**TEMPORARY ADMINISTRATIVE ORDER DRAFT**

CHAPTER 732

DEPARTMENT OF TRANSPORTATION, PUBLIC TRANSIT DIVISION

FILING CAPTION: Modifications to Statewide Transportation Improvement Fund formula plans

EFFECTIVE DATE: 05/09/2024 THROUGH 11/04/2024

AGENCY APPROVED DATE: 05/09/2024

NEED FOR THE RULE(S): Currently, OAR 732 Division 42 does not allow any modifications to Statewide Transportation Improvement Fund formula plans after the plans are submitted by providers and approved by the Oregon Transportation Commission. Due to the nature of the funding, collected tax revenues fluctuate from quarter to quarter. And circumstances beyond a recipient’s control can delay projects or impact timing of project spending, resulting in unspent funds at the end of a plan cycle. These amounts are not always known when a Qualified Entity submits their plan for the next biennium. If these funds are not accounted for in an approved formula plan, agencies cannot modify the plan to add any funding, and these funds cannot be utilized for two full fiscal years, until the next formula plans are submitted.

The temporary rule allows Qualified Entities to add unspent and reserve funding to projects in their approved 2023-25 STIF Formula plan. When the revised Plans are approved by the Commission, Qualified Entities can spend the funds immediately on improvements to public transportation.

JUSTIFICATION OF TEMPORARY FILING: Much-needed public transit funds will sit undeployed for up to two years absent the rule. The temporary rule allows additional funding to be put to use immediately for public transportation services and projects.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE: None

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ADOPT: 732-042-0045

RULE TITLE: Agency Amendment of STIF Plan

RULE SUMMARY: Currently OAR does not allow for any modifications of the STIF Formula Plans by providers. This often leaves large amounts of funding unspent and not working for the citizens of Oregon. This rule will allow the Public Transit Division to provide an opportunity for a QE to modify their plan once per year, adding funding only to existing projects. This will ensure that funds are put to work for transit agencies and citizens of Oregon.

RULE TEXT:

(1) No later than April 29, 2024, a Qualified Entity with an approved STIF Plan for the 2023-2025 Biennium (an “Original STIF Plan”) may submit a proposed amended STIF Plan for the 2023-2025 Biennium (an “Amended STIF Plan”) to the Agency.

(2) The Amended STIF Plan must include documentation that the Governing Body approved the Amended STIF Plan prior to its submittal to the Agency. If STIF Formula funds will be jointly managed by two or more Qualified Entities, the Amended STIF Plan must include documentation demonstrating each Governing Body’s commitment to joint management.

(3) An Amended STIF Plan submitted under section (1) of this rule may amend only one or both of the following elements of the Qualified Entity’s Original STIF Plan:

(a) The amount of unspent STIF Formula Fund moneys carried forward from the 2021-2023 Biennium under OAR 732-042-0035(2) and the description of how those moneys will be spent in the 2023-2025 Biennium; or

(b) Based upon the latest estimate of STIF Formula Fund distributions for the 2023-2025 Biennium provided by the Agency, the total amount of STIF Formula Fund moneys to be expended during the 2023-2025 Biennium and the Projects to which those moneys will be allocated.

(4) An Amended STIF Plan submitted under section (1) of this rule may neither add any new STIF Projects to the Original STIF Plan nor modify the description or scope of Projects identified in the Original STIF Plan.

(5) The Agency shall submit all timely received proposed Amended STIF Plans to the Commission. The Commission shall thereafter review and either approve or reject each proposed Amended STIF Plan.

(6) If an Amended STIF Plan is approved by the Commission, the Amended STIF Plan supersedes the Qualified Entity’s Original STIF Plan for the remainder of the 2023-2025 Biennium.

(7) If an Amended STIF Plan is rejected by the Commission, a Qualified Entity may file one appeal as described in OAR 732-040-0050.

STATUTORY/OTHER AUTHORITY: ORS 184.619, 184.658, 184.761

STATUTES/OTHER IMPLEMENTED: ORS 184.755-184.766