or city arterial roads connecting to or supporting a state highway.

*[(e)]* **(d)** Priority **may** be given to projects that make a meaningful contribution to increased highway safety.

*[(f)]* **(e)** Priority **may** also be given to projects that encourage economic development where:

(A) There is commitment by private industry to construct a facility.

(B) There is support from other state agencies.

*[(g)]* **(f)** Priority **may** be given where there is local government or private sector financial participation, or both, in the improvement in addition to improvements adjacent to the project.

*[(h)]* **(g)** Priority **may** be given where there is strong local support.

## DISTRIBUTION OF MONEYS

**SECTION 16.** ORS 366.524 is amended to read:

366.524. **Except as otherwise provided in section 18 of this 2003 Act,** the taxes collected under ORS 319.020, 319.530, 803.090, 803.420, 818.225, 825.476 and 825.480, minus \$71.2 million per biennium, shall be allocated 24.38 percent to counties under ORS 366.525 and 15.57 percent to cities under ORS 366.800.

**SECTION 17.** Section 18 of this 2003 Act is added to and made a part of ORS chapter 366.

**SECTION 18.** (1) The following moneys shall be allocated as provided in subsection (2) of this section:

(a) The amount attributable to the increase in title fees by the amendments to ORS 803.090 by section 1 of this 2003 Act;

(b) The amount attributable to the increase in registration fees by the amendments to ORS 803.420 by section 2 of this 2003 Act, except for the amount paid to the State Parks and Recreation Department Fund under ORS 366.512; and

(c) The amount attributable to the increase in fees and tax rates by the amendments to ORS 818.225, 825.476 and 825.480 by sections 3, 4 and 5 of this 2003 Act.

(2) The moneys described in subsection (1) of this section shall be allocated as follows:

(a) 57.53 percent to the Department of Transportation.

(b) 25.48 percent to the department to pay the principal and interest due on bonds authorized under ORS 367.620 (3) that are issued for replacement and repair of bridges on county highways. However, any portion of the 25.48 percent that is not needed for payment of principal and interest on the bonds described in this paragraph shall be allocated to counties. Moneys allocated to counties under this paragraph shall be distributed in the same manner as moneys allocated to counties under ORS 366.524 are distributed.

(c) 16.99 percent to the department to pay the principal and interest due on bonds authorized under ORS 367.620 (3) that are issued for replacement and repair of bridges on city highways. However, any portion of the 16.99 percent that is not needed for payment of principal and interest on the bonds described in this paragraph shall be allocated to cities. Moneys allocated to cities under this paragraph shall be distributed in the same manner as moneys allocated to cities under ORS 366.524 are distributed.

**(3)(a) Multnomah County shall spend a majority of moneys distributed to it under subsection (2)(b) of this section on bridges in the county.**

**(b) Moneys distributed to Multnomah County under subsection (2)(b) of this section that are not spent on bridges shall be distributed equitably within the county, based on the agreement described in paragraph (c) of this subsection.**

**(c) Multnomah County and the cities within the county shall agree upon the distribution of moneys described in paragraph (b) of this subsection. When the county and the cities have reached an agreement, they shall notify the Oregon Transportation Commission of the agreement. If the commission does not receive notice of an agreement by June 30, 2004, the Department of Transportation may not distribute moneys that would otherwise go to the county under paragraph (b) of this subsection. Such moneys shall revert to the State Highway Fund for use by the Department of Transportation.**

**SECTION 19.** ORS 366.541 is amended to read:

366.541. (1) Not later than [*January 5*] **July 31** in each calendar year, the sum of [*\$500,000*] **\$750,000** shall be withdrawn from the appropriation specified in ORS 366.525, and the sum of \$250,000 shall be withdrawn from moneys available to the Department of Transportation from the State Highway Fund. The sums withdrawn shall be set up in a separate account to be administered by the Department of Transportation. [*Moneys from the account shall be allocated first to the county road fund of the county whose federal and state dedicated resources per equivalent road mile are the lowest in the state until that county reaches the equivalent road mile rate of the next lowest county. At that time, moneys in the account shall be allocated to the two lowest counties until they reach the equivalent road mile rate of the next lowest county. The allocation shall continue in this manner until all moneys in the account are allocated.*]

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

~~[(2)]~~ **(3) Moneys allocated as provided in this section may be used only for maintenance, repair and improvement of existing roads.**

~~[(3)]~~ **(4) As used in this section:**

*[(a) "Equivalent road miles" means the total miles of arterial and collector roads in each county, as determined by the Department of Transportation, including bridges on county roads converted to road miles on a basis that 4,000 square feet of bridge surface equals one equivalent road mile.]*

*[(b) "Federal and state dedicated resources" means all county road fund resources that are dedicated by federal or state law for county road purposes, as determined by the Department of Transportation, including but not limited to amounts allocated to each county annually under the federal-aid highway program authorized under chapter 1, Title 23, United States Code, but excluding the highway bridge replacement and forest highway programs, and including federal and state grants-in-aid or portions of grants-in-aid specifically earmarked for county roads or bridges.]*

**(a) "County road base funding deficit" means the amount of a county's minimum county road base funding minus the amount of that county's dedicated county road funding. A county has a county road base funding deficit only if the amount of the dedicated county road funding is less than the amount of the minimum county road base funding.**

**(b) "Dedicated county road funding" for a county means:**

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

**(B) State Highway Fund moneys distributed to the county, other than moneys distributed under this section; and**

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

**(c) "Minimum county road base funding" means \$1 million beginning on July 1, 2003, and thereafter means \$1 million as adjusted annually on the basis of the Portland-Salem, OR-WA, Consumer Price Index for All Urban Consumers for All Items, as published by the Bureau of Labor Statistics of the United States Department of Labor.**

**SECTION 19a.** (1) The amendments to ORS 366.541 by section 19 of this 2003 Act become operative on February 1, 2004. Not later than January 5, 2004, the amount of \$750,000 shall be withdrawn from the sources described in ORS 366.541 (2001 Edition) and allocated to counties in the manner specified in ORS 366.541 (2001 Edition).

(2) Not later than July 31, 2004, the amount of \$1 million shall be withdrawn from the sources described in ORS 366.541, as amended by section 19 of this 2003 Act, and distributed to counties in the manner specified in ORS 366.541, as amended by section 19 of this 2003 Act.

**SECTION 20.** ORS 366.541, as amended by section 19 of this 2003 Act, is amended to read:

366.541. (1) Not later than July 31 in each calendar year, the sum of [~~\$750,000~~] **\$500,000** shall be withdrawn from the appropriation specified in ORS 366.525, and the sum of \$250,000 shall be withdrawn from moneys available to the Department of Transportation from the State Highway Fund. The sums withdrawn shall be set up in a separate account to be administered by the Department of Transportation.

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

(3) Moneys allocated as provided in this section may be used only for maintenance, repair and improvement of existing roads.

(4) As used in this section:

(a) "County road base funding deficit" means the amount of a county's minimum county road base funding minus the amount of that county's dedicated county road funding. A county has a county road base funding deficit only if the amount of the dedicated county road funding is less than the amount of the minimum county road base funding.

(b) "Dedicated county road funding" for a county means:

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

(B) State Highway Fund moneys distributed to the county, other than moneys distributed under this section; and

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

(c) "Minimum county road base funding" means \$1 million beginning on July 1, 2003, and thereafter means \$1 million as adjusted annually on the basis of the Portland-Salem, OR-WA, Consumer Price Index for All Urban Consumers for All Items, as published by the Bureau of Labor Statistics of the United States Department of Labor.

**SECTION 21.** The amendments to ORS 366.541 by section 20 of this 2003 Act become operative on July 1, 2008.

**SECTION 22.** ORS 366.155 is amended to read:

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

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

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

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

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

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

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

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

(h) Upon request of a county governing body, assist the county on matters relating to road location, construction or maintenance. Plans and specifications for bridges or culverts that are provided under this paragraph shall be provided without cost to **the 10 counties** [*whose federal and state dedicated resources per equivalent road mile, as defined in ORS 366.541, are less than 30 percent of the average for all counties*] **with the lowest dedicated county road funding, as defined in ORS 366.541.** Standard specifications for road projects shall be provided without cost to all counties. The Department of Transportation shall determine an amount to be charged for assistance under this paragraph in establishing specifications and standards for roads under ORS 368.036. The costs of assistance not specifically provided for under this paragraph shall be paid as provided by agreement between the county governing body and the director.

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

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

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

**NOTE:** Sections 23 through 27 were deleted by amendment. Subsequent sections were not renumbered.

## TRUCK ENGINE TAX CREDIT

**SECTION 28. (1) As used in this section and section 29 of this 2003 Act:**

(a) “Combined weight” has the meaning given that term in ORS 825.005.

(b) “Motor vehicle” has the meaning given that term in ORS 825.005.

(c) “Truck” means a motor vehicle or combination of vehicles that has a combined weight of more than 26,000 pounds.

(2) A taxpayer who owns a truck that is registered in Oregon under the provisions of ORS chapter 803 or 826 and that has a diesel engine that was purchased in Oregon on or after the effective date of this 2003 Act, and that is certified by the federal Environmental Protection Agency to emit oxides of nitrogen at the rate of 2.5 grams per brake horsepower-hour or less, is allowed a credit against the taxes otherwise due under ORS chapter 316, if the taxpayer is a resident individual, or against the taxes otherwise due under ORS chapter 317, if the taxpayer is a corporation. The total amount of the credit under this section depends on the number of trucks owned by the taxpayer prior to the purchase, as follows:

(a) 1 to 10 trucks, \$925 for each qualifying engine purchased.

(b) 11 to 50 trucks, \$705 for each qualifying engine purchased.

(c) 51 to 100 trucks, \$525 for each qualifying engine purchased.

(d) More than 100 trucks, \$400 for each qualifying engine purchased.

(3) Notwithstanding subsection (2) of this section, a taxpayer may not claim a credit under this section of more than \$80,000 for purchases in any one year.

(4) A credit may not be allowed under this section unless the taxpayer claiming the credit complies with rules adopted by the Department of Environmental Quality and the Department of Revenue as provided in section 29 of this 2003 Act.

(5) Except as provided under subsection (6) of this section, the credit allowed in any one year may not exceed the tax liability of the taxpayer.

(6) Any tax credit otherwise allowable under this section that is not used by the taxpayer in a particular tax year may be carried forward and offset against the taxpayer's tax liability for the next succeeding tax year. Any credit remaining unused in the next succeeding tax year may be carried forward and used in the second succeeding tax year, any credit not used in the second succeeding tax year may be carried forward and used in the third succeeding tax year and any credit not used in the third succeeding tax year may be carried forward and used in the fourth succeeding tax year but may not be carried forward for any tax year thereafter.

(7)(a) The credit provided by this section is not in lieu of any depreciation or amortization deduction for the truck to which the taxpayer otherwise may be entitled under ORS chapter 316 or 317 for the tax year.

(b) The taxpayer's adjusted basis for determining gain or loss may not be further decreased by any tax credit allowed under this section.

(8)(a) Pursuant to the procedures for a contested case under ORS 183.310 to 183.550, the Department of Revenue may order the disallowance of the credit allowed under this section if it finds, by order, that the credit was obtained by fraud or misrepresentation.

(b) If the tax credit is disallowed pursuant to this subsection, notwithstanding ORS 314.410 or other law, all prior tax relief provided to the taxpayer shall be forfeited and the Department of Revenue shall proceed to collect those taxes not paid by the taxpayer as a result of the prior granting of the credit.

(c) If the tax credit is disallowed pursuant to this subsection, the taxpayer shall be denied any further credit provided under this section from and after the date that the order of disallowance becomes final.

(9) If the engine is destroyed by fire, flood, natural disaster or act of God before all of the credit has been used, the taxpayer may nevertheless claim the credit as if no destruction had taken place. In the event of fire, if the fire chief of the fire protection district or unit determines that the fire was caused by arson, as described in ORS 164.315 and 164.325, by the taxpayer or by another at the taxpayer's direction, then the fire chief shall notify the Department of Revenue. If the taxpayer is convicted of arson, the Department of Revenue shall disallow the credit in accordance with subsection (8) of this section.

(10)(a) A nonresident individual shall be allowed the credit computed in the same manner and subject to the same limitations as the credit allowed a resident by this section. However, the credit shall be prorated using the proportion provided in ORS 316.117.

(b) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or if the Department of Revenue terminates the taxpayer's taxable year under ORS 314.440, the credit allowed by this section shall be prorated or computed in a manner consistent with ORS 314.085.

(c) If a change in the status of a taxpayer from resident to nonresident or from nonresident to resident occurs, the credit allowed by this section shall be determined in a manner consistent with ORS 316.117.

**SECTION 29.** (1) The Department of Environmental Quality and the Department of Revenue shall adopt rules for implementing section 28 of this 2003 Act. Rules may include but need not be limited to rules specifying procedures for application, review and approval of the tax credit and rules for issuance and use of a certificate of credit approval.

(2) The application developed under subsection (1) of this section shall include:

(a) The name, address and taxpayer identification number of the taxpayer;

(b) The number of trucks owned by the taxpayer and the number of engines eligible for the tax credit that the taxpayer has purchased; and

(c) Any other information that the rules adopted under subsection (1) of this section may require.

(3) Applications filed in compliance with this section and section 28 of this 2003 Act shall be approved to the extent that the total of estimated tax credits for all approved purchases of engines for the calendar year is equal to or less than \$3 million. An application may not be approved if the addition of the amount of the tax credit to the amount of the tax credits for all approved purchases for the calendar year would exceed \$3 million.

(4) Notwithstanding section 31 of this 2003 Act, the Department of Environmental Quality may approve applications for tax credits for qualifying engines purchased in calendar years 2004, 2005, 2006 and 2007, although the taxpayer may not claim the credit until a tax year beginning on or after January 1, 2005.

(5) The Department of Revenue may disallow, in whole or in part, a claim for credit under section 28 of this 2003 Act upon the Department of Revenue's determination that, under section 28 of this 2003 Act, the taxpayer is not entitled to the credit or is entitled to only a portion of the amount claimed.

(6) The Department of Environmental Quality shall charge a fee of \$15 for each engine for which a

taxpayer applies for a tax credit. The fee is payable to the department and may not be refunded to the applicant for any reason.

**SECTION 30.** Sections 28 and 29 of this 2003 Act are added to and made a part of ORS chapter 315.

**SECTION 31.** The tax credit established in section 28 of this 2003 Act applies to tax years beginning on and after January 1, 2005, and to engine model years 2003, 2004, 2005, 2006 and 2007.

**SECTION 31a.** Notwithstanding ORS 314.505 to 314.525 or 316.557 to 316.589, a taxpayer may not reduce estimated tax payments made before July 1, 2005, on account of the credit described in section 28 of this 2003 Act.

**SECTION 32.** A certificate of credit approval may not be issued under section 29 of this 2003 Act after December 31, 2007.

### **PUBLIC CONTRACTING PROVISIONS**

**SECTION 33.** ORS 279.033 is amended to read:

279.033. (1) The Director of the Oregon Department of Administrative Services or a local contract review board may exempt certain contracts or classes of contracts from the requirement for bid security and from the requirement that a good and sufficient bond be furnished to assure performance of the contract and payment of obligations incurred in the performance; provided, however, the public contracting agency may require bid security and a good and sufficient performance and payment bond even though the contract is of a class exempted by the director or board.

(2) The Director of Transportation may:

(a) Exempt contracts or classes of contracts financed from the proceeds of bonds issued under ORS 367.620 (3)(a) from the requirement for bid security and from the requirement that a good and sufficient bond be furnished to ensure performance of the contract; or

(b) Reduce the amount of the required performance bond for contracts or classes of contracts financed from the proceeds of the bonds issued under ORS 367.620 (3)(a) to less than 100 percent of the contract price.

(3) Any recoverable damages that exceed the amount of the performance bond required under subsection (2) of this section shall be the sole responsibility of the Department of Transportation.

### **MISCELLANEOUS PROVISIONS**

**SECTION 34.** Section 35 of this 2003 Act is added to and made a part of ORS chapter 826.

**SECTION 35.** (1) Registration fees for commercial vehicles registered under the proportional registration provisions of ORS 826.009 may be paid quarterly provided that:

(a) The amount of Oregon apportioned registration fees for the carrier exceeds \$1,000 per year; and

(b) The registration fees are paid in equal quarterly installments.

(2) A carrier that pays in quarterly installments under this section shall pay a \$4 administrative processing fee with the first quarter payment for each year that the carrier pays in quarterly installments.

(3) Authorization for quarterly payment does not affect the registration period specified in ORS 826.009.

**SECTION 36.** Section 37 of this 2003 Act is added to and made a part of ORS 184.610 to 184.666.

**SECTION 37.** (1) As used in this section, "freight mobility project" means a project that supports the safe, reliable and efficient movement of goods between and among local, national and international markets.

(2) The Legislative Assembly finds that investment in freight mobility projects will yield a return on the state's investment in terms of improved economic opportunity and safety.

(3) In developing the STIP, the Department of Transportation shall give priority to freight mobility projects that:

(a) Are located on identified freight routes of statewide or regional significance;

(b) Remove identified barriers to the safe, reliable and efficient movement of goods; and



**(c) Facilitate public and private investment that creates or sustains jobs.**

**SECTION 38.** 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.

**(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.

**SECTION 39.** In addition to moneys for modernization projects provided under ORS 367.620 **(3)(b)**, the Department of Transportation shall use \$200 million of federal moneys approved under 23 U.S.C. 115 for modernization projects selected by the Oregon Transportation Commission. The commission shall give funding priority under this section to projects that are ready for construction.

**NOTE:** Section 40 was deleted by amendment. Subsequent sections were not renumbered.

**SECTION 41.** It is the policy of the State of Oregon to use increased revenues from the amendments to ORS 803.090, 803.420, 818.225, 825.476 and 825.480 by sections 1 to 5 of this 2003 Act in a manner that maximizes the creation of new jobs. Each public body, as defined in ORS 174.109, that receives moneys from the revenues generated by the amendments to ORS 803.090, 803.420, 818.225, 825.476 and 825.480 by sections 1 to 5 of this 2003 Act shall use private sector resources to the greatest extent possible in accomplishing the work funded by revenues from the amendments to ORS 803.090, 803.420, 818.225, 825.476 and 825.480 by sections 1 to 5 of this 2003 Act.

**SECTION 42.** The Department of Transportation, counties as a group and cities as a group shall report to the Seventy-third Legislative Assembly on the value of bridge and highway contracts entered into with the private sector for the biennium ending June 30, 2003, and for the period from July 1, 2003, to December 31, 2004.

**SECTION 43.** The Department of Transportation may vary any fee established under section 3, chapter 862, Oregon Laws 2001, to facilitate the maximum use of road capacity.

## **CONFORMING AMENDMENTS**

**SECTION 44.** ORS 366.005 is amended to read:

366.005. As used in this chapter and in ORS chapter 367, unless the context requires otherwise:

**(1)** “Chief engineer” or “engineer” means the person designated by the director under ORS 184.628.

**(2)** “Commission” means the Oregon Transportation Commission.

**(3)** “Department” means the Department of Transportation.

**(4)** “Director” means the Director of Transportation.

**(5)** “Federal funds” means any funds provided by the United States for cooperative road work with states, counties, cities or other municipal subdivisions of the state under Acts of Congress enacted for those purposes.

**(6)** “Highway” means every public way, road, street, thoroughfare and place, including bridges, viaducts and other structures within the boundaries of this state, open, used or intended for use of the general public for vehicles or vehicular traffic as a matter of right.

~~[(6)]~~ **(7)** “Highway fund” means the State Highway Fund.

~~[(7)]~~ **(8)** “State highway” means any road or highway designated as such by law or by the Oregon Transportation Commission pursuant to law and includes both primary and secondary state highways.

~~[(8)]~~ **(9)** “This Act” means this chapter and ORS 105.760, 373.010, 373.015, 373.020 and 373.030.

**SECTION 45.** ORS 366.540 is amended to read:

366.540. *[(1) Except as specifically provided under ORS 366.512, the appropriation made by ORS 366.525 shall constitute the entire appropriation to be made to the counties out of revenues accruing to the highway fund.]*

*[(2)]* Upon satisfactory showing before the Department of Transportation by any county that the county *[has not]* **does not have** sufficient funds with which to pay, when due, bonded indebtedness incurred for highway purposes, the department may certify to such fact. Pursuant to the certificate, a warrant shall be drawn in favor of the county against the highway fund in the amount set out in each certificate, which amount so advanced shall be deducted from the next payment due the county under ORS 366.525 to 366.540.

**SECTION 46.** Section 2, chapter 240, Oregon Laws 2001, is amended to read:

**Sec. 2.** (1) There is created the Freight Advisory Committee to be appointed by the Director of Transportation to advise the director and the Oregon Transportation Commission regarding issues, policies and programs that impact multimodal freight mobility in Oregon.

(2) The director shall have discretion to determine the number of committee members and the duration of membership. The committee membership shall include, but not be limited to, representatives from the shipping and carrier industries, the state, local governments and ports, including the Port of Portland.

(3) The committee shall:

(a) Elect a chairperson and a vice chairperson.

(b) Meet at least four times a year.

(c) Provide input on statewide and regional policies and actions that impact freight mobility.

(d) Provide input on the development of policy and planning documents that impact freight mobility.

*[(e) Define "freight mobility projects."]*

*[(f)]* (e) Advise the commission and regionally based advisory groups about the Statewide Transportation Improvement Program and the program's consideration and inclusion of highest priority multimodal freight mobility projects in each Department of Transportation region.

**(4) The committee may make recommendations for freight mobility projects to the commission. In making the recommendations, the committee shall give priority to multimodal projects.**

*[(4)]* **(5)** The Department of Transportation shall provide policy and support staff to the committee. The department shall also provide other personnel to assist the committee as requested by the chairperson and within the limits of available funds.

*[(5) The committee shall report to the Seventy-second Legislative Assembly on the committee's progress and recommendations.]*

## MISCELLANEOUS FEES

**SECTION 47.** ORS 803.215 is amended to read:

803.215. A fee of *[\$4]* **\$7** shall be charged for an inspection of a vehicle required by ORS 803.210.

**SECTION 48.** ORS 803.570 is amended to read:

803.570. Except as otherwise specifically provided by law, the Department of Transportation shall collect the fee described by this section each time the department issues a registration plate upon the registration of a vehicle or at other times when a registration plate is issued by the department. The following all apply to the fee established by this section:

(1) The fee shall be in addition to any other fee collected upon issuance of a registration plate.

(2) The fee for each registration plate issued and for each set of two plates issued shall be determined by the department and shall be established by the department by rule. **The fee may not exceed \$3 for one plate and \$5 for a set of two plates.**

*[(3) The department shall establish the fee for a plate or a pair of plates under this section by determining the cost to manufacture, including but not limited to the cost to reflectorize, and rounding to the nearest higher half-dollar. If the difference between the cost to manufacture a single plate and the cost to manufacture a pair of plates would result in a difference in the fee established under this section, the department shall establish separate fees for issuance of single registration plates and pairs of registration plates.]*

**SECTION 49.** ORS 807.370 is amended to read:

807.370. The following are the fees relating to the issuance and renewal of licenses, driver permits and

indorsements:

(1) Disability golf cart driver permit fees under ORS 807.210, as follows:

(a) For issuance, \$38.50.

(b) For renewal fee under ORS 807.210, \$26.50.

(2) Emergency driver permit fee under ORS 807.220, [~~\$11~~] **\$18**.

(3) Instruction driver permit issuance fee under ORS 807.280, [~~\$13~~] **\$18**.

(4)(a) License issuance fee for a Class C license, \$48.50.

**(b) Fee to take the knowledge test for a Class C license, \$5.**

**(c) Fee to take the skills test for a Class C license, \$9.**

(5) License issuance fee for a restricted Class C license, \$48.50.

(6) License issuance fee for a commercial driver license, whether or not the license contains indorsements, [~~\$50~~] **\$70**.

(7) Test fees for a commercial driver license or permit:

(a) To take the knowledge test for a Class A commercial license or permit, [~~\$3~~] **\$10**.

(b) To take the skills test for a Class A commercial license, [~~\$56~~] **\$70**.

(c) To take the knowledge test for a Class B commercial license or permit, [~~\$3~~] **\$10**.

(d) To take the skills test for a Class B commercial license, [~~\$56~~] **\$70**.

(e) To take the knowledge test for a Class C commercial license or permit, [~~\$3~~] **\$10**.

(f) To take the skills test for a Class C commercial license, [~~\$56~~] **\$70**.

(8) Notwithstanding subsection (6) of this section, for issuance of a commercial driver license of any class when the Department of Transportation accepts a certificate of competency issued under ORS 807.080, [~~\$33~~] **\$40** in addition to the fee under subsection (6) of this section.

(9) For a farm indorsement, \$26.

(10) Test fees for the knowledge test for indorsements other than motorcycle and farm indorsements:

(a) For a hazardous materials indorsement, [~~\$3~~] **\$10**.

(b) For a tank vehicle indorsement, [~~\$3~~] **\$10**.

(c) For a passenger indorsement, [~~\$3~~] **\$10**.

(d) For a trailer indorsement, [~~\$3~~] **\$10**.

(11) Fee to take an airbrake knowledge test, [~~\$3~~] **\$10**.

(12) Fee to take an airbrake skills test to remove an airbrake restriction, \$56.

(13) License renewal fee for a commercial driver license, [~~\$36.50~~] **\$50**.

(14) License renewal fee for a Class C license, \$28.50.

(15) License replacement fee under ORS 807.160, \$21.

(16) Original indorsement issuance fee under ORS 807.170 for a motorcycle indorsement, \$46, in addition to any fees for the indorsed license.

(17) Permit replacement fee under ORS 807.220, 807.230, 807.280 and 807.290, \$21.

(18) Special student driver permit fee under ORS 807.230, [~~\$11~~] **\$18**.

(19) Student Driver Training Fund eligibility fee under ORS 807.040 and 807.150, \$6.

(20) Motorcycle Safety Subaccount fee as follows:

(a) Upon original issuance of motorcycle indorsements under ORS 807.170, \$28.

(b) Upon renewal of a license with a motorcycle indorsement under ORS 807.170, \$28.

(21) Probationary driver permit application fee under ORS 807.270, \$50.

(22) Hardship driver permit application fee under ORS 807.240, \$50.

(23) Fee for reinstatement of revoked driving privileges under ORS 809.390, \$75.

(24) Fee for reinstatement of suspended driving privileges under ORS 809.380, \$75.

(25) Fee for reinstatement of right to apply for driving privileges after a delay under ORS 809.280 (10) (1997 Edition), the same as the fee for reinstatement of suspended driving privileges.

**(26) Fee for hazardous materials endorsement security check, \$50.**

**SECTION 50.** ORS 825.450 is amended to read:

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

(2) The receipt shall be carried with the motor vehicle at all times, and no person shall load any motor vehicle in

excess of its combined weight permit rating thus determined except as variations may necessarily result in passenger loading. A fee of [\$5] \$8 shall be paid to the department for each weight receipt issued.

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

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

**SECTION 51.** ORS 807.340 is amended to read:

807.340. (1) The Department of Transportation may require any person to whom a license, driver permit or indorsement is issued to appear before the department and reestablish the person's eligibility by taking either an examination under ORS 807.070 or following the procedures in ORS 807.090, as appropriate. The department may act under this section if the department has reason to believe that the person may:

- (a) No longer be qualified to hold a license, driver permit or indorsement; or
- (b) No longer be able to safely operate a motor vehicle.

(2) If a person does not appear before the department within a reasonable time after receiving notice from the department under this section or is unable to reestablish eligibility to the satisfaction of the department under this section, the department may take action to suspend the person's driving privileges under ORS 809.410.

**(3) A person who is required to take one or more tests described in ORS 807.070 in order to reestablish eligibility under this section is not required to pay the fee established under ORS 807.370 for the test.**

## **DISTRIBUTION OF MISCELLANEOUS FEE MONEYS**

**SECTION 52.** Section 53 of this 2003 Act is added to and made a part of ORS chapter 366.

**SECTION 53.** (1) The following moneys shall be allocated as described in subsection (2) of this section:

- (a) The amount attributable to the increase in the inspection fee by the amendments to ORS 803.215 by section 47 of this 2003 Act.**
- (b) The amount attributable to any increase in registration plate fees by the amendments to ORS 803.570 by section 48 of this 2003 Act.**
- (c) The amount attributable to the increases in fees for driver licenses, permits and endorsements by the amendments to ORS 807.370 by section 49 of this 2003 Act.**
- (d) The amount attributable to the increase in the weight receipt fee by the amendments to ORS 825.450 by section 50 of this 2003 Act.**

**(2) The moneys described in subsection (1) of this section shall be allocated 60 percent to counties and 40 percent to cities. Moneys allocated under this section shall be distributed in the same manner as moneys allocated to counties and cities under ORS 366.524 are distributed.**

**SECTION 54.** Section 55 of this 2003 Act is added to and made a part of ORS chapter 366.

**SECTION 55.** (1) Each year the Department of Transportation shall determine the increase in the number of vehicle registrations and titles that is attributable to section 2, chapter 600, Oregon Laws 2003 (Enrolled House Bill 2388), and the increase in the number of trip permits issued under ORS 803.600 that is attributable to the amendments to ORS 803.600 by section 3, chapter 600, Oregon Laws 2003 (Enrolled House Bill 2388).

**(2) Notwithstanding any other allocation of moneys to counties and cities under this chapter, the amount of moneys from the increases described in subsection (1) of this section shall be allocated 60 percent to counties and 40 percent to cities. Moneys allocated under this section shall be distributed in the same manner as moneys allocated to counties and cities under ORS 366.524 are distributed.**

**SECTION 56. Sections 54 and 55 of this 2003 Act become operative only if House Bill 2388 becomes law.**

**SECTION 57. The Oregon Transportation Commission shall adopt rules defining the term “ready for construction” for purposes of sections 10 and 39 of this 2003 Act. The rules must be adopted no later than June 30, 2004.**

#### **REPEALS**

**SECTION 58. Section 3, chapter 240, Oregon Laws 2001, section 4, chapter 669, Oregon Laws 2001, and section 3, chapter 3, Oregon Laws 2002, are repealed.**

**SECTION 59. Section 39 of this 2003 Act is repealed on January 2, 2008.**

#### **CAPTIONS**

**SECTION 60. The unit captions used in this 2003 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 2003 Act.**

Approved by the Governor July 28, 2003

Filed in the office of Secretary of State July 28, 2003

Effective date January 1, 2004

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