

OFFICE OF THE SECRETARY OF STATE

TOBIAS READ

SECRETARY OF STATE

MICHAEL KAPLAN

DEPUTY SECRETARY OF STATE



ARCHIVES DIVISION

STEPHANIE CLARK

DIRECTOR

800 SUMMER STREET NE

SALEM, OR 97310

503-373-0701

PERMANENT ADMINISTRATIVE ORDER

PTD 2-2026

CHAPTER 732

DEPARTMENT OF TRANSPORTATION PUBLIC TRANSPORTATION DIVISION

FILED

01/22/2026 2:38 PM

ARCHIVES DIVISION
SECRETARY OF STATE
& LEGISLATIVE COUNSEL

FILING CAPTION: Statewide Transportation Improvement Fund Program Rules

EFFECTIVE DATE: 01/22/2026

AGENCY APPROVED DATE: 01/22/2026

CONTACT: Ben Goldberg

971-701-0195

ben.h.goldberg@odot.oregon.gov

555 13th Street NE

Salem, OR 97301

Filed By:

Winnie Dawn

Rules Coordinator

RULES:

732-005-0000, 732-005-0005, 732-005-0010, 732-005-0016, 732-005-0021, 732-005-0027, 732-005-0031, 732-005-0036, 732-005-0041, 732-005-0046, 732-005-0051, 732-005-0056, 732-005-0061, 732-005-0066, 732-005-0071, 732-005-0076, 732-005-0081, 732-005-0090, 732-010-0005, 732-010-0010, 732-010-0015, 732-010-0020, 732-010-0025, 732-010-0030, 732-010-0035, 732-010-0045, 732-030-0005, 732-030-0010, 732-030-0015, 732-030-0020, 732-030-0025, 732-030-0030, 732-030-0035, 732-040-0005, 732-040-0010, 732-040-0015, 732-040-0020, 732-040-0030, 732-040-0045, 732-042-0010, 732-042-0015, 732-042-0020, 732-042-0025, 732-042-0035, 732-042-0045, 732-042-0055, 732-044-0030

REPEAL: 732-005-0000

RULE TITLE: Purpose of Rule

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals OAR 732-005-000.

RULE TEXT:

- (1) The rules in chapter 732, divisions 5, 10 and 20 establish the procedures and requirements of the Public Transit Division for the administration of the Special Transportation Fund (STF) for the Elderly and Disabled.
- (2) The rules in chapter 732, divisions 5 and 30 establish the procedures and requirements of the Public Transit Division for the administration of the Special Transportation Operating (STO) Grants Program.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830, Ch 910 OL 2009

REPEAL: 732-005-0005

RULE TITLE: Statutory Authority and Procedure

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals 732-005-0005.

RULE TEXT:

ORS 391.810 requires the Public Transit Division to adopt rules necessary for the administration and implementation of the STF under ORS 391.800 through 391.830.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830

REPEAL: 732-005-0010

RULE TITLE: Definitions

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals 732-005-0010.

RULE TEXT:

The following definitions apply to rules in chapter 732 divisions 5, 10, 20 and 30:

(1) "Administration" means the essential activities incurred by the STF Agency: receiving, disbursing and accounting for STF moneys.

(2) "Administrative Allotment" means a fixed amount, disbursed annually to a STF Agency, for Administration.

(3) "Advisory Committee" means a committee appointed by a STF Agency to advise and assist the STF Agency in carrying out the purposes of the Special Transportation Fund.

(4) "Capital equipment" means tangible property having a useful life of more than one year and with an acquisition cost of more than \$5,000. Examples include and are not limited to: vehicles, buildings, and passenger shelters. Aggregated purchases, e.g., groups of computers and communication equipment purchased as a single procurement, even if delivered and paid for individually, are treated as capital if the total cost exceeds \$5,000.

(5) "Coordination" means working cooperatively with Providers and other individuals and agencies representing people unable to drive, low-income, Elderly and People with Disabilities, to more effectively apply funding and other resources to meet common transportation needs. Coordination actions may reduce duplication of service, reduce cost, increase service levels or make services more widely available in a community.

(6) "Disabled," also "People with Disabilities" or "Individual with Disabilities" means a person or persons who, by reason of illness, injury, advanced age, congenital malfunction, or other permanent or temporary incapacity, have a physical or mental impairment that substantially limits one or more of their major life activities. This definition does not include substance abuse disorders resulting from the current illegal use of drugs.

(7) "Discretionary Account" means a Special Transportation Fund account for distribution of the remaining cigarette tax receipts and other revenues contributed to the STF set aside following distribution of the Formula Allocation, Minimum Allocation and Administrative Allotment.

(8) "Discretionary Grant" means a grant award from the Discretionary Program.

(9) "Discretionary Program" means a program financed by the Discretionary Account that may be offered by the Division to support Projects benefiting the Elderly and People with Disabilities.

(10) "District" means a mass transit district organized under ORS 267.010 to 267.390 or a transportation district organized under ORS 267.510 to 267.650.

(11) "Division" means the Oregon Department of Transportation, Public Transit Division.

(12) "Elderly" also "Seniors" means individuals who are 60 years of age or older.

(13) "Formula Allocation" means an amount of STF moneys made available to a STF Agency on the basis of the STF Agency's share of resident population in proportion to the population of the state as a whole.

(14) "Formula Program" means the program of regular distribution of STF moneys from the Division to the STF Agencies that is composed of the Formula and Minimum Allocations, plus the Administrative Allotment.

(15) "Incidental Use" means a use of a Project that is not the primary purpose of the Project.

(16) "Indian Tribe" means a federally recognized Indian Tribe in Oregon that has members residing on a reservation or tribal trust lands in Oregon.

(17) "Minimum Allocation" means a minimum annual amount for which each STF Agency will be eligible, composed of the Formula Allocation moneys plus moneys from the Discretionary Account sufficient to equal the Minimum Allocation.

(18) "Operations" means provision of transportation services.

(19) "Operating Expense" means the costs associated with the provision of transportation services. Operating Expense does not include expense associated with procuring or leasing capital equipment. Common Operating Expenses include,

and are not limited to: personnel, insurance, utilities, vehicle and facility maintenance, professional and technical services, security, fuel and tires, purchased transportation services, personnel training, communication and technology maintenance, marketing/public information, and planning integral to the provision of transit services.

(20) "Oregon Transportation Commission" means a commission established under ORS 184.612.

(21) "Project" means a Public Transportation System or Service, a Capital Item or any associated activity including, but not limited to, planning and needs assessment, training, and research and that falls within the purposes defined in OAR 732-005-0016.

(22) "Provider" means a city, county, district, Indian tribe, or any other person or agency, whether public or private, that maintains, operates, or sponsors vehicles and facilities for Public Transportation Services for profit or on a nonprofit or voluntary basis.

(23) "Public Transportation Services" means any form of passenger transportation by car, bus, rail or other conveyance, either publicly or privately owned, which provides service to the general public (not including charter or sightseeing or exclusive school bus) on a regular and continuing basis. Such transportation may include services designed to meet the needs of a specific user group, including for the Elderly and People with Disabilities, and for purposes such as health care, shopping, education, employment, public services, personal business or recreation.

(24) "Recipient" means a city, county, transportation district, mass transit district, county service district, Indian tribe, public or private non-profit corporation, or other person or agency, that is in receipt of STF moneys to finance in whole or part a Project for the elderly and people with disabilities.

(25) "Representative of Disabled Persons" means an individual who is familiar with the needs of People with Disabilities and is knowledgeable or aware of the transportation needs of People with Disabilities.

(26) "Representative of Elderly Persons" means an individual who is familiar with the needs of the Elderly and is knowledgeable or aware of the transportation needs of the Elderly.

(27) "Special Transportation Fund for Elderly and Disabled" also "STF" means moneys generated by a tax on cigarettes, or from other sources, appropriated to the Division for distribution to STF Agencies for the purpose of financing and improving transportation programs and services for the Elderly and People with Disabilities.

(28) "Special Transportation Fund Operating Grants" also "STO Grants" means moneys appropriated from the Oregon General Fund to the Division for distribution to STF Agencies for the purpose of financing Operating Expenses that provide access to Transportation Systems and Services for Seniors and Individuals with Disabilities.

(29) "STF Agency" means the mass transit district, transportation district, county in which no part of a mass transit or transportation district is located or Indian tribe that is eligible to receive STF and STO moneys directly from the Division.

(30) "STF Plan" means a plan developed by the STF Agency to guide the investment of STF moneys over at least a three year period.

(31) "STF Program" means a set of policies and procedures that guide the expenditure of STF moneys to benefit transportation services for the Elderly and People with Disabilities.

(32) "Transportation Service" means a project that provides rides or improves access to rides for seniors and individuals with disabilities.

(33) "Transportation System" means one or more transit services that are operated in coordination with each other, and when viewed as a whole, offers access to Transportation Service appropriate to the individual.

(34) "User of Transportation Services" means a person who is Elderly or a Person with Disabilities and who makes use of transportation programs and services for the Elderly and People with Disabilities financed in whole or part with STF moneys.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830, Ch 910 OL 2009

REPEAL: 732-005-0016

RULE TITLE: Purpose and Use of the STF and STO Moneys

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals 732-005-0016.

RULE TEXT:

(1) The STF and STO funds are intended to provide a flexible, coordinated, reliable and continuing source of revenue in support of Transportation Systems and Services that provide transportation for the Elderly and People with Disabilities.

(2) STF and STO moneys may be used for the following purposes:

(a) Maintenance of existing Transportation Systems and Services for the Elderly and People with Disabilities.

(b) Expansion of such Systems and Services.

(c) Creation of new Systems and Services.

(d) Planning for, and development of, access to transportation for the Elderly and People with Disabilities who are not currently served by transportation programs and services.

(3) The STF and STO moneys may be used as matching funds for state and federal programs also providing transportation programs and services to the Elderly and People with Disabilities.

(4) Use of STO moneys is limited to Operations Expense; Capital equipment is not eligible.

(5) When funded by STF and STO moneys:

(a) Projects will comply with the requirements of USDOT Federal Transit Administration regulations, 49 CFR PART 37 TRANSPORTATION SERVICES FOR INDIVIDUALS WITH DISABILITIES (Americans with Disabilities Act) section 37.3, as applicable to the specific Project and Provider.

(b) Projects financed in whole or part with STF and STO moneys will be coordinated with other transportation programs and services to the maximum extent feasible.

(6) Except in the case of a uniform budget reduction, STF and STO moneys will not be used to supplant moneys currently appropriated by STF Agencies for transportation projects benefiting the Elderly and People with Disabilities. STF and STO moneys may supplement funds from other sources.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830, Ch 910 OL 2009

REPEAL: 732-005-0021

RULE TITLE: Administration by the Public Transit Division

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeal 732-005-0021.

RULE TEXT:

- (1) The Division will conduct the necessary activities to manage the STF and STO Grant Fund programs.
- (2) Activities conducted by the Division include, and are not limited to, distribution of funds, application and review processes, agreement procedures, program oversight, protests, statewide planning and research, training and technical assistance.
- (3) STF and STO moneys will be accounted for separately.
- (4) After payment of the state administrative costs of the program, the Division will make available STO moneys annually to STF Agencies.
 - (a) The distribution will be determined by the Division.
 - (b) Each STF Agency that applies will receive at least \$15,000.
 - (c) STO moneys will be claimed by STF Agencies through an application submitted to the Division during the STO grant application period defined by the Division. Failure to apply will result in forfeiture of the available funds.
- (5) After payment of the state administrative costs of the program, the Division will make available moneys from the STF:
 - (a) Three-fourths of STF moneys will be made available annually to STF Agencies on the basis of population distribution. This will be known as the Formula Allocation; and
 - (b) Of the remaining one-fourth of STF moneys:
 - (A) An Administrative Allotment of \$2,000 will be made available annually to each STF Agency:
 - (i) The annual Administrative Allotment of \$2000 is intended to defray the STF Agency's cost of Administration of their STF program: receiving, disbursing and accounting for their STF moneys.
 - (ii) The STF Agency will not use moneys from the STF Formula Allocation to defray administrative costs.
 - (iii) Additional costs of developing and managing the STF program including, and not limited to, planning, advisory committee management, contract management, and technical assistance, are not defined as Administration, and may be supported by moneys from the Formula Allocation.
 - (iv) The STF Agency may finance the cost of administration of STF discretionary grants awarded in accordance with OAR 732-020-0030 with funds from the grant award.
 - (B) A Minimum Allocation will be made available annually as a supplement to the moneys made available based on population.
 - (i) Each STF Agency will have no less than the minimum allocation made available, irrespective of population, under the STF Formula Program. This Minimum Allocation, when combined with formula moneys, will be defined by the Oregon Transportation Commission;
 - (ii) The Minimum Allocation will equal at least \$15,000; and
 - (iii) The Minimum Allocation will be based on factors defined by the Division related to the cost of providing transportation services and programs by the STF Agencies with the least population.
 - (C) Any remaining moneys will be set aside to a Discretionary Account. The Discretionary Account is intended to provide a flexible resource for addressing the transportation needs of the Elderly and People with Disabilities in accordance with OAR 732-005-0016. Discretionary Account moneys may be used for:
 - (i) A Discretionary Program to award Discretionary Grants in accordance with OAR 732-020-0005 through 732-020-0045; or
 - (ii) Projects of statewide importance identified and implemented by the Division.
 - (iii) Discretionary Grants and Projects of statewide importance will be approved by the Oregon Transportation Commission.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830, Ch 910 OL 2009

REPEAL: 732-005-0027

RULE TITLE: STF Agencies Eligible for STF and STO Moneys

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals 732-005-0027.

RULE TEXT:

(1) After payment of the state's administrative costs of the program, the Division will make available moneys from the STF. STF moneys may be distributed to the following:

- (a) To Districts where they exist;
- (b) To counties where no Districts exist; and
- (c) To federally recognized Indian Tribes in Oregon.

(d) If two or more Districts are located in one county, the moneys will be distributed to the Mass Transit District. If there is no Mass Transit District located in the county, then the moneys will be distributed to the Transportation District with highest population.

(2) Districts, Indian Tribes and counties receiving STF and STO moneys are known as STF Agencies.

(3) Withdrawal from Eligibility: STF Agencies eligible to receive STF and STO moneys may voluntarily withdraw from eligibility:

(a) A STF Agency intending to withdraw its eligibility will notify the Division of the decision to withdraw and the reason for withdrawal;

(b) A STF Agency may rescind its withdrawal at any time; and

(c) After a three-year period, the STF Agency that has withdrawn from eligibility will not be included in the population-based distribution of STF and STO moneys in accordance with OAR 732-010-0010:

(A) The population of the Indian Tribe that has withdrawn from eligibility will be included in the resident population of Districts and counties; and

(B) The population of a District or county that has withdrawn from eligibility will be included in the population of another STF Agency identified by the Division.

(4) Failure to apply for Formula Program and STO moneys for three or more consecutive years will be considered withdrawal from eligibility to receive STF and STO Funds.

(5) Accumulation of Formula Program moneys allocated to a STF Agency that has withdrawn will:

(a) Not exceed the total of three consecutive years dating from the year of withdrawal, or from the first year of failure to apply for Formula Program moneys;

(b) The Administrative Allotment will not accumulate;

(c) The STF Agency that rescinds its withdrawal may receive up to three years of accumulated Formula Program moneys;

(d) The STF Agency that rescinds its withdrawal is eligible to receive one year of Administrative Allotment for the year of application; and

(e) STO moneys will not accumulate.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830, Ch 910 OL 2009

REPEAL: 732-005-0031

RULE TITLE: Advisory Committee Requirements

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals 732-005-0031.

RULE TEXT:

(1) The STF Agency will appoint an Advisory Committee.

(2) The purpose of the Advisory Committee is to advise and assist the STF Agency in carrying out the purposes of the STF and STO.

(3) The Advisory Committee will:

(a) Advise the STF Agency regarding the opportunities to coordinate STF and STO moneys and STF- and STO-funded Projects with other transportation programs and services to avoid duplication and gaps in service;

(b) Review the proposed distribution of Formula Program moneys and make recommendations to the STF Agency;

(c) Review STO and Discretionary Grant proposals and make recommendations to the STF Agency;

(d) Adhere to Oregon Public Meetings laws, as applicable;

(e) Meet a minimum of two times per year, or a sufficient number of times so as to advise the STF Agency in carrying out the purposes of the STF and STO Programs;

(f) Participate in developing in the STF Plan that will be used to perform the activities described in this section; and

(g) Be guided by written bylaws that may include, but are not limited to, committee membership criteria, terms of office for the committee members, procedures of the committee, meeting schedule and other operating and decision-making procedures.

(4) To perform the activities described in subsections (3)(a) through (c) of this rule, the Advisory Committee will review the Projects proposed for funding by Formula Program and Discretionary Program moneys, including the proposed Recipient, Project purpose, intended User of Transportation Services, and the proposed funding level.

(5) The Advisory Committee may recommend to the STF Agency any changes to the proposed distribution of Formula Program moneys or Discretionary Grant applications it considers necessary.

(6) The terms of office for the Advisory Committee members are at the discretion of the STF Agency.

(7) The Division will be notified by the STF Agency of changes in the Advisory Committee membership.

(8) Copies of Advisory Committee bylaws, minutes and meeting notices will be made available to the Division, upon reasonable notice.

(9) Indian Tribes:

(a) The Advisory Committee of a STF Agency that is an Indian Tribe will be composed of at least three members; and

(b) To be qualified to serve on an Advisory Committee of an Indian Tribe, an individual must be able to represent the transportation needs of the Elderly and People with Disabilities served by the Indian Tribe.

(10) Districts and Counties: The Advisory Committee of a District or county will be composed of at least five members, of which a majority will meet the qualifications of paragraphs (11)(c)(A) through (D) of this rule.

(11) To be qualified to serve on the Advisory Committee for a STF Agency that is a District or county, an individual will:

(a) Reside in the District or county;

(b) Be knowledgeable about the transportation needs of the Elderly and People with Disabilities; and

(c) Be a person who:

(A) Is Elderly or a person with a disability and is a User of Transportation Services in the District or county;

(B) Is Elderly or is a person with a disability and who lives in an area of the District or county where there are no Public Transportation Services;

(C) Is Representative of Elderly persons residing in the District or county;

(D) Is Representative of People with Disabilities residing in the District or county; or

(E) Represents a Provider of services to the Elderly or People with Disabilities residing in the District or county.

(d) The STF Agency will consider geographic diversity and balance of the membership qualifications identified in

paragraphs (11)(c)(A) through (E) of this rule when appointing STF Advisory Committee members.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830, Ch 910 OL 2009

REPEAL: 732-005-0036

RULE TITLE: Accounting Requirements

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals 732-005-0036.

RULE TEXT:

(1) The STF Agency will receive and disburse STF and STO moneys from a separate governmental fund. Any money realized as a result of interest accrued will be added to the moneys and will be reported to the Division.

(2) Record Retention:

(a) The STF Agency will maintain all financial records for at least three years after the Division's final disbursement for the fiscal year; and

(b) The STF Agency will maintain all records relating to Capital Items for three years after disposition.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830, Ch 910 OL 2009

REPEAL: 732-005-0041

RULE TITLE: Capital Item Requirements

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals 732-005-0041.

RULE TEXT:

(1) Capital Items may be purchased with STF moneys:

(a) Incidental Use of a Capital Item for other Public Transportation Services is authorized if associated with Coordination to benefit the Elderly and People with Disabilities; and

(b) The Incidental Use will not substantially reduce the effective use of the Capital Item for the Elderly and People with Disabilities.

(2) The STF Agency will inventory the Capital Items purchased in whole or part with STF moneys. The inventory will include date of purchase, purchase price, percentage of STF moneys contributed to the purchase, the source of other funds, the authorized use and the Recipient using the Capital Item.

(3) The STF Agency will maintain continuing control of a Capital Item purchased in whole or part with Formula Program during the period of useful life established in accordance with subsection (4)(a) of this rule. The STF Agency may exert continuing control beyond the period of useful life, under its own authority. Continuing control is defined as use, management and disposal of a Capital Item.

(4) STF Agencies will use their own procedures for continuing control, excepting where specified by this section. At a minimum, STF Agencies will:

(a) Establish minimum useful life standards for Capital Items:

(A) Useful life may be based on standards for depreciation established by the Internal Revenue Service or other standard in reference to the specific type of capital; and

(B) For vehicles, the definition of useful life will be consistent with the policy established by the Division for vehicles financed with federal grant funds;

(b) Use the STF Agency's own procedures for disposal of a Capital Item;

(c) Return the net proceeds from a sale of a Capital Item to the local STF. If other funds were used in the purchase, then only the proportion representing STF participation will be returned to the STF;

(d) Establish procedures to ensure that a Capital Item is maintained in safe operating condition, as appropriate;

(e) Establish procedures for transfer of a Capital Item to an eligible Recipient;

(f) Establish procedures for lease of a Capital Item to a Recipient;

(g) Establish insurance requirements adequate to protect the interests of the Transportation Users, the Recipient and the STF Agency, as appropriate;

(h) Ensure that facilities and real property will be used for the originally authorized purpose by use of a restrictive deed covenant, as feasible and appropriate; and

(i) Ensure that vehicles purchased in whole or in part with STF moneys are registered with the Oregon Department of Transportation Driver and Motor Vehicle Services Division in the name of the STF Agency or in the name of the Recipient receiving the equipment:

(A) If the vehicle is registered in the name of the Recipient receiving the equipment, and that Recipient is not the STF Agency, the STF Agency will be listed on the vehicle title as security interest holder;

(B) For leased vehicles, the lease will be recorded on the vehicle title, in accordance with Oregon Department of Transportation Driver and Motor Vehicle Services Division procedures;

(C) Vehicles purchased with other local, state or federal funds in addition to STF moneys will be titled in accordance to the requirements of the specific source. The STF Agency will be listed on the title as a security interest holder; and

(D) The STF Agency may release their security interest in the vehicle after the defined period of useful life is past.

(5) The STF Agency will notify the Division of the sale or transfer of the Capital Item purchased with STF moneys and will report the use of proceeds from the sale.

(6) The Division may establish requirements for Capital items purchased with Discretionary Program moneys, including and not limited to:

- (a) A minimum threshold of insurance coverage,
- (b) Annual inspections of vehicles used for Public Transportation Programs; and
- (c) A requirement that the use of facilities and real property will be secured by a restrictive deed covenant, as feasible and appropriate.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.810 - 391.830

REPEAL: 732-005-0046

RULE TITLE: Audit Requirements

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals 732-005-0046.

RULE TEXT:

(1) STF and STO moneys will be specifically and individually addressed in the STF Agency's annual audit. If requested by the Division, the STF Agency will provide the Division with a copy of the audit report.

(2) The Division may request additional information including, but not limited to, audits of specific Projects.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830, Ch 910 OL 2009

REPEAL: 732-005-0051

RULE TITLE: Reporting Requirements

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals 732-005-0051.

RULE TEXT:

(1) The purpose of reporting is to:

- (a) Ensure that STF and STO moneys are being used for the purpose of financing and improving transportation programs for the Elderly and People with Disabilities;
- (b) Measure the effects of the program; and
- (c) Provide information to the Oregon State Legislature.

(2) The STF Agency will prepare, or require its Recipients to prepare, a quarterly report to the Division. The STF Agency will approve and sign reports prepared by Recipients prior to submission to the Division:

(a) For Projects funded by the Formula Program, a report form, provided by the Division, will be completed for each Recipient on the List of Projects;

(b) For Projects funded by STO Grant Funds, a report form, provided by the Division, will be completed for each recipient on the List of Projects

(c) A STF Agency may require additional reporting information from its Recipients;

(d) Reports will be due within 45 days following the end of a quarter. The fourth quarter report may be a preliminary report, subject to adjustment after completion of the STF Agency's audit.

(3) Failure to submit the required reports may result in withholding of Formula and STO Funds:

(a) The Division may withhold Formula and STO Funds if reports have not been submitted for a period of three consecutive quarters; and

(b) A STF Agency may negotiate an alternate reporting schedule with the Division.

(4) For Projects funded by the Discretionary Program, a report form will be provided by the Division:

(a) The report is required for payment of Discretionary Grant moneys;

(b) The Division may identify alternate dates for reporting; and

(c) Recipients of Capital Items will report regularly during the period of useful life of the Capital Item.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830, Ch 910 OL 2009

REPEAL: 732-005-0056

RULE TITLE: Withholding of Funds from a STF Agency

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals 732-005-0056.

RULE TEXT:

(1) The Division may withhold payment of STF and STO moneys if:

(a) The funds are not being used in accordance with these rules;

(b) All required reporting has not been submitted; or

(c) There are any unresolved audit findings relating to the moneys.

(2) If an audit or a review of the agreement finds that STF and STO moneys were used improperly, the STF Agency will repay the STF that portion used improperly.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830, Ch 910 OL 2009

REPEAL: 732-005-0061

RULE TITLE: Management of Agreements

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals 732-005-0061.

RULE TEXT:

(1) The Division will enter into agreements with a STF Agency after approval of the STF Agency's application for STF and STO moneys.

(a) The agreement will include:

(A) A description of the use of the STF or STO moneys. The description of an STO funded project must clearly indicate that the project meets the definition of an Operations Expense;

(B) A beginning and end date;

(C) Termination and suspension clauses;

(D) Other applicable requirements of these rules; and

(E) Sanctions for failure to comply with the requirements of the agreement, including and not limited to, withholding and repayment of funds for cause.

(b) Inspection of records and Projects:

(A) An STF Agency, and any organization acting on the STF Agency's behalf, will permit the Division, the Secretary of State of the State of Oregon, or their authorized representatives, upon reasonable notice, access to all data and records relating to the STF and STO moneys.

(B) The Division, the Secretary of State of the State of Oregon, or their authorized representatives, upon reasonable notice, may inspect the Projects financed with STF moneys including, but not limited to, the financial records, physical premises and Capital Items used to deliver Public Transportation Services.

(2) The STF Agency will enter into written agreements with Recipients for Projects financed with STO funds, Formula Program and Discretionary Program moneys.

(a) The form of the agreement will include:

(A) A statement of work to be performed in consideration of the moneys; for STO moneys, the statement of work will include a detailed description of the project sufficient to ensure the project meets the definition of Operations :

(B) A beginning and end date;

(C) Termination and suspension clauses;

(D) Other applicable requirements of OAR 732-005-0000 through 732-030-0035; and

(E) Sanctions associated with failure to perform, including but not limited to, withholding and repayment of funds for cause.

(b) The STF Agency may impose additional requirements under its own authority.

(c) The STF Agency will submit copies of Recipient agreements to the Division.

(d) The STF Agency will monitor the performance of the agreement on a regular basis, and will take action when the terms and conditions of the agreement are not being met.

(e) Recipients, and any organization acting on the Recipient's behalf, will permit the STF Agency, the Division, the Secretary of State of the State of Oregon, or their authorized representatives, upon reasonable notice, access to all data and records relating to the transportation system supported in whole or part by the STF, and will allow inspection of the Projects supported in whole or part by the STF including, but not limited to, the physical premises and Capital Items used to deliver transportation services.

(f) The Division may terminate or suspend an agreement between itself and a STF Agency, and may require repayment of funds, if the STF Agency fails to take action against a Recipient failing to comply with OAR 732-005-0000 through 732-030-0035.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830, Ch 910 OL 2009

REPEAL: 732-005-0066

RULE TITLE: STF Agency Joint Management of the STF and STO Programs

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals 732-005-0066.

RULE TEXT:

(1) Two or more STF agencies may jointly manage their STF and STO Programs. Joint Management means two or more STF Agencies joining together to manage their STF and STO Programs by consultation and acting independently, or by jointly managing the functions of the STF program.

(a) Joint management through consultation does not require an agreement between the parties.

(b) Joint management of the functions including, and not limited to, pooling STF and STO moneys and jointly allocating funds to Projects, requires an agreement between the STF Agencies.

(2) When two or more STF Agencies jointly manage the functions of the STF and STO programs, they will:

(a) Designate a lead STF Agency who will perform all of the functions of the program as defined in this rule;

(b) Ensure that the Advisory Committee appointed by the lead STF Agency is representative of each of the participating STF Agencies; and

(c) Meet together for consultation and review of the jointly managed STF and STO funded Program at least once per year.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830, Ch 910 OL 2009

REPEAL: 732-005-0071

RULE TITLE: Protest Procedure

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals 732-005-0071.

RULE TEXT:

The Division will conduct a process to resolve protests of funding decisions made by the Oregon Department of Transportation.

(1) Within 30 days of notification of a funding decision, the STF Agency may file a protest of the decision.

(a) The STF Agency will address the protest to the Administrator of the Division; and

(b) The protest will identify the project or proposed project affected by the funding decision, the Recipient or proposed Recipient affected by the decision, any arguments pertaining to the protest, and the requested remedy.

(2) The Division will investigate the protest and will make a written statement of finding within 30 days.

(3) Within 10 working days of receipt of the statement of finding, the STF Agency may request a review of the statement of finding. After a review of the statement of finding, the Administrator of the Division will issue a final decision.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.810 - 391.830

REPEAL: 732-005-0076

RULE TITLE: Recipient Qualifications

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals 732-005-0076.

RULE TEXT:

(1) To be eligible to receive STF and STO moneys for a Project, a Recipient will meet, or have the capacity to meet, the following qualifications, as applicable to the type of Project being funded. A Recipient will:

- (a) Be an entity eligible to enter into agreements;
- (b) Have the legal, managerial and operational capacity to perform the Project;
- (c) Not be debarred or suspended from federal grants;
- (d) Maintain compliance with federal, state and local laws and regulations including, and not limited to, those pertaining to passenger transportation, civil rights, labor, insurance, safety and health, as applicable;
- (e) Comply with the laws or rules of this program;
- (f) Properly use STF and STO moneys; and
- (g) Perform the Project in a safe, prudent and timely manner.

(h) If a Recipient is identified as ineligible to receive other funds offered by the state or federal government resulting from a failure to meet the criteria identified in subsection (a) through (g) of this section, the Recipient may be ineligible to receive STF and STO moneys.

(2) A STF Agency may require additional eligibility qualifications of Recipients as necessary to implement its STF and STO funded Program.

(3) The Division may require additional eligibility qualifications of Recipients as necessary to implement the Discretionary Program.

(4) The STF Agency will confirm the eligibility of a Recipient prior to awarding STF moneys and entering into an agreement.

(5) The STF Agency will ensure that Recipients maintain eligibility while receiving STF moneys.

(6) A Recipient found by the STF Agency or Division to be ineligible may be required to repay moneys received during the period of ineligibility.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830, Ch 910 OL 2009

REPEAL: 732-005-0081

RULE TITLE: STF Plan

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals 732-005-0081.

RULE TEXT:

(1) A STF Agency will develop, adopt, and regularly update a written STF Plan:

(a) The purpose of the STF Plan is to set out the long term vision for public transportation in the STF Agency's service area, and guide investment of STF and STO moneys to maximize benefit to the Elderly and People with Disabilities within that area.

(b) The STF Agency will adopt its first plan no later than June 30, 2007.

(c) The STF Plan will:

(A) Cover at least a three year period;

(B) Counties will consider the transportation needs of the Elderly and People with Disabilities residing within the county;

(C) Districts will consider the transportation needs of the Elderly and People with Disabilities residing in the in-district and out-of-district areas of the county(ies); and

(D) Indian Tribes will consider the needs of tribal members and other Elderly and People with Disabilities served by the tribe and residing in the area served by the tribe.

(2) The STF Plan shall include, and is not limited to, the following types of information:

(a) Inventory of transportation services and capital resources currently available for the Elderly and People with Disabilities, without regard to how they are funded;

(b) Identify current and forecast county and tribal population and demographics;

(c) Inventory of current and future needs for transportation services and programs. The inventory may include, and is not limited to, changes in employment opportunities, housing, access to medical services, and special issues affecting access to public transportation services for the Elderly and People with Disabilities;

(d) Identify unmet needs related to the Transportation System and Services;

(e) Identify opportunities to coordinate transportation services within the county, District, or tribal area and with other agencies and areas to improve efficiency and effectiveness of service; and

(f) Identify time-based, quantified goals, benchmarks, and performance measures to assess the progress of Recipients in achieving the STF Agency's vision over time.

(3) STF Agencies may join together, and with other agencies serving the Elderly and People with Disabilities, for mutual benefit to meet these requirements.

(4) Prior to adopting a STF Plan, the STF Agency will consult with the STF Advisory Committee and the public. The purpose of this consultation is to ensure that the Elderly and People with Disabilities, representatives of the Elderly and People with Disabilities, transportation Providers, and other interested parties have the opportunity to review and comment on the proposed plan.

(5) A STF Agency will review its STF Plan at least biennially, and update it to reflect changes in the service area, demographics, funding levels, service availability or other factors, as needed.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830, Ch 910 OL 2009

REPEAL: 732-005-0090

RULE TITLE: Creation of New Mass Transit District or Transportation District

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals OAR 732-005-0090.

RULE TEXT:

(1) In the event that a District comes to exist in any part of a county or counties in which it did not previously exist, the District replaces the county(ies) in which it exists as STF Agency for the area(s) previously served by the county(ies). Upon its existence, the District shall assume the STF Agency role previously held by the county(ies) in which any part of it exists with respect to all aspects of the administration of the Formula Program.

(2) It is the goal of the Division that such a transition between STF Agencies be accomplished smoothly, efficiently and without disruption of Public Transportation Services. For that reason, a county which is a STF Agency shall provide notice to the Division when it publishes notice of the first public meeting at which it will consider creating or establishing a District.

(3) Upon establishment of a District in any county or counties, the Oregon Transportation Commission and the Oregon Department of Transportation hereby recognize the District as the new STF Agency for the area(s) previously served by the county(ies) in which any part of the District exists.

(a) Within ten business days of coming into existence, the District shall send the Division notice of the effective date of its existence, the name(s) of its designated contact person(s), a copy of the legal documentation of its creation, and the date of its first public meeting. The Division may reasonably delay any pending Formula Program disbursements until the District establishes a financial account.

(b) For the period between the District's coming into existence and its first public meeting the Division shall consider the District to have appointed an Advisory Committee, for the purposes of ORS 391.810(3), composed of the eligible members of the Advisory Committee(s) of the county(ies) in which the District has come to exist. The Division shall consider individuals "eligible members" if they satisfy the criteria to serve on the District's Advisory Committee under ORS 391.820.

(c) At its first public meeting, the District, consistent with its procedural requirements, may determine the numbers and terms of Advisory Committee members and may appoint an Advisory Committee. The District may appoint some or all of same individuals to its Advisory Committee who previously served on the Advisory Committee(s) of the county(ies). If it appoints an Advisory Committee, the District shall notify the Division in writing of the membership.

(d) If the District does not provide written notification to the Division of the membership of its Advisory Committee, within three business days of the date of its first public meeting, the Division shall withhold Formula Program funds until the District notifies the Division that it has appointed an Advisory Committee.

(e) The Division shall consider the STF Plan previously submitted to Division by the county(ies) pursuant to OAR 732-005-0081, to have been assigned to and assumed by the District, unless the District notifies the Division that it has adopted a new STIF Plan or updated the STF Plan, as described in OAR 732-005-0081.

(4) In coordination with the county(ies), relevant Recipients or Providers, and other parties as necessary, the District shall undertake all necessary tasks to develop its STF Plan, carry out the Projects of the relevant STF Plan(s) and otherwise ensure a smooth transition of all STF Agency responsibilities from the county(ies) to the District. The Division shall provide reasonable assistance and guidance to the new STF Agency to facilitate the transition, consistent with the respective roles of the STF Agency and the Division.

(5) Following the establishment of a Mass Transit District or Transportation District, the county(ies) or other entity that was previously the STF Agency shall complete any remaining obligations under the STF Agreement(s) that have not been assumed by the new STF Agency, which includes any pending reporting requirements and disbursal of funds to subrecipients as identified in the STF Agreement(s) or transferring those funds to the Mass Transit District or Transportation District now serving as the STF Agency.

STATUTORY/OTHER AUTHORITY: ORS 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800, 391.810, 391.820, 391.830

REPEAL: 732-010-0005

RULE TITLE: Formula Program

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals OAR 732-010-0005.

RULE TEXT:

(1) Revenues from the STF are made available annually.

(2) STF Agencies may apply at any time.

(3) Money is paid regularly to the STF Agency upon approval of its application, and submission of reports required by OAR 732-005-0051.

(4) In order to be eligible to receive Formula Program moneys, the STF Agency has, or will have, one or more Projects eligible for funding, as specified by OAR 732-005-0016.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830

REPEAL: 732-010-0010

RULE TITLE: Formula Distribution

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals OAR 732-010-0010.

RULE TEXT:

For those STF moneys distributed by formula:

- (1) The Division will distribute STF moneys regularly, and at least quarterly.
- (2) Each January, prior to the state biennium, the Division will estimate the STF moneys to be distributed during the biennium:
 - (a) The estimate will include the reconciliation of STF receipts from prior years and funds unclaimed by STF Agencies; and
 - (b) If necessary, the estimate may be adjusted during the biennium, in January, to reflect actual tax receipts and other revenues contributing to the STF moneys.
- (3) Formula allocation moneys will be made available to STF Agencies on the basis of population distribution:
 - (a) Each STF Agency will receive a portion of the moneys based on their share of the state's population;
 - (b) The county population of STF Agencies that are counties and Districts will be determined by the most recent annual estimate of population of cities and counties by the State Board of Higher Education (ORS 190.510 to 190.610); and
 - (c) Each Indian Tribe that is a STF Agency will receive STF moneys as share of their tribal population residing in Oregon:
 - (A) Tribal population is defined as the members of each tribe residing in Oregon;
 - (B) Each Indian Tribe will provide to the Division its population residing in Oregon by county of residence; and
 - (C) The tribal populations will be subtracted from county populations before calculating the population of the Districts and counties.
- (4) The Division will supplement the Formula Allocation with Discretionary Account moneys as necessary to ensure that each STF Agency receives the Minimum Allocation or the Formula Allocation, whichever is greater.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830

REPEAL: 732-010-0015

RULE TITLE: Application Procedures for Formula Program Moneys

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals OAR 732-010-0015.

RULE TEXT:

- (1) The Division will inform each STF Agency of the amount of Formula Program moneys for which they are eligible.
- (2) To apply for Formula Program moneys, the STF Agency will submit a completed application on forms supplied by the Division.
- (3) The information required in the application will be sufficient to ensure that the requirements of these rules are met.
- (4) An authorized official of the STF Agency will sign the application.
- (5) A STF Agency may apply for funds at any time.
- (6) If a STF Agency fails to apply for Formula Program moneys, the moneys will remain available to the STF Agency for a period not to exceed three years.
 - (a) Funds held by the Division due to failure to apply will not accrue interest; and
 - (b) The Administrative Allotment will be available during the year of application.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.810 - 391.830

REPEAL: 732-010-0020

RULE TITLE: Formula Program Application Review

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals OAR 732-010-0020.

RULE TEXT:

(1) The Division will review and approve Formula Program applications:

(a) The Division will consider material submitted in the application as the basis for application approval; and
(b) The Division may ask for further information or clarification.

(2) The Division may disapprove the application and, if disapproved, will inform the STF Agency of the reason for disapproval.

(a) Reasons for disapproval may include, and are not limited to, the following:

(A) No Advisory Committee or improper membership;

(B) Advisory Committee failure to meet and confer;

(C) STF Agency failure to confer with the Advisory Committee;

(D) A Recipient that is ineligible;

(E) For Formula Program applications by Districts, disproportionate allocation inside and outside District boundaries;

(F) The use of STF moneys to supplant the STF Agency's local appropriation currently used to provide transportation services benefiting the Elderly and People with Disabilities; and

(G) Proposed Projects are not eligible for funding in accordance with OAR 732-005-0000 to 732-010-0045.

(b) Disapproved formula program applications may be improved and resubmitted by the STF Agency.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830

REPEAL: 732-010-0025

RULE TITLE: Submission of Amended Formula Program Applications

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals OAR 732-010-0025.

RULE TEXT:

- (1) The STF Agency may amend their application at any time by filing an amended application with the Division.
- (2) The STF Agency will retain authority over costs and allocations within its jurisdiction and may shift funds among Recipients and Projects identified in an application approved by the Division as necessary for the desired services:
 - (a) The STF Agency will submit an amended application if there are additional Recipients or Projects;
 - (b) Changes in the distribution of funds among already approved Recipients do not require Division approval. The STF Agency will notify the Division of any changes; and
 - (c) Changes in the Advisory Committee do not require an amended application.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.810 - 391.830

REPEAL: 732-010-0030

RULE TITLE: Disbursement of Formula Program Moneys

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals OAR 732-010-0030.

RULE TEXT:

(1) Upon approval of the application for the Formula Program moneys, the Division will enter into an agreement with the STF Agency.

(2) After the agreement is signed by both parties, the Division will disburse the moneys.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.810 - 391.830

REPEAL: 732-010-0035

RULE TITLE: STF Agency's Distribution of Formula Program Moneys

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals OAR 732-010-0035.

RULE TEXT:

(1) The STF Agency will determine the purposes for which the Formula Program moneys will be used, in accordance with their STF Plan.

(2) The STF Agency may use procedures of its choice to distribute Formula Program moneys.

(3) The STF Agency that is a District is responsible for funding Projects benefiting the Elderly and People with Disabilities both within its boundaries and outside them in the surrounding county(ies):

(a) Projects outside the district will receive a proportionate amount of the Formula Program moneys based on the population outside the District;

(b) The proportion is based on the last decennial federal census; and

(c) The District will report the distribution of Formula Program moneys in its application to the Division.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830

REPEAL: 732-010-0045

RULE TITLE: Redistribution of Program Funds

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals OAR 732-010-0045.

RULE TEXT:

For formula moneys, the Division will redistribute funds that have not been requested after three years to participating STF Agencies.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830

REPEAL: 732-030-0005

RULE TITLE: STO Program

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals OAR 732-030-0005.

RULE TEXT:

(1) Revenues from the STO Program are made available annually.

(2) STF Agencies may apply for STO funds during an application period defined by the division.

(3) STO funds are paid to the STF Agency upon approval of its application and submission of reports required by OAR 732-005-0051.

(4) In order to be eligible to receive STO moneys, the STF Agency must have Projects eligible for funding, as specified by OAR 732-005-0016(4).

(5) The amount of STO money awarded to each STF Agency will be determined by the sum of the costs for the projects approved by the Division, and will not exceed the amount of STO moneys for which each STF Agency is eligible.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830, Ch 910 OL 2009

REPEAL: 732-030-0010

RULE TITLE: Fund Distribution

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals OAR 732-030-0010.

RULE TEXT:

- (1) The Division will distribute STO moneys regularly, and at least quarterly.
- (2) Each January, prior to the beginning of each state biennium, the Division will estimate the STO moneys to be distributed during the next biennium. The estimate will include the reconciliation of STO receipts from prior years and funds unclaimed by STF Agencies.
- (3) Moneys will be made available to each STF Agency on the basis of formula distribution defined by the Division.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830, Ch 910 OL 2009

REPEAL: 732-030-0015

RULE TITLE: Application Procedures for STO Moneys

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals OAR 732-030-0015.

RULE TEXT:

- (1) The Division will inform each STF Agency of the amount of STO moneys for which they are eligible.
- (2) To apply for STO moneys, the STF Agency will submit a completed application on forms supplied by the Division.
- (3) The information required in the application will be sufficient to ensure that the requirements of these rules are met.
- (4) An authorized official of the STF Agency will sign the application.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830, Ch 910 OL 2009

REPEAL: 732-030-0020

RULE TITLE: Application Review

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals OAR 732-030-0020.

RULE TEXT:

(1) The Division will review and approve STO fund applications:

(a) The Division will consider material submitted in the application as the basis for application approval; and
(b) The Division may ask for further information or clarification.

(2) The Division may disapprove the application and, if disapproved, will inform the STF Agency of the reason for disapproval.

(a) Reasons for disapproval may include, and are not limited to, the following:

(A) No Advisory Committee or improper membership;

(B) Advisory Committee failure to meet and confer;

(C) STF Agency failure to confer with the Advisory Committee;

(D) A Recipient that is ineligible;

(E) The use of STO moneys to supplant the STF Agency's local appropriation currently used to provide transportation services benefiting the Elderly and People with Disabilities; and

(F) Proposed Projects are not eligible for funding.

(b) Disapproved formula program applications may be improved and resubmitted by the STF Agency.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830, Ch 910 OL 2009

REPEAL: 732-030-0025

RULE TITLE: Submission of Amended STO Applications

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals OAR 732-030-0025.

RULE TEXT:

- (1) The STF Agency may amend their application at any time by filing an amended application with the Division.
- (2) The STF Agency will retain authority over costs and allocations within its jurisdiction and may shift funds among Recipients and Projects identified in the executed agreement between the Division and STF Agency as necessary for the desired services.
- (3) The STF Agency will submit an amended application if the number of Recipients or Projects changes.
- (4) Changes in the distribution of funds among already approved Recipients and Projects do not require Division approval. The STF Agency will notify the Division of any changes.
- (5) Changes in the Advisory Committee do not require an amended application.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830, Ch 910 OL 2009

REPEAL: 732-030-0030

RULE TITLE: Disbursement of STO Moneys

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals OAR 732-030-0030.

RULE TEXT:

- (1) Upon approval of the application for the STO moneys, the Division will enter into an agreement with the STF Agency.
- (2) After the agreement is signed by both parties, the Division will disburse the moneys.

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830, Ch 910 OL 2009

REPEAL: 732-030-0035

RULE TITLE: STF Agency's Distribution of STO Moneys

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals OAR 732-030-0035.

RULE TEXT:

(1) The STF Agency will determine the purposes for which the STO moneys will be used, in accordance with their STF Plan.

(2) The STF Agency may use procedures of its choice to distribute STO moneys.

(3) The STF Agency that is a District is responsible for funding Projects benefiting the Elderly and People with Disabilities both within its boundaries and outside them in the surrounding county(ies).

STATUTORY/OTHER AUTHORITY: ORS 184.616, 184.619, 391.810

STATUTES/OTHER IMPLEMENTED: ORS 391.800 - 391.830, Ch 910 OL 2009

RULE SUMMARY: This rule establishes definitions that apply to the STIF program rules, OAR chapters 732, divisions 40, 42, and 44. Changes add and modify definitions for important program terms.

RULE TEXT:

The following definitions apply to rules in Chapter 732, Divisions 40, 42, and 44:

- (1) "Advisory Committee" means either a committee formed by a Qualified Entity to assist the Qualified Entity in carrying out the purposes of the STIF Formula Fund and the Advisory Committee requirements specified in ORS 184.761(1) or a joint committee formed by two or more Qualified Entities for the same purposes, pursuant to ORS 184.761(5).
- (2) "Agency" means Oregon Department of Transportation ("ODOT").
- (3) "Americans with Disabilities Act" ("ADA") means section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 as amended by the ADA Amendments Act of 2008.
- (4) "Area Commission on Transportation" ("ACT") means an advisory body chartered under the authority of the Commission, and subject to the Commission's oversight and final decision-making authority.
- (5) "Area of Responsibility" means the geographic area for which each Qualified Entity is responsible to provide STIF Formula Fund moneys.
 - (a) For a Qualified Entity that is a county, the Area of Responsibility is the geographic area within the county's jurisdictional boundaries.
 - (b) For a Qualified Entity that is a Mass Transit or Transportation District that shares continuous jurisdictional boundaries with a county, the Area of Responsibility is the geographic area within the District's jurisdictional boundaries.
 - (c) For a Qualified Entity that is a Mass Transit or Transportation District that does not share continuous jurisdictional boundaries with a county, the Area of Responsibility is the geographic area within the jurisdictional boundaries of the county or counties in which any part of the District is located.
 - (d) For a Qualified Entity that is an Indian Tribe, the Area of Responsibility is the geographic area on which the Indian Tribe's Tribal Enterprises are located.
- (6) "Biennium" (plural, "Biennia") means a two-year period which runs from July 1 of an odd-numbered year to June 30 of the next odd-numbered year.
- (7) "Calendar Year" means the year which begins on January 1 and ends on December 31.
- (8) "Capital Asset" means real property or tangible items purchased or leased with STIF moneys, including without limitation vehicles and structures, with a purchase price of \$5,000 or more and a useful life of at least one year.
- (9) "Client-Only Project" means a project where the underlying transportation service is offered to a limited group of people and not made available to the general public.
- (10) "Commission" means the Oregon Transportation Commission ("OTC") established under ORS 184.612.
- (11) "Community with a high percentage of low-income households" means either:
 - (a) A group of people living in geographic proximity to each other who have a higher percentage of low-income households than the state average; or
 - (b) A group of people sharing a common characteristic, such as enrollment in Medicaid, the Supplemental Nutrition Assistance Program (SNAP), or another income-eligible program, who have a higher percentage of low-income households than the state average, regardless of where any person within the group is located.
- (12) "Discretionary Fund" means up to five percent of STIF funds to be disbursed to Public Transportation Service Providers, which includes Qualified Entities, through a competitive grant funding process, pursuant to ORS 184.758(2)(b).
- (13) "Fiscal Year" means the Agency's fiscal year which begins on July 1 and ends on June 30.

(14) "Governing Body" means the decision-making body or board of a Qualified Entity.

(15) "Indexed Minimum" means the smallest amount to be distributed under the Population-Based Formula and Payroll-Based Formula to any one Qualified Entity. This amount is tied to the minimum distribution of the STIF Formula program in the 2023-2025 Biennium, adjusted biennially by the rate of growth in the overall STIF Fund.

(16) "Indian Tribe" means a federally recognized Indian Tribe in Oregon that has members residing on a reservation or in tribal trust lands in Oregon.

(17) "Intercommunity Discretionary Fund" means up to four percent of STIF funds to be disbursed to Public Transportation Service Providers through a competitive grant funding process, pursuant to ORS 184.758(2)(c).

(18) "Intergovernmental Entity" means entities organized under ORS 190.010.

(19) "Local Plan" means a local or regional public transportation plan(s), which may include adopted policy(ies) that is developed and approved by the Governing Body of a Qualified Entity, Public Transportation Service Provider, or Metropolitan Planning Organization and which includes, at a minimum:

- (a) A planning horizon of at least four years;
- (b) An existing and future conditions analysis that includes:
 - (A) Current and forecast population and demographics, including locations of people who are often transit dependent, including low-income households, individuals of age 65 or older, youth, and individuals who are racially and ethnically diverse;
 - (B) Locations of existing housing, employment centers, medical and social and human services centers, major destinations, and other locations with needs for public transportation services and programs;
 - (C) Inventories of current Public Transportation Services located within, adjacent to, or with the reasonable potential to connect to the local or regional public transportation services, as applicable;
 - (d) Prioritized lists of public transportation improvements and capital projects; and
 - (d) Identified opportunities to coordinate public transportation services within and outside the county, district, or tribal area and with other agencies and areas to improve efficiency and effectiveness of service and reduce gaps in service.
 - (e) Local Plans include, but are not limited to: Coordinated Public Transit Human Services Transportation Plans, Transportation System Plans, Transit Development Plans, and Transit Master Plans.

(20) "Low-Income Household" means a household the total income of which does not exceed 200% of the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2) for the 48 Contiguous States and the District of Columbia.

(21) "Mass Transit District" means a district organized under ORS 267.010 to 267.390.

(22) "Operations Reserve Project funds" refer to funds set aside for a use as described in OAR 732-042-0015(4).

(23) "Payroll-Based Formula" means the portion of STIF Formula Funds disbursed per ORS 184.758(5).

(24) "Plan Contingency Project funds" refer to funds set aside for contingency use as described in OAR 732-042-0015(5).

(25) "Planned Carry Forward Project funds" refer to funds set aside for use in a future STIF Plan as described in OAR 732-042-0015(6).

(26) "Population-Based Formula" means the portion of STIF Formula Funds disbursed per ORS 184.758(3).

(27) "Prior STIF Plan Period funds" refer to Planned Carry Forward Project funds, Plan Contingency Project funds, Operation Reserve Project funds and Unused Project funds disbursed to a Qualified Entity that were not spent during the STIF Plan Period in which they were disbursed. For STIF Plans with an effective date prior to July 1, 2027, Prior STIF Plan Period funds also refer to any STIF Formula Fund moneys budgeted for a task categorized in the STIF Plan as a "Program Reserve/Contingency" and any STIF Formula Fund moneys budgeted for a Project described in the STIF Plan as a "Project using planned carry forward funding" that were not spent during the STIF Plan Period in which they were disbursed.

(28) "Project" means a public transportation improvement or maintenance activity or group of activities eligible for STIF moneys and a plan or proposal for which is included in a STIF Plan or in a grant application to a Qualified Entity or the Agency. Examples of project types include, but are not limited to: discrete activities, such as purchasing transit vehicles,

planning, or operations; and groups of activities for a particular geographic area or new service, such as a new route that includes purchase of a transit vehicle, and maintenance and operations on the new route.

(29) "Public Corporation" means an independent legal entity that was formed by legislative action, serves a public purpose, and is under exclusive public management or control.

(30) "Public Transportation Advisory Committee" ("PTAC") means the ODOT Public Transportation Advisory Committee established by the Commission in 2000.

(31) "Public Transportation Service Provider" means a Qualified Entity or a city, county, Special District, Intergovernmental Entity or any other political subdivision or municipal or Public Corporation that provides Public Transportation Services.

(32) "Public Transportation Services" means any form of passenger transportation by car, bus, or other conveyance, either publicly or privately owned, which provides service to the general public (not including charter, sightseeing, or exclusive school bus service) on a regular and continuing basis. Such transportation may include services designed to meet the needs of a specific user group, including for older adults and individuals with disabilities, for purposes such as health care, shopping, education, employment, public services, personal business, or recreation. Public Transportation Services must be designed and advertised as Shared-Ride Service.

(33) "Qualified Entity" means, a county in which no part of a Mass Transit District or Transportation District exists, a Mass Transit District, a Transportation District or an Indian Tribe.

(34) "Recipient" means a Qualified Entity that has a STIF Plan approved by the Commission and enters into an agreement with the Agency or a Public Transportation Service Provider that enters into an agreement directly with the Agency to receive STIF funds.

(35) "Satisfactory Continuing Control" means the legal assurance that a Capital Asset will remain available to be used for its originally authorized purpose throughout its useful life or until disposition.

(36) "Shared-Ride Service" means a service where neither the operator nor any passenger may refuse to permit additional passengers that are otherwise complying with the operator's rules and policies.

(37) "Special District" means a service district organized under ORS 451.010(1)(h).

(38) "Statewide Transit Network" means the collection of all transit service that operates in Oregon.

(39) "STIF Formula Fund" means up to 90 percent of the Statewide Transportation Improvement funds to be disbursed to Qualified Entities conditioned upon the Commission's approval of a STIF Plan, pursuant to ORS 184.758(2)(a).

(40) "STIF" or "Statewide Transportation Improvement Fund" means the fund established under ORS 184.751.

(41) "STIF Plan" means a public transportation improvement plan that is approved by a Governing Body and submitted to the Agency for review and approval by the Commission in order for the Qualified Entity to receive a share of the STIF Formula Fund.

(42) "STIF Plan Maximum" means the total amount of funding sought in a Qualified Entity's Commission-approved STIF Plan. It does not include any Prior STIF Plan Period funds.

(43) "STIF Plan Period" means the effective date specified in a Commission-approved STIF Plan through the end date of the STIF Plan.

(44) "Student Transit Services" means Public Transportation Services within the Qualified Entity's area of responsibility that can feasibly and efficiently be used by students in grades 9 through 12.

(45) "Sub-Recipient" means any entity, including but not limited to a Public Transportation Service Provider, that has entered into an agreement with a Recipient in order to complete one or more tasks specified in the agreement between the Agency and the Recipient. A Sub-Recipient does not include an entity or person that a Recipient has identified as a contractor pursuant to OAR 732-042-0055.

(46) "These Rules" means OAR Chapter 732 Divisions 40, 42, and 44.

(47) "Transportation District" means a district organized under ORS 267.510 to 267.650.

(48) "Tribal Enterprise" means a commercial activity or business managed or controlled by an Indian Tribe.

(49) "Unused Project funds" are STIF Formula Fund moneys that a Qualified Entity included in the budget for a Project during a STIF Plan Period but did not spend during that STIF Plan Period. Unused Project funds do not include Planned

Carry Forward Project funds, Plan Contingency Project funds or Operations Reserve Project funds. For STIF Plans with an effective date prior to July 1, 2027, Unused Project funds also do not include any STIF Formula Fund moneys budgeted for a task categorized in the Plan as a "Program Reserve/Contingency" and any STIF Formula Fund moneys budgeted for a Project described in the STIF Plan as a "Project using planned carry forward funding" that a Qualified Entity did not spend during the STIF Plan Period in which they were disbursed.

(50) "Work Group" means a subcommittee formed by a Qualified Entity's Governing Body or Advisory Committee for the purpose of providing additional input on STIF Formula Fund projects.

STATUTORY/OTHER AUTHORITY: ORS 184.619, 184.758, 184.761

STATUTES/OTHER IMPLEMENTED: ORS 184.751-184.766

AMEND: 732-040-0010

RULE TITLE: Purpose and Use of STIF

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: This rule summarizes the purposes for which STIF moneys may be used. ODOT is updating the deadline for the Oregon Transportation Commission to provide a report to the legislature to December 31 of odd numbered years.

RULE TEXT:

(1) Moneys in the STIF are continuously appropriated to the Agency to finance investments and improvements in public transportation services, except that the moneys may not be used for light rail capital expenses, but may be used for light rail operations expenses. Moneys may be used to support Client-Only Projects where those projects are included in a planned and coordinated community transportation program.

(2) STIF moneys may be used for public transportation purposes that support the effective planning, deployment, operation, and administration of STIF-funded public transportation programs, including, but not limited to:

(a) Creation of new systems and services with origins, destinations or stops in Oregon;

(b) Maintenance or continuation of systems and services; and

(c) Planning for and development of a Local Plan or future STIF Plan to improve Public Transportation Service.

(3) STIF moneys may be used as the local match for state and federal funds which also provide Public Transportation Service.

(4) The Agency shall conduct activities necessary to manage the STIF funds and grants, including but not limited to: development of policy; distribution of funds; developing and implementing application and review processes and agreement and protest procedures; conducting program oversight, statewide planning, research, training, and technical assistance; and reporting to the legislature.

(5) On or before December 31 of odd numbered years, the Commission shall submit a report in the manner provided by ORS 192.245 to the Joint Committee on Transportation established under ORS 171.585(1) on the implementation and outcomes of the STIF. The Agency shall prepare reports for the purposes of:

(a) Ensuring that STIF moneys are being used for the purpose of funding and improving Public Transportation Services in Oregon consistent with law, these rules, and the terms of agreements;

(b) Measuring the outcomes of the STIF; and

(c) Reporting to the Oregon State Legislature.

STATUTORY/OTHER AUTHORITY: ORS 184.619, 184.758, 184.761

STATUTES/OTHER IMPLEMENTED: ORS 184.751-184.766

AMEND: 732-040-0015

RULE TITLE: Audit and Compliance Review Requirements

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: This rule describes audit and compliance requirements for the STIF program. ODOT is clarifying agreed upon procedures requirements, including establishing a firm deadline for submission of reports, and permanently eliminating a provision concerning contested case hearing.

RULE TEXT:

(1) Recipients shall conduct an annual financial audit of the STIF moneys received using the document entitled "Agreed Upon Procedures" made available by the Agency on the Public Transportation Division Website. A Recipient that is a Qualified Entity shall ensure any Sub-Recipient conducts an annual financial audit of STIF moneys received using the Agreed Upon Procedures.

(2) Recipients shall submit the report of the annual financial audit of STIF moneys received to the Agency within 30 calendar days after the auditee receives of the auditor's final report(s) or nine months after the end of the Recipient's audit period, whichever is earlier.

(3) Recipients shall be subject to periodic on-site compliance reviews by the Agency. The purpose of the compliance site review is to ensure that Recipients have appropriate, adequate internal controls and management procedures to meet the terms and conditions of agreements governing the disbursement of STIF moneys. Compliance reviews may cover the following topics, as applicable: program management; financial management; operations management, procurement, use and maintenance of equipment; records retention; compliance with state and federal civil rights laws; compliance with FTA drug and alcohol regulations; and compliance with the ADA.

(4) Recipients shall permit the Agency, the Secretary of State of the State of Oregon, or their authorized representatives, upon reasonable notice, access to all data and records relating to STIF moneys received or disbursed and to inspect the STIF Plans and Projects financed with STIF moneys including, but not limited to, the financial records, physical premises and Capital Assets used to deliver public transportation services.

(5) Recipients shall ensure that their agreements or contracts with Sub-Recipients or contractors, as identified by the Recipient pursuant to OAR 732-042-0055, include provisions which permit the Agency, the Secretary of State of Oregon, or their authorized representative, access to data and records held by the Sub-Recipient or contractor as described in section (4) of this rule.

STATUTORY/OTHER AUTHORITY: ORS 184.619, 184.758, 184.761

STATUTES/OTHER IMPLEMENTED: ORS 184.751-184.766

AMEND: 732-040-0020

RULE TITLE: Accounting Requirements

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: This rule describes STIF accounting and record retention requirements. This sets a deadline of 60 days after the end of the Fiscal year for STIF Recipients to provide a report of STIF interest accrued to ODOT.

RULE TEXT:

(1) The Agency shall account separately for moneys in the STIF Formula Fund, Discretionary Fund, and Intercommunity Discretionary Fund.

(2) Recipients shall manage STIF moneys in separate governmental accounts for each of the applicable STIF funds: STIF Formula Fund, STIF Discretionary Fund, and STIF Intercommunity Discretionary Fund. Any interest accrued must be added to the moneys and must be reported to the Agency 60 days after the end of the Fiscal Year in which it was earned.

(3) Recipients shall document the expenditure of all STIF funds disbursed by the Agency. Recipients shall create and maintain all expenditure records in accordance with generally accepted accounting principles and in sufficient detail to permit the Agency to verify how the STIF funds were expended.

(4) Record Retention:

(a) Recipients shall maintain all financial records for at least three years after the Agency's final disbursement under the STIF Plan or grant agreement; and

(b) Recipients shall maintain all records relating to Capital Assets for three years after disposition.

STATUTORY/OTHER AUTHORITY: ORS 184.619, 184.758, 184.761

STATUTES/OTHER IMPLEMENTED: ORS 184.751-184.766

AMEND: 732-040-0030

RULE TITLE: Advisory Committees

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: This rule establishes policies and procedures for STIF Advisory Committees. This change eliminates the requirement for Advisory Committee bylaws to include a definition of the term "a high percentage of low-income households" since that term will now be defined in the program rules.

RULE TEXT:

(1) The Governing Body of each Qualified Entity shall appoint an Advisory Committee for the purpose of advising and assisting the Qualified Entity in carrying out the purposes of the STIF and prioritizing Projects to be funded by STIF moneys received by the Qualified Entity.

(2) A Qualified Entity's Governing Body or Advisory Committee may appoint a Work Group to provide additional input on STIF Formula projects. A Work Group may or may not be composed of members of the Qualified Entity's Advisory Committee. Input from the Work Group shall be considered and documented in the Qualified Entity's Advisory Committee's meeting minutes in the completion of its duties as described in OAR 732-040-0030(1).

(3) Two or more Governing Bodies may appoint a joint Advisory Committee for the purpose of advising and assisting their respective Qualified Entities in carrying out the purposes of the STIF for the Qualified Entities' areas of responsibility.

(a) When the Governing Boards of two or more Qualified Entities appoint a joint Advisory Committee, they shall designate their respective roles and responsibilities pertaining to the management of the joint Advisory Committee in a written agreement pursuant to ORS chapter 190. At a minimum, the written agreement must specifically identify how the Qualified Entities' obligations under section (4) of this rule will be allocated between or among the participating Qualified Entities and must describe the selection and appointment processes for joint Advisory Committee members, consistent with OAR 732-040-0035.

(b) The Qualified Entities shall send a copy of the executed agreement to the Agency within 30 days of execution.

(c) The joint Advisory Committee agreement may be included as part of the agreement required to fulfill the requirements of OAR 732-040-0040, if applicable; however, Qualified Entities may form a joint Advisory Committee without agreeing to jointly manage STIF moneys.

(d) Each Qualified Entity that is party to a joint Advisory Committee agreement remains independently responsible to submit its own STIF Plan pursuant to OAR 732-042-0015 and these rules.

(4) An Advisory Committee may also advise the Qualified Entity regarding the opportunities to Coordinate STIF funded Projects with other local or regional transportation programs and services to improve transportation service delivery and reduce gaps in service.

(5) The Qualified Entity shall ensure that:

(a) The Advisory Committee is guided by written bylaws that include, at a minimum: the Committee's name and purpose; the number of Committee members; Committee membership criteria; the appointment process; the terms of office for the committee members; the Committee's meeting schedule; Committee procedures and member duties, including procedures to provide public notice of meetings, to foster public engagement, and to comply with Oregon public meeting and public records laws; and the Committee's process to review Sub-Recipient proposals for Projects funded in whole or part by the STIF Formula Fund, the STIF Discretionary Fund and the Intercommunity Discretionary Fund, and the decision-making criteria identified in these rules. The Qualified Entity shall prepare the written bylaws described in this section and set the terms of office for the Advisory Committee members. The Qualified Entity may seek input on the bylaws from the Advisory Committee.

(b) Copies of Advisory Committee bylaws, meeting minutes and meeting notices are published by the Qualified Entity and made available for public review in a reasonable and timely manner and are maintained for the period prescribed under Chapter 166, Division 150 of the Oregon Administrative Rules.

(c) The Agency is notified of changes in the Advisory Committee membership when the Qualified Entity submits its STIF

Plan or grant application.

(6) A Qualified Entity may use another standing advisory committee or combine committees to meet the requirements of these rules as long as that committee also meets all of the committee requirements contained herein.

(7) The Qualified Entity shall appoint an Advisory Committee composed of members that represent diverse interests, perspectives, geography, and the population demographics of the area, as described in OAR 732-040-0035.

(8) In addition to any other duties, the Advisory Committee may also propose any changes to the policies or practices of the Governing Body of the Qualified Entity that the Advisory Committee considers necessary to ensure that:

(a) A Sub-Recipient that has received STIF funds has applied the moneys received in accordance with and for the purposes described in the Project proposal; and

(b) A Project proposal submitted by a Sub-Recipient does not fragment the provision of public transportation services.

STATUTORY/OTHER AUTHORITY: ORS 184.619, 184.758, 184.761

STATUTES/OTHER IMPLEMENTED: ORS 184.751-184.766

REPEAL: 732-040-0045

RULE TITLE: Withholding Funds

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Repeals OAR 732-40-0045.

RULE TEXT:

(1) The Agency may withhold payment of STIF moneys to a Recipient if:

(a) The Recipient or its Sub-Recipient is not using STIF funds in accordance with applicable laws, these rules or the terms of the STIF Plan or agreement under which the funds were distributed;

(b) The Recipient or its Sub-Recipient has not submitted required reporting;

(c) The Agency determines that there is any unresolved audit finding relating to the accounting for STIF moneys; or

(d) The Agency determines that there is any unresolved compliance review finding relating to the use of STIF moneys.

(2) If an audit or a review of a Recipient or its Sub-Recipient's implementation of an agreement under which STIF moneys were distributed determines that the Recipient or its Sub-Recipient used STIF moneys inconsistently with the agreement, the Agency may withhold future STIF funding.

(3) A Qualified Entity may appeal the Agency's decision to withhold STIF Formula Fund moneys as described in OAR 732-040-0050.

STATUTORY/OTHER AUTHORITY: ORS 184.619, ORS 184.658, ORS 184.761

STATUTES/OTHER IMPLEMENTED: ORS 184.751-184.766

AMEND: 732-042-0010

RULE TITLE: STIF Formula Fund Calculation and Disbursement

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: This rule governs the way that STIF Formula funds are allocated to Qualified Entities and the distribution of those funds. It also describes the process for Qualified Entities and Sub-Recipients to determine methods of sub-allocation of STIF Formula funds. Changes relate to the requirement and content of grant agreements for STIF Formula Funds between ODOT and Qualified Entities; changes to the rules governing sub-allocation of STIF Formula payroll funds; description of the effect of a Qualified Entity's proportionate share of STIF Formula Funds exceeding its STIF Plan Maximum, clarification of the circumstances under which a Qualified Entity must carry forward STIF Formula Funds, and reorganization of the rule.

RULE TEXT:

(1) STIF Plan Agreements

(a) The Agency may not disburse STIF Formula Fund moneys to a Qualified Entity until the Commission has approved the Qualified Entity's STIF Plan and the Legislative Fiscal Office and the State's Chief Financial Officer have determined that there is sufficient revenue in the Statewide Transportation Improvement Fund to fund the STIF Formula Fund disbursements.

(b) Upon Commission approval of the Qualified Entity's STIF Plan, the Agency will enter into a STIF Plan Agreement with the Qualified Entity.

(c) The STIF Plan Agreement shall contain a remedy provision. For STIF Plans with an effective date on or after July 1, 2027, that remedy provision shall provide for escalating corrective actions for violations of the STIF Plan Agreement.

(2) The Statewide Transportation Improvement Fund Formula program shall be distributed pursuant to ORS 184.758 to a Qualified Entity with an approved STIF Plan and an executed STIF Plan Agreement as follows:

(a) First, the portion of the fund fixed to the 2019-2021 Biennium Statewide Transportation Fund disbursement, as adjusted by the growth of the overall fund pursuant to ORS 184.758(3), will be distributed to Qualified Entities by a population-based formula described in subsection (5)(a) of this rule to support transit services for older adults and individuals with disabilities.

(b) The remainder of the funds shall be distributed to Qualified Entities by the proportion of the taxes collected under ORS 320.550.

(3) Estimated Distributions:

(a) For distributions under subsection (2)(a) of this rule, the Agency shall distribute the Indexed Minimum to each Qualified Entity unless the Qualified Entity is entitled to a larger distribution based on the population calculation described in section (5) of this rule.

(b) For distributions under subsection (2)(b) of this rule, the Agency shall distribute the Indexed Minimum to each Qualified Entity unless the Qualified Entity is entitled to a larger distribution based on the wages calculation described in section (5) of this rule.

(4) Estimation of STIF Formula Fund Disbursements:

(a) The Agency shall estimate STIF Formula Fund disbursements based on the Agency's projections of the amount of revenue appropriated to the fund, transit payroll tax to be collected, the Agency's projections of minimum distributions as described under section (3) of this rule, and the proportionate share calculated for each Qualified Entity in section (5) of this rule.

(b) The Agency shall estimate the proportionate share annually.

(c) Estimated disbursements are not guaranteed. If revenues in the Statewide Transportation Improvement Fund are less than the Agency's projections, the Agency may proportionately reduce quarterly payments to Qualified Entities from its estimated disbursements.

(5) Calculation of STIF Formula Fund Disbursements:

(a) The Agency shall calculate the proportionate share for each Qualified Entity under subsection (2)(a) of this rule by

dividing the count of the population located within the boundary of the Qualified Entities' areas of responsibility, by the total population of the state.

(A) The Agency shall use the population estimates calculated by Portland State University pursuant to ORS 190.520 for the basis of the population counts of Qualified Entities, except as to Indian Tribes.

(B) Each Indian Tribe that is a Qualified Entity will receive STIF moneys as a share of their tribal population residing in Oregon:

(i) Tribal population is defined as the members of each Tribe residing in Oregon;

(ii) Each Indian Tribe will provide to the Agency its population residing in Oregon by county of residence; and

(iii) The tribal populations will be subtracted from county populations before calculating the population of the Districts and counties.

(C) The Agency shall exclude from the calculation of proportionate shares any Qualified Entity that is entitled to the Indexed Minimum under subsection (3)(a) of this rule.

(b) The Agency shall calculate the proportionate share for each Qualified Entity under subsection (2)(b) of this rule by dividing the amount of wages paid by employers located within the boundary of the Qualified Entities' areas of responsibility, by the total amount of the wages paid by employers statewide.

(A) The Agency shall use the final wage data collected by the Oregon Employment Department for the prior Calendar Year and reported to the Agency.

(B) The Agency shall exclude from the calculation of proportionate shares any Qualified Entity that is entitled to the Indexed Minimum under subsection (3)(b) of this rule.

(c) Each fiscal quarter, the Agency shall calculate the quarterly distribution as follows:

(A) For the Population-Based Formula:

(i) The product of the amount of revenue collected in the preceding fiscal quarter attributed to the STIF Formula Fund for the portion described in section (2)(a), as reduced by the Indexed Minimum distributions required under subsection (3)(a) of this rule and funds held under OAR 732-042-0030, multiplied by the Qualified Entity's proportionate share calculated in subsection (5)(a) of this rule; or

(ii) The Indexed Minimum as determined under subsection (3)(a) of this rule.

(B) For the Payroll-Based Formula:

(i) The product of the amount of revenue collected in the preceding fiscal quarter attributed to the STIF Formula Fund for the portion described in section (2)(b), as reduced by the Indexed Minimum distributions required under subsection (3)(b) of this rule and funds held under OAR 732-042-0030, multiplied by the Qualified Entity's proportionate share calculated in subsection (5)(b) of this rule; or

(ii) The Indexed Minimum as determined under subsection (3)(b) of this rule.

(6) Distribution of STIF Formula Funds to Qualified Entities:

(a) The Agency shall disburse STIF Formula Funds to Qualified Entities in quarterly distributions.

(b) If more than one Mass Transit District or Transportation District is located within a single county, the Agency shall distribute the moneys to the larger district.

(c) A Qualified Entity's STIF Plan Maximum is the total amount of STIF Formula Fund moneys that the Agency is authorized to disburse to the Qualified Entity during the STIF Plan Period.

(d) If there is a significant unexpected shortfall in revenues in the Statewide Transportation Improvement Fund, or if there has been an overpayment in a prior quarter, the Agency may proportionately reduce quarterly payments to Qualified Entities.

(e) Qualified Entities are not responsible for satisfying Sub-Recipients' budgetary shortfalls or remedying delays in funding to Sub-Recipients for any reason beyond the Qualified Entities' direct control.

(f) If a Qualified Entity's proportionate share of STIF Formula funds calculated under section (5) of this rule is more than the Qualified Entity's STIF Plan Maximum, the Agency will retain and hold excess moneys for distribution to the Qualified Entity at the beginning of the next STIF Plan period for which the Qualified Entity has a STIF Plan approved by the Commission, unless:

(A) The Qualified Entity amends its STIF Plan in accordance with the procedures described in OAR 732-042-0045; or
(B) The Qualified Entity does not have an approved STIF Plan for two consecutive biennia because the Qualified Entity did not submit a STIF Plan or the Commission rejected its STIF Plan. In either case, the Agency shall release any excess STIF Formula Funds in the manner described in OAR 732-042-0030(2) and (3).

(7) Distribution of STIF Funds from Qualified Entity to Sub-Recipient.

(a) For the portion of funds described in subsection (2)(a) of this rule:

(A) The Qualified Entity will determine the purposes for which the STIF Formula Fund moneys will be used, in accordance with its STIF Plan;
(B) The Qualified Entity may use procedures of its choice to distribute STIF Formula Fund moneys;
(C) The Qualified Entity that is a Mass Transit or Transportation District is responsible for funding Projects benefiting older adults and individuals with disabilities both within its boundaries and outside them in the surrounding county(ies);
(D) Projects outside the Mass Transit District or Transportation District will receive a proportionate amount of the STIF Formula Fund moneys based on the population outside the Mass Transit District or Transportation District;
(E) The proportion is based on population estimates calculated by Portland State University; and
(F) The Mass Transit District and Transportation District will report the distribution of STIF Formula Fund moneys in its application to the Agency.

(b) For the portion of funds described in subsection (2)(b) of this rule:

(A) Qualified Entities shall work collaboratively with Public Transportation Service Providers and other potential Sub-Recipients, as relevant, to develop a method for sub-allocating STIF Formula Fund moneys to Public Transportation Service Providers. The Qualified Entity and Public Transportation Service Providers may collaboratively develop factors used to formulate the sub-allocation method.
(B) If the Qualified Entity and Public Transportation Service Providers do not collaboratively develop factors used to formulate the sub-allocation method, the sub-allocation method shall be based solely on the proportionate amount of payroll tax revenue generated within the geographic territory of each Public Transportation Service Provider based on data provided by the Agency.
(C) A Qualified Entity shall share all data used to develop the sub-allocation method with each Public Transportation Service Provider and other potential Sub-Recipients, as relevant, included in its STIF Plan.

(D) A Qualified Entity that is a Mass Transit or Transportation District which does not share contiguous jurisdictional boundaries with a county shall work collaboratively with Public Transportation Service Providers and other potential Sub-Recipients to develop an estimate of STIF Formula Fund disbursements for those areas of the county(ies) in which the District is located that are outside the District's own jurisdictional boundaries.

(c) The sub-allocation method is not an entitlement to the Public Transportation Service Provider and decision criteria may affect the prioritization of Projects.

(8) Qualified Entities shall notify the Agency in writing of any adjustment to the geographic boundaries of their areas of responsibility within thirty days of the effective date of the adjustment.

(9) A Qualified Entity shall carry forward all Prior STIF Plan Period funds either by an amendment to a STIF Plan made pursuant to OAR 734-042-0045 or by identifying the funds in a future STIF Plan in a manner consistent with OAR 734-042-0015.

(10) Each Qualified Entity is required to spend at least one percent of STIF Formula Fund moneys received each year on Student Transit Services for students in grades 9 through 12, if practicable.

STATUTORY/OTHER AUTHORITY: ORS 184.619, 184.758, 184.761, 184.766

STATUTES/OTHER IMPLEMENTED: ORS 184.642, 184.751-184.766, 323.457

AMEND: 732-042-0015

RULE TITLE: STIF Plan Contents

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: This rule governs the content required for a STIF Formula Plan, and content that may be included. Changes include: removing the requirement that a plan include definition for the term "communities with a high percentage of low-income households"; adding an expenditure reporting criteria for projects that support existing services; allowing for some projects to be included in a STIF Plan without an assigned outcome measure if appropriate; allowing for "Operations Reserve Projects" and "Plan Contingency Projects" to be included in a STIF Plan, subject to caps on the amount of funding that can be devoted to those projects; clarifying the circumstances under which a Qualified Entity may plan to carry forward funds for certain capital projects; and establishing that ODOT may adjust the caps on Operations Reserve and Plan Contingency Projects, as well as the threshold to report on Unused Project funds in the event of a change in the transit payroll tax rate of 50% or greater.

RULE TEXT:

- (1) A Qualified Entity shall adopt a written STIF Plan to establish a list of Projects for public transportation located within the Qualified Entity's area of responsibility to guide STIF Formula Fund investments.
 - (a) A STIF Plan must cover at least a Biennium, but it may include up to two Biennia subject to Commission approval.
 - (b) A STIF Plan must address the transportation needs of people residing in or traveling into and out of the Qualified Entity's area of responsibility.
 - (c) A Qualified Entity that is a Mass Transit District or Transportation District with jurisdictional boundaries within a county or counties which are not Qualified Entities shall adopt a STIF Plan that considers the Public Transportation Services for the area outside of district boundaries but within the remainder of the county or counties.
 - (d) A STIF Plan may be included in a Qualified Entity's Local Plan or it may be a stand-alone plan.
 - (e) A STIF Plan must include a description of the Qualified Entity's method to sub-allocate STIF Formula Fund moneys to Public Transportation Service Providers and other potential Sub-Recipients and the process for developing the method.
 - (f) A STIF Plan with an effective date prior to July 1, 2027 must contain an explanation of how the plan defines and identifies communities with a high percentage of Low-Income Households. A STIF Plan with an effective date on or after July 1, 2027 shall use the definition of "community with a high percentage of low-income households" in OAR 732-040-0005(11).
- (2) A Qualified Entity's STIF Plan must contain the following sections:
 - (a) Descriptions of Proposed Projects: For each proposed Project, the STIF Plan must include the factors listed in section (3) of this rule.
 - (b) Summary of Planned Expenditures: The STIF Plan must include a summary listing:
 - (A) The total funding sought in the STIF Plan;
 - (B) The total funding sought for each Recipient or Sub-Recipient; and,
 - (C) For Qualified Entities that are Mass Transit Districts or Transportation Districts which do not share contiguous jurisdictional boundaries with a single county, the total funding sought by geographic area inside and outside the district's jurisdictional boundary but within its area of responsibility.
 - (c) Summary of Prior Expenditures on Specific Improvements: If the Qualified Entity received STIF Formula Funds in the preceding two Fiscal Years, the STIF Plan must include a summary of the amount of moneys allocated to fund each of the following:
 - (A) Increased frequency of bus service schedules in communities with a high percentage of Low-Income Households;
 - (B) The expansion of bus routes and bus services to reach communities with a high percentage of Low-Income Households;
 - (C) Fund the implementation of programs to reduce fares for public transportation in communities with a high percentage of Low-Income Households;
 - (D) The procurement of buses that are powered by natural gas, electricity or other low or no emission propulsion for use

in areas with populations of 200,000 or more;

(E) The improvement in the frequency and reliability of service connections between communities inside and outside of the Qualified Entity's service area;

(F) Coordination between Public Transportation Service Providers to reduce fragmentation in the provision of transportation services;

(G) Implementation of programs to provide Student Transit Services for students in grades 9 through 12;

(H) Implementation of programs that enhance services for older adults and people with disabilities; and

(I) Support for the operation of existing service.

(d) Summary of Current Projects: The STIF Plan must include a summary of Projects recommended by the Qualified Entity's Advisory Committee for the duration of the STIF Plan, identified by Fiscal Year.

(e) Advisory Committee Information: The STIF Plan must include a list of the Qualified Entity's current Advisory Committee and the online or other location(s) where Advisory Committee materials may be reviewed as described in OAR 732-040-0030(4)(b). In addition, the STIF Plan must include a statement that the Qualified Entity consulted with its Advisory Committee as required by these rules and, if applicable, an explanation of why the Advisory Committee's recommendation was not adopted by the Governing Body.

(f) Recipient Accountability Methods: The STIF Plan must include a description of the methods the Qualified Entity will use to ensure that it complies with these rules and achieves the goals identified in the STIF Plan.

(g) Sub-Recipient Accountability Methods: The STIF Plan must include a description of the methods and agreement or contract language that the Qualified Entity will use to oversee its Sub-Recipients, address deficiencies in Sub-Recipient performance, and to ensure that the Qualified Entity can accomplish the applicable requirements of these rules, including but not limited to audit and compliance requirements, accounting requirements, capital asset requirements and reporting requirements.

(h) Remediation Strategies: If the Qualified Entity has submitted three or more Quarterly Reports within the past two years which indicate that it failed to substantially comply with its approved STIF Plan, the STIF Plan must include a description of the Qualified Entity's strategies to ensure that it will substantially comply with the proposed STIF Plan.

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

(3) The STIF Plan must include descriptions of each proposed Project as described below. A Qualified Entity shall include in its STIF Plan only Projects which appear in a Local Plan. For proposed Projects, the STIF Plan must describe:

(a) Proposed funding level for each Project and a description of what the Qualified Entity intends to do with the STIF Formula Fund moneys it receives for the individual Project.

(b) Whether the Project would improve or expand public transportation or maintain an existing service. For Projects that would maintain an existing public transportation service, the STIF Plan must specify the amount and percentage of each Project budget for this purpose.

(c) Any anticipated benefits and discrete measurable outcomes associated with the Project and whether the Project advances each of the criteria listed at 732-042-0015(2)(c).

(d) Identification of the Local Plan(s) from which each Project was derived and identification of the board, council, commission, or other governing body which approved the Local Plan.

(e) The proposed Recipient or Sub-Recipient of the STIF Formula Fund moneys for that Project.

(f) A full budget including fund sources and for yet-to-be obligated fund sources, the timing for funding decisions, if known.

(g) For proposed Projects which are part of a larger multi-phase Project, the phasing plan including schedule and budget with known and potential funding sources identified.

(h) The amount of moneys from the STIF Formula Fund distribution that would be allocated to fund each of the criteria listed at 732-042-0015(2)(c).

(i) Identification of the extent to which the Project is consistent with Oregon Public Transportation Plan goals, policies,

and implementation plans.

(j) At least one Project described in the STIF Plan must implement a program(s) to provide Student Transit Services for students in grades 9 through 12, if practicable, and allocate at least one percent of the Qualified Entity's estimated STIF Formula Fund disbursement to that program(s) each year. In this instance, a program(s) is considered practicable when Public Transit Services within the Qualified Entity's area of responsibility can be feasibly and efficiently used by students in grades 9 through 12. If the Qualified Entity determines that it is not Practicable to identify such a Project or to allocate funding for this purpose, it shall specify in its STIF Plan the reason(s) for its determination.

(4) A STIF Plan may include an Operations Reserve Project or projects consisting of STIF Formula Fund moneys that may be transferred to any operations Project in the STIF Plan in the event of significant, unexpected declines in transit operations revenue, subject to the following provisions:

(a) A STIF Plan may include one Operations Reserve Project for the Qualified Entity and one for each Sub-Recipient that has a project in the STIF Plan. An Operations Reserve Project may also be shared between a Qualified Entity and one or more Sub-Recipients.

(b) If a STIF Plan includes an Operations Reserve Project for the Qualified Entity and one for each Sub-Recipient, then each Operations Reserve Project shall not exceed 12.5% of each entity's operations expenses budgeted for use in the STIF Plan Period.

(c) If an Operations Reserve Project is to be shared between a Qualified Entity and one or more Sub-Recipients, it shall not exceed 12.5% of the total operations expenses budgeted for use in the STIF Plan period.

(5) A STIF Plan may include one or more Plan Contingency Projects consisting of STIF Formula Fund moneys that may be used for Project costs that were not foreseen at the time the Qualified Entity submitted a STIF Plan to the Commission for approval, subject to the following provisions:

(a) The total amount of funding included in all Plan Contingency Projects may not exceed 15% of the total expenditures budgeted for the STIF Plan period or an amount set by the QE's governing body, whichever is lower. For purposes of this subsection, total expenditures do not include STIF Formula fund moneys budgeted for Planned Carry Forward Projects and Operations Reserve Projects described in this rule.

(b) Plan Contingency Project moneys may not be used for an Operations Reserve Project or a Planned Carry Forward Project.

(6) A STIF Plan may include one or more Planned Carry Forward Projects for capital improvements that cannot be funded in a single STIF Formula Fund funding cycle or for bond payments on the acquisition of a Capital Asset. A Qualified Entity must specify in its STIF Plan the reason for the Planned Carry Forward Project and the deadline by which the Qualified Entity intends to expend all Planned Carry Forward Project funds. The Qualified Entity may not carry forward Planned Carry Forward Project funds beyond the deadline without Agency approval.

(7) If during a STIF Plan period the rate of the payroll tax imposed under ORS 320.550 is increased or decreased by more than 50%, the Agency may:

(a) Temporarily increase the percentage caps on the amount of funding that a Qualified Entity is allowed to include in its STIF Plan for Operations Reserve Projects and Plan Contingency Projects; or

(b) Temporarily increase the percentage of Unused Project funds that trigger the requirement for a Qualified Entity to provide the Agency with a written report of the reason the funds were not spent under OAR 732-042-0035(4).

STATUTORY/OTHER AUTHORITY: ORS 184.619, 184.758, 184.761

STATUTES/OTHER IMPLEMENTED: ORS 184.751-184.766

AMEND: 732-042-0020

RULE TITLE: Advisory Committee Review of Proposed Projects

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: This rule governs the review of STIF Formula Projects by STIF Advisory Committees. The proposed changes require Advisory Committees to consider the extent to which project advance considerations determined under OAR 732-042-0010(7)(a) for projects using STIF Formula population funds, and the extent to which a project reflects the sub-allocation method created under OAR 732-042-0010(7)(b) by the Qualified Entity and Public Transportation Service Providers for Projects using STIF Formula payroll funds. The proposed changes also establish that other factors listed in rule may be considered but are not required and adds a factor to consider "the extent to which the Project would improve first- and last-mile connections to public transit and support multimodal integration" to that list.

RULE TEXT:

(1) Sub-Recipients seeking STIF funding from a Qualified Entity through the Qualified Entity's STIF Plan shall submit a Project proposal to the Qualified Entity's Advisory Committee for review and approval. The Project proposal must include the contents described in OAR 732-042-0015(3).

(2) The Advisory Committee shall conduct its reviews and activities in compliance with its written bylaws, as described in these rules.

(3) The Advisory Committee shall meet as often as needed to advise the Qualified Entity and review Project proposals but no less than two times per year.

(4) The Advisory Committee shall:

(a) Hold public meetings, as applicable, to review every Project proposed for inclusion in the Qualified Entity's STIF Plan;

(b) Recommend approval or rejection of proposed Projects and recommend prioritization of approved Projects within the geographic boundary for which the Qualified Entity receives STIF Formula funding to the Governing Body.

(5) When reviewing STIF Formula Fund Projects, the Advisory Committee shall consider:

(a) The extent to which a Project using Population-Based Formula funds would advance the considerations described in 732-042-0010(7)(a);

(b) The extent to which a Project using Payroll-Based Formula funds reflects the sub-allocation method created pursuant to 732-042-0010(7)(b), including any factors that the Qualified Entity and Public Transportation Service Providers have developed collaboratively pursuant to OAR 732-042-0010(7)(b)(A).

(6) The Advisory Committee may consider the following factors when reviewing STIF Formula Fund Projects, including but not limited to:

(a) The extent to which the Project would advance each of the criteria listed at 732-042-0015(2)(c);

(b) Whether the Project would maintain an existing service;

(c) The extent to which the Project goals meet public transportation needs and are a responsible use of public funds;

(d) The extent to which the Project might benefit or burden historically- or currently-marginalized communities both now and in the long term;

(e) The extent to which the Project would improve first- and last-mile connections to public transit and support multimodal integration;

(f) The extent to which the Project achieves geographic equity; and

(g) Other factors to be determined by the Advisory Committee.

(7) Prior to adopting a STIF Plan, the Governing Body shall consult its Advisory Committee regarding the Projects proposed in the STIF Plan and seek a recommendation on the prioritization of those Projects from the Advisory Committee. The purpose of this consultation is to ensure that the STIF Plans reflect a Coordinated regional approach to Public Transportation Service that considers the public transportation needs of people residing and traveling into and out of the geographic territory of a Qualified Entity as well as larger regional population centers and to ensure that interested parties have the opportunity to review and comment on the proposed STIF Plan.

(8) A Governing Body may accept the Advisory Committee's recommendation to approve or reject a Project proposal, may return it to the Advisory Committee for modifications, or may modify it prior to inclusion in the STIF Plan for submittal to the Agency. If the Governing Body modifies the Advisory Committee's recommendation, it shall inform any affected Public Transportation Service Provider of all modifications and the explanation for such changes.

STATUTORY/OTHER AUTHORITY: ORS 184.619, 184.758, 184.761

STATUTES/OTHER IMPLEMENTED: ORS 184.751-184.766

AMEND: 732-042-0025

RULE TITLE: Commission Approval of STIF Plan

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: This rule describes the process for PTAC and OTC review of STIF Plans. These changes modify the timelines related to resubmission of a STIF Plan recommended for rejection by PTAC.

RULE TEXT:

(1) The Agency shall review the STIF Plan submitted by a Qualified Entity for completeness and may ask the Qualified Entity to supply missing information or to provide clarification about the meaning or intent of any portion of the STIF Plan.

(2) The Agency shall submit each complete STIF Plan to the Public Transportation Advisory Committee (PTAC) for review.

(3) The PTAC shall timely determine whether it proposes to recommend that the Commission approve or reject all or a portion of the STIF Plan.

(a) If the PTAC determines that it will recommend rejection of all or a portion of the STIF Plan, it shall timely prepare a brief written statement of the reasons for its recommendation. Within three days of its receipt of the statement prepared by PTAC, the Agency shall provide notice of the PTAC's intended recommendation and a copy of the statement of reasons to the Qualified Entity.

(b) The PTAC shall timely communicate its recommendation to the Commission.

(c) The PTAC, when making its recommendation and the Commission when making its decision on a STIF Plan shall consider the extent to which the STIF Plan meets the requirements described in OAR 732-042-0015(1), (2) and (3).

(4) A Qualified Entity that receives notice that the PTAC intends to recommend rejection of all or a portion of a STIF Plan under subsection (3)(a) of this rule may attach additional information and a revised STIF Plan for the Commission's consideration to the STIF Plan originally submitted. The Qualified Entity shall provide the additional information to the Agency pursuant to a deadline established by the Agency. That deadline shall be no less than 10 days after the Agency has sent the Qualified Entity a notice of PTAC's recommended rejection and a copy of the statement of reasons.

(5) The Commission shall consider the PTAC's recommendation and determine whether to approve or reject the STIF Plan originally submitted by the Qualified Entity or a revised STIF Plan submitted by the Qualified Entity under section (4) of this rule. If the Commission rejects a proposed STIF Plan, the Commission shall identify the reasons for the rejection and the Agency shall provide the reasons to the Qualified Entity in writing. Reasons for Commission rejection include, but are not limited to:

(a) The Qualified Entity did not establish an Advisory Committee or established one inconsistent with membership requirements in these rules;

(b) The Qualified Entity failed to confer with its Advisory Committee;

(c) The STIF Plan is incomplete or does not adequately explain how the Qualified Entity will accomplish the goals of the Projects in the STIF Plan, including Recipient Accountability Methods, Sub-Recipient Accountability Methods, or Remediation Strategies, if applicable;

(d) The STIF Plan does not contain the sections and elements listed in OAR 732-042-0015(1), (2) and (3); and

(e) Whether the Qualified Entity failed to expend STIF Formula funds in a manner that substantially complied with a prior approved STIF Plan.

(6) A Qualified Entity may file one appeal as described in OAR 732-040-0050 if its STIF Plan is rejected by the Commission.

STATUTORY/OTHER AUTHORITY: ORS 184.619, 184.758, 184.761

STATUTES/OTHER IMPLEMENTED: ORS 184.751-184.766

AMEND: 732-042-0035

RULE TITLE: Reporting Requirements

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: This rule describes quarterly, annual, and biannual reporting requirements for Qualified Entities. The changes: extend the deadline for quarterly reports for 45 to 60 days after the end of the quarter; extend the deadline for ODOT to conduct a reconciliation of STIF Formula funds distributed to QEs against expenses from 30 to 120 days after the end of a STIF Plan Period and establish a requirement for ODOT to issue a notice reflecting the results of the reconciliation; and create a requirement that Qualified Entities provide a report providing a written explanation of the reason a Qualified Entity did not spend Unused Project funds if they exceed 10% of the total amount of STIF Formula moneys budgeted in its STIF Plan.

RULE TEXT:

(1) **Quarterly Reports:** Using a form provided by the Agency, each Qualified Entity shall prepare a quarterly report to the Agency which details Project progress, outcomes achieved, and expenditures of STIF Formula Fund moneys by itself and its Sub-Recipients. In these quarterly reports, Qualified Entities shall provide information confirming that the funds disbursed under OAR 732-042-0010(2)(a) have been used to support transit services for older adults and individuals with disabilities. For STIF Plans with an effective date prior to July 1, 2027, the quarterly report must be submitted no later than 45 days following the end of the quarter. For STIF Plans with an effective date on or after July 1, 2027, the quarterly report must be submitted no later than 60 days following the end of a quarter. The fourth and eighth quarter reports may be preliminary reports, subject to adjustment after completion of the Qualified Entity's audit.

(2) **STIF Plan Period Reconciliation:** Within 120 days of the end of an approved STIF Plan Period, the Agency shall reconcile disbursements made to the Qualified Entity during the previous STIF Plan period against the Qualified Entity's reported expenditures. The Agency will provide written notice to the Qualified Entity of any Prior STIF Plan Period funds, the amount of Prior STIF Plan Period funds and the Qualified Entity's option to amend its STIF Plan to incorporate the Prior STIF Plan Period funds. The Qualified Entity may amend its STIF Plan only in accordance with OAR 732-042-0045.

(3) **Capital Asset Reports:** Qualified Entities that have acquired, purchased or leased Capital Assets using STIF Formula Fund moneys shall provide the Agency with a report of the Capital Asset inventory, described in OAR 732-042-0040(2), including an identification of any sale, transfer or other disposition of the Capital Asset as described in OAR 732-042-0040. Capital Asset Reports must be submitted to the Agency on a schedule to be specified by the Agency, but must be submitted at least annually within 30 days of the end of each Fiscal Year.

(4) **Unused Project funds report:** A Qualified Entity shall provide a report to the Agency if:

(a) At the end of the STIF Plan period, the Qualified Entity has Unused Project Funds; and

(b) The amount of Unused Project funds exceeds 10% of the total amount of STIF Formula Fund moneys budgeted in the Qualified Entity's prior STIF Plan, excluding the amount of STIF Formula Fund moneys budgeted for Planned Carry Forward Projects, Plan Contingency Projects, and Operations Reserve Project funds. For a prior STIF Plan with an effective date prior to July 1, 2027, the total amount of STIF Formula Fund moneys budgeted in the STIF Plan also excludes the amount of STIF Formula fund moneys budgeted for tasks categorized in the STIF Plan as a "Program Reserve/Contingency" and Projects described in the STIF Plan as a "Project using planned carry forward funding."

(c) The Unused Project funds report shall provide a written explanation of the reason that the Unused Project funds were not spent and shall be due 90 days after the receipt of the notice of the STIF Plan reconciliation by the Qualified Entity.

STATUTORY/OTHER AUTHORITY: ORS 184.619, 184.758, 184.761

STATUTES/OTHER IMPLEMENTED: ORS 184.751-184.766

AMEND: 732-042-0045

RULE TITLE: Agency Amendment of STIF Plan

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: This rule governs mid-biennium amendments of STIF Plans. The change updates language in section (3)(a) of the rule use the term "Prior STIF Plan Period" funds to refer to funds that may be added to the STIF Plan through an amendment to be consistent with updated definitional language that applies to the STIF Program rules.

RULE TEXT:

(1) No later than 90 days prior July 1 annually, a Qualified Entity with an approved STIF Plan for the current Biennium (an "Original STIF Plan") may submit a proposed amended STIF Plan for the current 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 one or both of the following elements of the Qualified Entity's Original STIF Plan:

(a) The amount of Prior STIF Plan Period funds carried forward from the previous STIF Plan Period and the identification of the Projects to which those moneys will be allocated in the current Biennium; or

(b) Based upon the latest estimate of STIF Formula Fund distributions for the current Biennium provided by the Agency, the total funding sought in the STIF Plan and Identification of the projects to which those moneys will be allocated in the current Biennium.

(4) An Amended STIF Plan submitted under section (1) of this rule may:

(a) Neither add any new Projects to the Original STIF Plan nor

(b) Modify the description of Projects included in the Original STIF Plan, except that the description may be modified to reflect any changes to the anticipated benefits and discrete measurable outcomes associated with each Project with specific reference to whether the Project advances each of the criteria listed at 732-042-0015(2)(c).

(5) The Agency shall review all timely received proposed Amended STIF Plans. The Agency shall submit each completed Amended STIF Plan to PTAC for review and recommendation 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 current 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, 184.758, 184.761

STATUTES/OTHER IMPLEMENTED: ORS 184.755-184.766

ADOPT: 732-042-0055

RULE TITLE: Contractor Compliance

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: Establishes a test to distinguish contractors from Sub-Recipients and exempts Qualified Entities from need to conduct full compliance reviews of contractors. Determination that an entity is a contractor is subject to review by ODOT. Requires Qualified Entities to ensure that contractors comply with relevant STIF requirements. Requires that Qualified Entities' contracts with contractors include provisions for document access and retention.

RULE TEXT:

- (1) A Qualified Entity shall determine whether an entity with which it enters into an agreement to pass through STIF funds is a Sub-Recipient or a contractor according to the criteria set forth in this rule.
- (2) A person or entity that receives STIF Formula funds from the Qualified Entity is a contractor if the person or entity's relationship with the Qualified Entity possesses characteristics of a procurement relationship. Characteristics of a procurement relationship may include, but are not limited to, that the person or entity:
 - (a) Provides the goods and services within normal business operations;
 - (b) Provides similar goods or services to many different purchasers;
 - (c) Normally operates in a competitive environment;
 - (d) Provides goods or services that are ancillary to the implementation of the STIF program;
 - (e) Is not subject to compliance requirements of a state program as a result of the agreement. However, similar requirements may apply for other reasons;
 - (f) Is expected to deliver a limited service in conformity with the terms of its contract with the Recipient.
- (3) The Agency may review a Qualified Entity's determination that an entity is a contractor during the Agency's compliance site review of the Qualified Entity. If the Agency determines that an entity should have been classified as a Sub-Recipient rather than a contractor, the Qualified Entity shall alter its determination.
 - (a) If the entity that should have been classified as a Sub-Recipient has an agreement to receive STIF funds for a Project in a STIF Plan with an effective date on or after July 1, 2027, then the Qualified Entity must conduct a review of the entity pursuant to OAR 732-042-0050. The Agency may also issue a compliance finding or exercise remedies under the STIF Plan agreement with the Qualified Entity if necessary.
 - (b) If the entity that should have been classified as a Sub-Recipient has an agreement to receive STIF funds for a Project in a STIF Plan with an effective date prior to July 1, 2027, then the Qualified Entity must follow the Sub-Recipient Accountability procedures included in its STIF Plan pursuant to OAR 732-042-0015(2)(h) for the entity. The Agency may also issue a compliance finding or exercise remedies under the STIF Plan agreement with the Qualified Entity if necessary.
- (4) A Qualified Entity is responsible for ensuring that a contractor's use of STIF funds conforms with all relevant rules, statutes, and the terms of its agreement with the contractor.
- (5) A Qualified Entity shall include provisions in its contract requiring that a contractor permit the Qualified Entity, Agency, the Secretary of State of the State of Oregon, or their authorized representatives, upon reasonable notice, access to all data and records relating to STIF moneys received and to inspect the Projects financed with STIF moneys including, but not limited to, the financial records, physical premises and Capital Assets used to deliver public transportation services.

STATUTORY/OTHER AUTHORITY: ORS 184.619, 184.758, 184.761

STATUTES/OTHER IMPLEMENTED: ORS 184.751-184.766

AMEND: 732-044-0030

RULE TITLE: Project Selection

NOTICE FILED DATE: 11/25/2025

RULE SUMMARY: This rule describes investments priorities for STIF Discretionary and STIF Discretionary Intercommunity projects, as well as the process for project selection. The changes add “elimination of first- and last-mile barrier to public transportation” and “improving and maintaining connections to and between services and travel modes” to list of investment priorities in the rule.

RULE TEXT:

(1) The Commission shall determine its investment priorities with input from the Public Transportation Advisory Committee prior to Agency public notice of grant solicitation for discretionary STIF moneys. The Commission's investment priorities are:

- (a) Improvement of Public Transportation Service to Low-Income Households;
- (b) Improved Coordination between Public Transportation Service Providers and reduced fragmentation of Public Transportation Services;
- (c) Consistency with Oregon Public Transportation Plan goals, policies, and implementation plans, including:
 - (A) Integrated public transportation planning where affected communities planned or partnered to develop proposed Projects.
 - (B) Technological innovations that improve efficiencies and promote a seamless and easy to use Statewide Transit Network.
 - (C) Advancement of State greenhouse gas emission reduction goals.
 - (D) Support or improvement of a useful and well-connected Statewide Transit Network;
 - (E) Elimination of first- and last-mile barriers to public transportation;
 - (F) Improving or maintaining connections to and between services and travel modes.
- (d) Operations Projects that do not substantially rely on discretionary state funding beyond a pilot phase;
- (e) Geographic equity or an ability to leverage other funds (these factors apply when all other priorities are held equal); and
- (f) Other factors as determined by the Commission.

(2) The Agency shall review applications for compliance with the Application Requirements described in OAR 732-044-0015. The Agency may ask the applicants to supply missing information or to provide clarification about the meaning or intent of any portion of an application. Applicants shall respond to Agency inquiries within the time frame described in the solicitation documents.

(3) The Agency shall make Project applications available to ACTs for review and comment to the Public Transportation Advisory Committee.

(4) The Agency shall prepare a recommendation to Public Transportation Advisory Committee with a prioritized list of applications to be accepted and applications to be rejected considering input from the Advisory Committees and ACTs.

(5) The Public Transportation Advisory Committee shall review and recommend a list of prioritized Projects for funding to the Commission, considering input from the Agency, Advisory Committees, and ACTs.

(6) The Commission shall determine the acceptance or rejection of grant applications for discretionary STIF moneys.

(7) The Agency shall email notice of the Commission's determination to applicants within seven days of the Commission's determination.

STATUTORY/OTHER AUTHORITY: ORS 184.619, 184.758, 184.761

STATUTES/OTHER IMPLEMENTED: ORS 184.751-184.766