Oregon’s annual legislative session came to a close on March 3, 2016. There were 283 bills, memorials and resolutions introduced during the 2016 session and of those, the legislature passed 61.

While transportation issues were not the focus of the 2016 session, legislators advanced several bills, memorials and resolutions that directly or indirectly affect ODOT. If you have questions about 2016 transportation-related legislation, please contact government relations staff.

Copies of 2016 enrolled bills (the copy that the Governor signs) may be found on the legislative web site: https://olis.leg.state.or.us/liz/2016R1/Measures/list/.

Measures as they were signed into law are known as “session laws” and are available on the legislative web site under Oregon Laws. Permanent laws passed during the 2016 Legislative Session will not be codified until the 2017 edition of the Oregon Revised Statutes is released. The 2017 ORS will be distributed and made available online in January or February 2018.
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House Measures

Changes Laws Regulating Production and Use of Cannabis

House Bill 4014
Effective date: March 3, 2016

House Bill 4014 makes a series of changes to the laws regulating the production, processing, sale, transfer, or use of marijuana. These changes include repealing the two-year residency requirement, changing the classification of criminal penalties relating to specified marijuana crimes, and allowing Oregon Medical Marijuana Program growers, processors, and retailers to transfer over inventory when becoming an Oregon Liquor Control Commission licensee. The bill also requires the Oregon Health Authority to approve or deny Oregon Medical Marijuana Program registration applications within 30 days of receipt, and also to conduct a youth prevention pilot project in an urban and a rural area of the state. The bill requires that in criminal diversion cases, any restriction on use of medical marijuana be the same as that for prescription medication. A Legislative record was created to clarify this does not apply in DUII diversion cases.

The Oregon Department of Transportation is affected by House Bill 4014 due to the creation of a new conviction for “Open Container-Marijuana” and the removal of a conviction for “Use of Marijuana while driving.” This will require adjustments to the DMV conviction recording process and revision of the DMV conviction table. Convictions will continue to be posted to driving records using the same process that is used today.

Speed Limits on Eastern Oregon Highways

House Bill 4047
Effective date: March 1, 2016

In 2015, the Oregon Legislature passed HB 3402, which increased highway speeds on certain eastern Oregon highways. House Bill 4047 corrects two technical issues with HB 3402 (2015).

HB 3402 set the maximum speed limit from The Dalles to Klamath Falls (on US 197 and US 97) at 60 mph for trucks, buses, etc. and 65 mph for passenger vehicles. HB 4047 would extend these speeds to the California state line. This segment is about 15 miles long, and the increase would bring Oregon into close alignment with the California speed limit coming into Oregon.

This bill also changes the speed limit on I-82 from its intersection with I-84 to the Washington state line (the entire 10-mile segment) to 65 miles per hour for trucks, buses, etc. and 70 miles per hour for passenger vehicles. This would match the speeds on I-84 in Oregon and would bring Oregon into close alignment with speeds in Washington on I-82. These changes will bring consistency with speed changes on nearby highways and match driver expectations for speeds on these routes.
Jobs and Transportation Act Project Reallocation

House Bill 4048
Effective date: March 14, 2016

The 2009 Oregon Legislature passed the Jobs and Transportation Act, which allocated $960.3 million to certain state highway projects and specified dollars for local projects. The Jobs and Transportation Act designated the projects by name and allocated specific amounts to each project. Subsequent legislative actions have transferred money between these projects, authorized the Oregon Transportation Commission to transfer unused funds between certain projects, and required the commission to review projects and recommend additional transfers when projects are complete.

House Bill 4048 makes a new transfer of money between two Jobs and Transportation Act projects and authorizes the Oregon Transportation Commission to make an additional transfer. The recommendations were made by the Commission in its October 2015 report to the legislature. HB 4048 transfers $3.5 million from the I-5/Woodburn project to the I-5 Kuebler Interchange Project, Phase I.

The bill also authorizes the Oregon Transportation Commission to transfer any funds that remain when the I-5/Woodburn project is complete to the State Highway 6/US 101 project in Tillamook. The department expects that the transfer to the State Highway 6/US 101 project will be approximately $3.5 million.

HB 4048 is the fourth time the Legislative Assembly has acted to reallocate money among JTA projects since the JTA was passed in 2009. The JTA identified 37 specific projects and allocated funding to 12 local governments in eastern Oregon, for a total of 51 projects and total project expenditure of $960.3 million. Project funding allocations were reconciled in 2012, 2013 and 2015.

The total amount committed to JTA projects remains $960.3 million.

Unmanned Aircraft Systems (Drones)

House Bill 4066
Effective date: March 29, 2016

In 2013, the Oregon Legislature enacted House Bill 2710, which provides guidance and restrictions on the use of “drones” within Oregon. Drones, or unmanned aircraft systems, are unmanned flying machines and may be as large as a small airplane, or the size of a small bird.

House Bill 4066 addresses concerns raised by this new technology. The measure applies a prohibition on weaponizing unmanned aircraft systems to all users and creates a new violation for interfering with the flight of another aircraft. The measure also requires public bodies that use unmanned aircraft systems to develop policies and procedures for safeguarding the information gathered from unmanned aircraft system operations. Finally, the measure allows flights over private property by Federal Aviation Administration authorized unmanned aircraft systems and provides protections for critical infrastructure.
Report on Administrative Rules

House Bill 4106
Effective date: January 1, 2017

House Bill 4106 requires the Oregon Department of Transportation, along with all other agencies, to provide a report to the Legislative Assembly by February 1 of each year related to the agency’s rulemaking activity.

The bill requires the report to provides the number of rules adopted, amended, or repealed in the previous 12-month period. For temporary rules, the report must include the number of rules, a list of those rules, a statement of need for each rule, and an explanation of why temporary rulemaking was the most appropriate rulemaking method for those rules.

Conveyance of Title for Property Purchased for Road Purposes

House Bill 4110
Effective date: June 2, 2016

House Bill 4110 is an omnibus taxation bill; most of the provisions in the bill do not affect transportation. HB 4110 makes a change to the definition of the term “conveyance” as it is used in ORS 311.411, correcting an unintended consequence of legislation passed in 2015. The clarification creates an exemption and removes the requirement for a certificate indicating all taxes are paid when a property transaction involves a partial parcel of property for state highway, county road, or city street purposes.

This change would allow the Oregon Department of Transportation to return to its former practices for partial purchases of land where only entire parcels of land would be subject to the certificate requirements under ORS 311.411.

Standards for Electronic Public Records

House Bill 4135
Effective date: March 14, 2016

House Bill 4135 directs the Chief Information Officer to develop standards, protocols, and procedures for executive department agencies, including the Oregon Department of Transportation, to use in fulfilling public records requests in electronic form.

The bill directs the Oregon Department of Administrative Services to coordinate efforts of executive department agencies in fulfilling public records requests for which they are the custodian and to provide technical assistance for electronic records which the Department of Administrative Services is not the custodian.

House Bill 5202
Effective date: March 29, 2016

House Bill 5202 is an omnibus bill that changes authority for state agencies to issue debt. The bill affects ODOT in the following ways:

- Authorizes general obligation bonds to complete implementation of the State Radio Project ($20,340,000).
- Authorizes lottery bonds to improve Juntura Road in Harney and Malheur counties ($2,000,000 in net proceeds for distribution to Harney County).

Deadlines for Introduction of 2017 Legislative Measures

House Concurrent Resolution 209

House Concurrent Resolution 209 sets the deadlines for presession filing of bills, memorials and resolutions in the 2017 Legislative Session. The resolution was adopted by the Senate and the House.

The resolution prescribes the following deadlines:

- September 26, 2016 - Members and committees must submit requests for drafts to Legislative Counsel no later than 5:00 p.m.
- December 7, 2016 - Legislative Counsel must deliver drafts to requesters no later than 5:00 p.m.
- December 21, 2016 - Requesters must submit drafts to be presession-filed for introduction to the Senate desk or House desk no later than 5:00 p.m.

The deadlines do not apply to the Senate President, House Rules Committee or the Joint Committee on Ways and Means.

The deadlines set for introduction of measures in HCR 209 for the 2017 session are similar to those set for the 2015 session.

The 2017 Legislative Session will begin on Wednesday, February 1, 2017.
Senate Measures

Emergency Fuel Supplies

Senate Bill 1523
Effective date: March 29, 2016

Senate Bill 1523 requires the Office of Emergency Management to develop and administer a grant program for the purpose of installing connectors at certain fuel storage facilities that are compatible with generators used by emergency response personnel. These updates would ensure that emergency responders can access fuel from otherwise incompatible storage tanks in the event of a catastrophic disaster, such as an earthquake along the Cascadia subduction zone.

The intent of the program is to maximize the compatibility of cardlock facilities around the state with the Office of Emergency Management's and the Oregon National Guard's generators. The Oregon Department of Transportation, along with the State Fire Marshal, will provide input to the Office of Emergency Management regarding the types of generator connectors that grant recipients may install.

Notification of Security Incidents

Senate Bill 1538
Effective date: April 4, 2016

Senate Bill 1538 requires state agencies to promptly notify the Legislative Fiscal Office concerning certain information security incidents and to report the results of information security assessments.

The bill requires heads of certain state agencies to provide an annual report concerning information security to the Joint Legislative Committee on Information Management and Technology. It also requires each state agency to periodically conduct or contract for an information security assessment of the agency’s information systems and to request security assessment results from any third party service to which the agency subscribes. The Oregon Department of Transportation is then required to notify the Legislative Fiscal Office of the results once they are received.
Information Technology Procurements

Senate Bill 1539
Effective date: March 3, 2016

Senate Bill 1539 requires state contracting agencies to provide information to the State Chief Information Office and the Legislative Fiscal Office when they engage in an information technology-related procurement with a contract price in excess of $250,000.

A state contracting agency, such as the Oregon Department of Transportation, is currently required to conduct a cost analysis when conducting a service procurement to determine whether the agency would incur less cost with the procurement than in performing the services in-house with its own personnel and resources. The cost analysis may also conclude that it is not feasible to do the work with in-house personnel.

When the procurement involves information technology services, Senate Bill 1539 directs the Oregon Department of Transportation and other agencies to send the Legislative Fiscal Office and the State Chief Information Office copies of its final cost analysis report.

Distribution of Proceeds from Wine Country Plate

Senate Bill 1543
Effective date: April 7, 2016

Senate Bill 1543 permits the Oregon Department of Transportation to issue a wine country registration license plate to a state-owned vehicle operated by a member of the Oregon Wine Board upon request by the board and approval by the Department of Administrative Services. The bill maintains grant issuing authority with the Oregon Tourism Commission, but revises the purposes for which the funds may be used.

Legislative Policy and Research Committee

Senate Bill 1569
Effective date: March 29, 2016

Senate Bill 1569 establishes the Legislative Policy and Research Committee as a joint committee of the Legislative Assembly. The committee is charged with preparing and assisting in the preparation of legislative research, facilitating the development of legislative policy, providing advice and assistance to legislative committees, and providing research facilities and services to members and legislative committees.

The new bipartisan committee’s members include the Senate President, the Speaker of the House, members of the Senate and the House appointed by the Senate President and Speaker respectively in equal numbers from the majority and minority parties in each chamber.

A newly created Legislative Policy and Research Director will direct the work of the committee. SB 1569 does not outline an initial research agenda for the committee.
2015-2017 Budget Adjustments

Senate Bill 5701
Effective date: March 29, 2016

Senate Bill 5701 is an omnibus budget reconciliation bill that rebalances the state budget for the 2015-17 biennium that addresses changes in projected revenues and expenditures since the close of the 2015 session. The bill also changes agency programs to align with the budget.

SB 5701 revises the Oregon Department of Transportation's 2015-2017 budget as follows:

- Increases expenditure limitation to fund road repairs and cleanup expenses of wildfire damage across the state during the 2015 fire season ($6,231,467).
- Corrects program budgets for the cost of debt issuance for highway safety improvements, the Coos Bay Rail Link and ConnectOregon VI.
- Reduces General Fund debt service for the State Radio Project to reflect postponement of a bond sale initially anticipated for May 2015 to May 2016 ($5,194,781).
- Reduces General Fund for DMV to reflect completion of a veteran information sharing project with the Department of Veterans Affairs ($47,835).
- Adjusts Oregon Department of Transportation's budget to reflect the employee compensation package.
- Increases expenditure limitation for the lottery funds provided under HB 5202 to fund a portion of the Juntura Cut-Off Road project in Harney and Malheur counties.

In addition, Senate Bill 5701 changes the Department of Administrative Services budget as it affects transportation.

- Restores the bus pass program for state employees working in the Capitol Mall area and the Airport Road Express shuttle between the State Motor Pool and the Capitol Mall ($650,000). These programs were stopped during the Great Recession.
- Assists Clackamas County with repairs at the Willamette Falls Locks and Canal ($500,000).

The bill makes two additional allocations around topics that touch the department’s work:

- Allocates $230,000 in General Fund to the Department of Environmental Quality to study a market-based approach to controlling greenhouse gas emissions. The study should include exploring providing economic incentives for achieving emissions reductions.
- Allocates $100,000 in lottery funds to the Oregon Business Development Department for a Willamette Valley Intermodal Hub Feasibility Study.
Memorial Signs

ORS 366.930 directs the Department of Transportation to install and maintain Fallen Officer roadside memorial signs to commemorate public safety officers (corrections officers, State Police, police chiefs and other police officers, sheriffs and deputies) killed in the line of duty. ORS 366.931 outlines a parallel process for Fallen Hero roadside memorial signs to commemorate members of United States Armed Forces who were killed in action or died of wounds sustained in action.

For a roadside memorial sign to be installed, the Legislative Assembly must pass a concurrent resolution recognizing the officer or member of the Armed Forces. ORS 366.930 and 366.931 also specify that ODOT must receive payment of a fee not to exceed the direct and indirect costs to cover installation, maintenance and removal of the sign. Public bodies may not expend funds to pay the fee.

The 2016 Legislative Assembly adopted the following concurrent resolutions that recognize law enforcement officers killed in the line of duty, meeting the first condition for placement of Fallen Officer memorial signs:

- HCR 204 – Deputy Robert L. “Bob” Talburt
- HCR 206 – Deputy William Bowman

The 2016 Legislative Assembly adopted the following concurrent resolutions that recognize members of the United States Armed Forces who died in the line of duty, for placement of Fallen Hero memorial signs:

- HCR 201 – Army Private First Class Anthony T. Justesen
- HCR 202 – Sergeant Travis A. Moothart
- HCR 203 – Chief Warrant Officer Erik C. Kesterson
- HCR 205 – Specialist Cody James Patterson
- HCR 207 – Sergeant Donald R. Walters
- SCR 206 – Private George Nathan Wright and Specialist Four James Alfred Wright
Reports to the Legislative Assembly

Some legislation enacted by the 2016 Legislative Assembly requires agencies to report to the Assembly or its committees. This section focuses on new or revised reporting requirements that affect ODOT or transportation generally.

Report on Administrative Rules

House Bill 4106 requires the Oregon Department of Transportation to report each year by February 1 on the administrative rules adopted, amended, or repealed in the previous 12-month period. The report must also include the number and a list of temporary rules, a statement of need for each rule, and an explanation of why temporary rulemaking was the most appropriate rulemaking method for those rules.

Notification of Security Incidents

Senate Bill 1538 requires the Oregon Department of Transportation to promptly notify the Legislative Fiscal Office concerning certain information security incidents and to report the results of information security assessments.

The bill also requires agencies to provide an annual report concerning information security to the Joint Legislative Committee on Information Management and Technology and to notify the Legislative Fiscal Office of the results of periodic information security assessments of the agency’s information systems.
Legislation Considered (Not Passed)

This section reviews a few of the 283 bills, memorials and resolutions that were introduced during the 2016 session, but were not adopted.

**Collection of Debts Owed the State of Oregon**

*HB 4065 – Collection of Debts Contractors Owe State Agencies*

*HB 4131 – Collection of Debts Owed State Agencies*

House Bills 4065 and 4131 followed up on recommendations contained in the Secretary of State's Audit Division's reports on state management of delinquent debt collections. The Audit Division has been critical of the state's management practices and made a number of recommendations for improvement.

House Bill 4065 would have required state agencies to work with the Legislative Fiscal Office to determine if a potential contractor was delinquent on a debt owed to the state and to take steps within the state public contracting process to collect on the debt. House Bill 4131 would have allowed the Oregon Department of Revenue to match data that it holds concerning state debtors with the records held by financial institutions to determine if a debtor has assets that are held by a financial institution. If the department identified assets, it could take steps to garnish those assets to satisfy the debt owed the state.

Legislative committees held hearings on both bills, but both were in committee upon adjournment.

**Public Policy Review Committee**

*HB 4051 – Joint Committee on Strategic Public Policy Review*

House Bill 4051 proposed a Joint Committee on Strategic Public Policy Review. This new legislative committee would review statutes and legislative policy and state agencies' implementation to ensure that statute, policy and implementation remain in sync. A similar proposal was discussed during the 2015 session.

While House Bill 4051 was in committee on adjournment, the legislature passed a similar bill, Senate Bill 1569, creating a Legislative Policy and Research Committee that could do similar work upon members' requests.
Public Records

*HB 4130 – Standards for Processing Public Records Requests*

House Bill 4130 proposed to standardize some aspects of the public records request process. Under the bill, a public agency would be required to respond within five business days of the receipt of public records request. The agency would have to produce all the requested records in the agency’s possession within 30 days or to indicate when the records will be available if the agency is still gathering the requested information.

Legislative committees held hearings on House Bill 4130, but the bill was in committee upon adjournment. The Oregon Department of Transportation currently acknowledges requests within five business days and processes requests within the 30-day standard proposed in House Bill 4130.

Public Transportation Funding

*HB 4078 – Creates Transit Expansion Fund*
*SB 1510 – Omnibus Transportation Bill*
*SB 1521 – Employee-Paid Payroll Tax for Transit Districts and Cities that Levy Employer-Paid Payroll Tax*

There were several proposals to provide additional resources for public transportation services across the state.

House Bill 4078 would have created a “Transit Expansion Fund” to assist Salem Keizer Transit and small transit providers to expand bus service. The bill set out criteria for a grant program for these transit providers that ODOT would have administered. House Bill 4078 was not linked to a revenue source.

Senate Bill 1510 would have expanded TriMet’s ability to invest proceeds from General Obligation bonds or revenue bonds in facilities on which it does not operate service. The bill would have enhanced TriMet’s abilities as a partner in the regional transportation system. Unrelated to the TriMet component in the bill, Senate Bill 1510 would have also allowed commercial vehicles using natural gas to exceed weight limits on highways by 2000 pounds.

Senate Bill 1521 would have allowed transit providers to levy an employee-paid payroll tax if they currently levy an employer-paid payroll tax. The employee-paid payroll tax concept was first discussed as part of the 2015 Transportation Funding proposal.

While legislative committees held hearings for the three proposals, all were in committee on adjournment.
Transportation Funding

GB 4055 – 2016 transportation funding bill

Transportation advocates had looked to the 2015 Legislative Session for passage of a significant transportation funding proposal. While a proposal was considered late in the 2015 session, it did not move forward.

GB 4055 was introduced in the 2016 session. It contained many of the provisions considered in the 2015 transportation funding proposal. However, the Governor and legislative leadership looked toward consideration of a major transportation funding proposal in the 2017 session. GB 4055 was in committee on adjournment.

Requirement for Cardboard Pallets

GB 4089 – Cardboard pallet procurement requirement

Most goods are shipped, stored and delivered on pallets. Corrugated cardboard pallets have the potential to reduce cargo weight and woodwaste going to landfills.

GB 4089 proposed to change the state procurement process to require goods purchased by state agencies to be transported and delivered on corrugated cardboard pallets. While GB 4089 was in committee upon adjournment, the Department of Corrections committed to explore a pilot project. Corrections will work with its vendors to use corrugated cardboard pallets for up to 10 percent of its inbound freight by 2021 and to study procurement and logistics implications.

Veterans Preference

GB 4096 – Public employers veterans preference

GB 4096 proposed to facilitate implementation of 2011 laws intended to increase the number of interviews that veterans might obtain with public employers. The bill was intended to clarify ambiguous and vague statutory language to standardize the process for both public employers and veterans.

GB 4096 was similar to 2015 Senate Bill 87 that was the product of an interim work group. While House Bill 4096 was heard, the bill was in committee upon adjournment.
**Greenhouse Gas / Carbon Emissions**

*HB 4068 – Greenhouse Gas Emissions Goals*
*HB 4101 – Greenhouse Gas Emissions Changes*
*SB 1574 – Cap and investment*

The 2016 Legislature considered several bills relating to greenhouse gas emissions and carbon emissions.

HB 4101 would have required the Environmental Quality Commission to develop a program to assess the impacts of state policies and programs for reducing greenhouse gas emissions.

SB 1574 would have required the Environmental Quality Commission to adopt greenhouse gas emission targets (a reduction of 20 percent from the 1990 levels by 2025; of 45 percent by 2035; and by 75 percent by 2050) by rule, repealing a statute that sets those targets. The bill would have created a greenhouse gas cap and investment program. Revenue raised from trading carbon emission caps would pay for investments that reduce carbon emissions, including investments in highways, roads and streets.

HB 4068 was similar to SB 1574.

Legislative committees held hearings on HB 4101 and SB 1574. All three bills were in committee upon adjournment.