

D R A F T

SUMMARY

Creates Transit Expansion Fund. Continuously appropriates moneys in fund to Department of Transportation.

Authorizes Department of Transportation to issue grants to entities that provide public transportation in rural communities, small urban communities and certain large urban communities for purpose of maintaining or expanding public transportation systems.

Sunsets June 30, 2036.

A BILL FOR AN ACT

Relating to grants for public transportation.

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

SECTION 1. The Transit Expansion Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Transit Expansion Fund shall be credited to the fund. The fund consists of moneys deposited in the fund from any source and may include moneys appropriated, allocated or transferred to the fund by the Legislative Assembly and interest earned on moneys in the fund. Moneys in the fund are continuously appropriated to the Department of Transportation for the purposes specified in section 3 of this 2016 Act.

SECTION 2. As used in this section and sections 3 and 4 of this 2016 Act:

(1) “Eligible provider” means a public transportation entity as defined in ORS 184.675:

(a) That is currently receiving state or federal funding for public transportation purposes; and

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (b) That serves an area:

2 (A) That has a population of 200,000 or less; or

3 (B) That has a population of more than 200,000 and that is not
4 currently levying a tax as authorized by ORS 267.385 or 267.615 (1)(g).

5 (2) "Public transportation system" has the meaning given that term
6 in ORS 184.675.

7 **SECTION 3.** (1) The Department of Transportation shall issue
8 grants from the Transit Expansion Fund established in section 1 of
9 this 2016 Act to eligible providers for the purpose of maintaining or
10 expanding public transportation systems, subject to subsections (2)
11 and (3) of this section.

12 (2) If an eligible provider has not previously received grant moneys
13 under this section, the department may not issue a grant to the eligi-
14 ble provider unless the eligible provider applies for a grant by sub-
15 mitting a development plan to the department. The development plan
16 must:

17 (a) Describe how the eligible provider will use the grant moneys to
18 maintain or expand a public transportation system;

19 (b) Set forth objective performance measures approved by the de-
20 partment against which the success of the development plan may be
21 measured;

22 (c) Be consistent with transportation system or transit plans that
23 apply in the geographic area in which the eligible provider operates;

24 (d) If the eligible provider receives federal funding for transporta-
25 tion projects under 49 U.S.C. 5307 or 49 U.S.C. 5311, affirmatively state
26 that the use of Transit Expansion Fund moneys will not jeopardize
27 federal funding for the project; and

28 (e) Satisfy all other requirements that the department establishes
29 by rule.

30 (3) If an eligible provider has previously received grant moneys
31 under this section, the department may not disburse further grant

1 moneys unless the eligible provider submits a report to the department
2 each biennium describing the use of the moneys and demonstrating
3 satisfactory implementation of the development plan with respect to
4 the performance measures set forth in the development plan.

5 (4) If an eligible provider submits a report under subsection (3) of
6 this section that demonstrates unsatisfactory implementation of the
7 development plan, the department may not disburse further grant
8 moneys to the eligible provider under this section unless the eligible
9 provider prepares and submits an amended development plan. The de-
10 partment shall evaluate the amended development plan to determine
11 whether to disburse further grant moneys to the eligible provider.

12 (5) During the two-year period immediately following each dis-
13 bursement of moneys from the fund to an eligible provider, the eligible
14 provider may not reduce or eliminate local taxes that the eligible
15 provider levies for the purpose of funding public transportation sys-
16 tems.

17 (6) An eligible provider shall spend grant moneys disbursed from the
18 fund only in accordance with the development plan submitted by the
19 eligible provider. The eligible provider shall return to the department
20 any moneys from the fund that cannot be so spent. An eligible pro-
21 vider that spends moneys disbursed from the fund in violation of this
22 subsection shall pay to the department an amount equal to the
23 amount expended for unauthorized uses.

24 (7) The department shall submit to the Legislative Assembly, before
25 the end of each biennium, a report describing the projects for which
26 the department has disbursed moneys from the fund and the degree
27 to which those projects have been satisfactorily implemented.

28 **SECTION 4.** The Department of Transportation shall adopt rules
29 necessary to carry out the provisions of section 3 of this 2016 Act, in-
30 cluding but not limited to:

31 (1) Rules describing the information that must be included in a de-

1 **velopment plan submitted under section 3 (2) of this 2016 Act.**

2 **(2) Rules setting forth objective standards by which the department**
3 **will determine which eligible providers will receive moneys from the**
4 **Transit Expansion Fund, taking into account factors including but not**
5 **limited to:**

6 **(a) The degree to which the development plan will increase the**
7 **number of people served by the eligible provider;**

8 **(b) The degree to which the development plan will improve acces-**
9 **sibility of services, goods, employment, education and recreation for**
10 **the population served by the eligible provider;**

11 **(c) The impact of the development plan on the local economy in the**
12 **area served by the eligible provider; and**

13 **(d) Whether the eligible provider previously satisfactorily or unsat-**
14 **isfactorily implemented a development plan.**

15 **(3) Rules defining objective performance measures by which the**
16 **department shall evaluate the implementation of a development plan.**

17 **(4) Rules defining satisfactory and unsatisfactory achievement of**
18 **performance measures.**

19 **SECTION 5. Section 3 of this 2016 Act becomes operative on the date**
20 **the Department of Transportation adopts rules under section 4 of this**
21 **2016 Act.**

22 **SECTION 6. (1) Sections 1 to 4 of this 2016 Act are repealed on June**
23 **30, 2036.**

24 **(2) Any balance in the Transit Expansion Fund established in sec-**
25 **tion 1 of this 2016 Act that is unexpended and unobligated on the date**
26 **section 1 of this 2016 Act is repealed, and all moneys that would have**
27 **been deposited in the fund had section 1 of this 2016 Act remained in**
28 **effect, shall be transferred to and deposited in the General Fund and**
29 **made available for general governmental purposes.**

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