

SENATE AMENDMENTS TO SENATE BILL 300

By COMMITTEE ON FINANCE AND REVENUE

April 16

1 On page 1 of the printed bill, line 2, after the semicolon insert “creating new provisions;
2 amending ORS 323.455, 323.480, 323.625, 323.630 and 401.804;”.

3 Delete lines 4 through 28 and delete page 2 and insert:

4 “**SECTION 1.** ORS 323.455 is amended to read:

5 “323.455. (1) All moneys received by the Department of Revenue from the tax imposed by ORS
6 323.030 (1) shall be paid over to the State Treasurer to be held in a suspense account established
7 under ORS 293.445. **The department may pay expenses for administration of ORS 323.005 to**
8 **323.482 out of moneys received from the tax imposed under ORS 323.030 (1). Amounts nec-**
9 **essary to pay administrative expenses are continuously appropriated to the department from**
10 **the suspense account.** After the payment of **administrative expenses and** refunds, 89.65 percent
11 shall be credited to the General Fund, 3.45 percent is appropriated to the cities of this state, 3.45
12 percent is appropriated to the counties of this state and 3.45 percent is continuously appropriated
13 to the Department of Transportation for the purpose of financing and improving transportation ser-
14 vices for elderly individuals and individuals with disabilities as provided in ORS 391.800 to 391.830.

15 “(2) The moneys so appropriated to cities and counties shall be paid on a monthly basis within
16 35 days after the end of the month for which a distribution is made. Each city shall receive such
17 share of the money appropriated to all cities as its population, as determined under ORS 190.510 to
18 190.590 last preceding such apportionment, bears to the total population of the cities of the state,
19 and each county shall receive such share of the money as its population, determined under ORS
20 190.510 to 190.590 last preceding such apportionment, bears to the total population of the state.

21 “(3) The moneys appropriated to the Department of Transportation under subsection (1) of this
22 section shall be distributed and transferred to the Elderly and Disabled Special Transportation Fund
23 established by ORS 391.800 at the same time as the cigarette tax moneys are distributed to cities
24 and counties under this section.

25 “(4) Of the moneys credited to the General Fund under this section 51.92 percent shall be dedi-
26 cated to funding the maintenance and expansion of the number of persons eligible for medical as-
27 sistance under the Oregon Health Plan, or to funding the maintenance of the benefits available
28 under the Oregon Health Plan, or both, and 5.77 percent shall be credited to the Tobacco Use Re-
29 duction Account established under ORS 431.832.

30 “**SECTION 2.** ORS 323.625 is amended to read:

31 “323.625. All moneys received by the Department of Revenue under ORS 323.500 to 323.645 shall
32 be deposited in the State Treasury and credited to a suspense account established under ORS
33 293.445. **The department may pay expenses for administration of ORS 323.500 to 323.645 out**
34 **of moneys received from the taxes imposed under ORS 323.505 and 323.565. Amounts neces-**
35 **sary to pay administrative expenses are continuously appropriated to the department from**

1 **the suspense account.** After the payment of **administrative expenses and** refunds or credits
2 arising from erroneous overpayments, the balance of the money shall be credited to the General
3 Fund. Of the amount credited to the General Fund under this section 41.54 percent shall be dedi-
4 cated to funding the maintenance and expansion of the number of persons eligible for medical as-
5 sistance under the Oregon Health Plan, or to funding the maintenance of the benefits available
6 under the Oregon Health Plan, or both, and 4.62 percent shall be credited to the Tobacco Use Re-
7 duction Account established under ORS 431.832.

8 **“SECTION 3. Section 4 of this 2009 Act is added to and made a part of ORS chapter 323.**

9 **“SECTION 4. (1) As used in this section, ‘premises’ means a place of business:**

10 **“(a) That is licensed under this chapter; or**

11 **“(b) That the Department of Revenue has reasonable cause to believe is used for the sale**
12 **or distribution of cigarettes or tobacco products.**

13 **“(2) The Department of Revenue may enter and examine the premises of any person or**
14 **business at any time an individual is present. The department may enter and examine:**

15 **“(a) All areas used in or by the business operated at the premises, regardless of whether**
16 **patrons are permitted to be present in those areas; and**

17 **“(b) Areas not located at the premises that reasonably appear to be used by the person**
18 **or business to store items listed in subsection (3) of this section.**

19 **“(3) The department may examine:**

20 **“(a) Business records related to the sale or distribution of cigarettes or tobacco products;**

21 **“(b) Books, papers, records or equipment reasonably necessary to comply with the pro-**
22 **visions of this chapter; and**

23 **“(c) Cigarettes or tobacco products.**

24 **“(4) A person may not interfere with or hinder an entry or examination by the depart-**
25 **ment under this section.**

26 **“(5) This section does not authorize the department to enter or examine an area used for**
27 **residential purposes, unless the area is located on a lot or parcel not zoned for residential**
28 **use or where residential use is not allowed as a nonconforming use.**

29 **“SECTION 5. ORS 323.480 is amended to read:**

30 **“323.480. (1)(a) A civil penalty may be imposed by the Department of Revenue on any person**
31 **who violates any provision of ORS 323.005 to 323.482.**

32 **“(b) A civil penalty imposed under this subsection may not exceed \$1,000 per violation.**

33 **“(c) A penalty imposed under this section may be appealed to the magistrate division of the tax**
34 **court. Appeal of a magistrate decision may be made as provided in ORS 305.445 and 305.501.**

35 **“(2) Any person who, in violation of section 4 (4) of this 2009 Act, prevents entry or ex-**
36 **amination by the department shall be fined a maximum of \$1,000 per day until the depart-**
37 **ment is allowed access.**

38 **“[(2)] (3) Any person required to obtain a license as a distributor under ORS 323.005 to 323.482**
39 **who knowingly engages in business as a distributor without a license or after a license has been**
40 **suspended or revoked is guilty of a Class C felony.**

41 **“[(3)] (4) Any person required to make, render, sign or verify any report under ORS 323.005 to**
42 **323.482 who makes any false report with the intent to defraud is guilty of a Class C felony.**

43 **“[(4)(a)] (5)(a) Any transporter who knowingly violates the provisions of ORS 323.225 is guilty**
44 **of a Class C felony.**

45 **“(b) This subsection does not apply to a transporter who transports or possesses or acquires for**

1 the purpose of transporting fewer than 60,000 cigarettes.

2 “[5] (6) Any person who knowingly violates any provisions of ORS 323.005 to 323.482, except
3 as otherwise provided in this section, is guilty of a Class A misdemeanor.

4 “[6] (7) Any person who files a fraudulent refund claim under ORS 323.320 is guilty of a Class
5 C felony.

6 “[7] (8) Any person who, with intent to defraud, makes, alters, forges or utters a false receipt
7 or invoice recording a sale of cigarettes in this state is guilty of a Class C felony.

8 “[8] (9) In addition to any other sentence the court may impose upon a conviction under this
9 section, the court may order the forfeiture of the instrumentalities used in violating ORS 323.005 to
10 323.482 and the proceeds resulting from a violation of ORS 323.005 to 323.482.

11 “**SECTION 6.** ORS 323.630 is amended to read:

12 “323.630. (1)(a) A civil penalty may be imposed by the Department of Revenue on any person
13 who violates any provision of ORS 323.500 to 323.645.

14 “(b) A civil penalty imposed under this subsection may not exceed \$1,000 per violation.

15 “(c) A penalty imposed under this subsection may be appealed to the magistrate division of the
16 tax court in the time and manner prescribed in ORS 305.404 to 305.560.

17 “**(2) Any person who, in violation of section 4 (4) of this 2009 Act, prevents entry or ex-**
18 **amination by the department shall be fined a maximum of \$1,000 per day until the depart-**
19 **ment is allowed access.**

20 “[2] (3) Any person required to obtain a license as a distributor under ORS 323.500 to 323.645
21 who knowingly engages in business as a distributor without a license or after a license has been
22 suspended or revoked is guilty of a Class C felony.

23 “[3] (4) Any person required to make, render, sign or verify any report under ORS 323.500 to
24 323.645 who makes any false report with the intent to defraud is guilty of a Class C felony.

25 “[4] (5) Any transporter who knowingly violates the provisions of ORS 323.570 is guilty of a
26 Class C felony.

27 “[5] (6) Any person who knowingly violates any provision of ORS 323.500 to 323.645, except
28 as otherwise provided in this section, is guilty of a Class A misdemeanor.

29 “[6] (7) Any person who, with intent to defraud, makes, alters, forges or utters a false receipt
30 or invoice recording a sale of tobacco products in this state is guilty of a Class C felony.

31 “[7] (8) In addition to any other sentence the court may impose upon a conviction under this
32 section, the court may order the forfeiture of the instrumentalities used in violating ORS 323.500 to
33 323.645 and the proceeds resulting from a violation of ORS 323.500 to 323.645.

34 “**SECTION 7.** ORS 401.804 is amended to read:

35 “401.804. (1) Unless the context requires otherwise, the provisions of ORS chapters 305, 314 and
36 316 as to the audit and examination of reports and returns, determination of deficiencies, assess-
37 ments, claims for refunds, penalties, interest, jeopardy assessments, warrants, conferences and ap-
38 peals to the Oregon Tax Court, and procedures relating thereto, shall apply to ORS 401.792 to
39 401.804 the same as if the tax were a tax imposed upon or measured by net income. All such pro-
40 visions apply to the subscriber liable for the tax and to the provider required to collect the tax. As
41 to any amount collected and required to be remitted to the Department of Revenue, the tax shall
42 be considered a tax upon the provider required to collect the tax and that provider shall be con-
43 sidered a taxpayer.

44 “**(2) Notwithstanding ORS 314.835 and 314.840, the Department of Revenue may disclose**
45 **information received under ORS 401.792 to 401.804 to the Public Utility Commission to carry**

1 out the provisions of chapter 290, Oregon Laws 1987.

2 “(3) The Public Utility Commission may disclose information obtained pursuant to chap-
3 ter 290, Oregon Laws 1987, to the Department of Revenue to administer the tax imposed
4 under ORS 401.792 to 401.804.”

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