

**A-Engrossed**  
**Senate Bill 450**

Ordered by the Senate April 24  
Including Senate Amendments dated April 24

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

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Removes from conditions for increases in fuel taxes scheduled for 2022 and 2024 requirement related to compliance with laws requiring [*least cost*] **least-cost** for construction of public improvements by contracting agencies scheduled to receive fuel tax revenue from increases. Replaces removed condition with requirement that Department of Transportation withhold increased revenues from contracting agency that [*is materially noncompliant with least cost laws for construction of public improvements until contracting agency is found to be materially compliant with such laws or enters into agreement to remedy noncompliance*] **Commissioner of Bureau of Labor and Industries has found to have violated least-cost laws for construction of public improvements within five years immediately preceding date of finding, or to have breached agreement to remedy a violation, until final resolution of violation or breach.**

Takes effect on 91st day following adjournment sine die.

**A BILL FOR AN ACT**

1  
2 Relating to compliance with least-cost policy for public improvements as condition for certain fuel  
3 tax increases; amending section 45, chapter 750, Oregon Laws 2017; and prescribing an effective  
4 date.

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

6 **SECTION 1.** Section 45, chapter 750, Oregon Laws 2017, as amended by section 43, chapter 93,  
7 Oregon Laws 2018, is amended to read:

8 **Sec. 45.** (1)(a) For calendar years beginning on or after January 1, 2020, the rates determined  
9 under ORS 319.020 (1)(b) and 319.530 (1) shall each be increased by two cents only if the Oregon  
10 Transportation Commission submits a report in the manner provided by ORS 192.245 on or before  
11 December 1, 2019, to the Joint Committee on Transportation established under ORS 171.858 stating  
12 that:

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

15 (B) The set of uniform standards required under ORS 184.657 (1) has been developed and the  
16 standards are being followed;

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

19 (D) The Department of Transportation is implementing the registration fees and title fees de-  
20 scribed in ORS 803.091 and 803.422; and

21 (E) The Interstate 205 Active Traffic Management Project and the Interstate 205 Corridor Bot-  
22 tleneck Project have been completed.

23 (b) In addition to the facts stated in the report required under paragraph (a) of this subsection,

**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.

1 the Oregon Transportation Commission shall also submit with the report:

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

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

6 (C) The construction and financial status of uncompleted in-progress projects exceeding \$20  
7 million identified in chapter 750, Oregon Laws 2017;

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

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

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

17 (2)(a) For calendar years beginning on or after January 1, 2022, the rates determined under ORS  
18 319.020 (1)(b) and 319.530 (1) and subsection (1) of this section shall each be increased by two cents  
19 only if the Oregon Transportation Commission submits a report in the manner provided by ORS  
20 192.245 on or before December 1, 2021, to the Joint Committee on Transportation established under  
21 ORS 171.858 stating that:

22 (A) The Continuous Improvement Advisory Committee appointed under ORS 184.665 has re-  
23 viewed and reported to the commission on all transportation projects costing \$50 million or more  
24 and completed not less than six months prior to the date of the report required under this para-  
25 graph;

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

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

31 (D) The set of uniform standards required under ORS 184.657 (1) has been developed and **the**  
32 **standards** are being followed;

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

35 (F) Under ORS 184.657 (4), payments from the State Highway Fund have been withheld from  
36 cities and counties that failed to submit reports as required under ORS 184.657 (2); **and**

37 *[(G) To the best knowledge of the commission, all bodies scheduled to receive fuel tax revenue*  
38 *pursuant to chapter 750, Oregon Laws 2017, after the operative date of the increase are in compliance*  
39 *with ORS 279C.305 or under review by the Bureau of Labor and Industries for compliance with ORS*  
40 *279C.305, or the commission has requested from the bureau confirmation of such compliance; and]*

41 *[(H)]* (G) The Department of Transportation is implementing the registration fees and title fees  
42 described in ORS 803.091 and 803.422.

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

45 (A) A list of the shovel-ready highway projects the commission expects to undertake with the

1 revenue that will become available as a result of the increase;

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

4 (C) The construction and financial status of uncompleted in-progress projects exceeding \$50  
5 million identified in chapter 750, Oregon Laws 2017; and

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

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

19 (3)(a) For calendar years beginning on or after January 1, 2024, the rates determined under ORS  
20 319.020 (1)(b) and 319.530 (1) and subsections (1) and (2) of this section shall each be increased by  
21 two cents only if the Oregon Transportation Commission submits a report in the manner provided  
22 by ORS 192.245 on or before December 1, 2023, to the Joint Committee on Transportation estab-  
23 lished under ORS 171.858 stating that:

24 (A) The Continuous Improvement Advisory Committee appointed under ORS 184.665 has re-  
25 viewed and reported to the commission on all transportation projects costing \$50 million or more  
26 and completed not less than six months prior to the date of the report required under this para-  
27 graph;

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

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

33 (D) The set of uniform standards required under ORS 184.657 (1) has been developed and **the**  
34 **standards** are being followed;

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

37 (F) Under ORS 184.657 (4), payments from the State Highway Fund have been withheld from  
38 cities and counties that failed to submit reports as required under ORS 184.657 (2).[: and]

39 *[(G) To the best knowledge of the commission, all bodies scheduled to receive fuel tax revenue*  
40 *pursuant to chapter 750, Oregon Laws 2017, after the operative date of the increase are in compliance*  
41 *with ORS 279C.305 or under review by the Bureau of Labor and Industries for compliance with ORS*  
42 *279C.305, or the commission has requested from the bureau confirmation of such compliance.]*

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

45 (A) A list of the shovel-ready highway projects the commission expects to undertake with the

1 revenue that will become available as a result of the increase;

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

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

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

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

19