

# House Bill 3472

Sponsored by Representative BREWER (at the request of Aaron Van Fleet)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Authorizes issuance of business license passports by Department of Consumer and Business Services to persons conducting de minimis business in cities in state.

Becomes operative July 1, 2012.

## A BILL FOR AN ACT

1  
2 Relating to business license passports.

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

4 **SECTION 1. It is the intent of the Legislative Assembly to reduce the number of city**  
5 **business licenses that persons who conduct de minimis business in multiple cities in this**  
6 **state are required to obtain in order to conduct business in those cities. The purpose of this**  
7 **section and section 2 of this 2011 Act is to enable persons who conduct de minimis business**  
8 **in multiple cities in this state to secure from the Department of Consumer and Business**  
9 **Services one business license passport that will permit the conduct of de minimis business**  
10 **in multiple cities in which the person does not have a principal place of business.**

11 **SECTION 2. (1) For purposes of this section:**

12 (a) **"Business license fee" means any tax or fee paid by a person to a city for any form**  
13 **of license that is required by the city in order to conduct business in that city.**

14 (b) **"Conduct business" means to engage in any activity in pursuit of gain, including ac-**  
15 **tivities carried on by a person through officers, agents and employees as well as activities**  
16 **carried on by a person on that person's own behalf.**

17 (c) **"Conduct de minimis business" means to conduct business in a city of this state that**  
18 **derives gross receipts of \$15,000 or less during a calendar year.**

19 (d) **"Person" means an individual, corporation, partnership, association, joint venture or**  
20 **any other business or commercial entity, but does not include the state or other government**  
21 **or political subdivision or agency.**

22 (e) **"Principal place of business" means the location in this state of the central adminis-**  
23 **trative office of a person conducting business or conducting de minimis business in this**  
24 **state.**

25 (2) **A person who conducts de minimis business during any calendar year in any city in**  
26 **this state, other than a city to which the person has paid a business license fee for that year**  
27 **to conduct business that is other than de minimis business, may apply for a business license**  
28 **passport from the Department of Consumer and Business Services. The Director of the De-**  
29 **partment of Consumer and Business Services by rule shall determine the manner in which**  
30 **a person must apply and the form and contents of an application for a business license**  
31 **passport.**

**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       **(3) The department shall issue a business license passport to a person when:**

2       **(a) The person presents proof that the person will not conduct other than de minimis**  
3 **business in a city in this state for which the passport is issued;**

4       **(b) The person presents proof that the person's principal place of business is other than**  
5 **a city for which the passport is issued; and**

6       **(c) The person pays a nonrefundable fee to the department. The fee charged under this**  
7 **paragraph must be twice the average business license fee charged by cities in this state plus**  
8 **an amount that is sufficient to reimburse the department for the administrative expenses**  
9 **of the department incurred in carrying out its duties under this section.**

10       **(4) The department shall distribute the business license passport fees collected by the**  
11 **department under this section, less administrative expenses, to the cities that are encom-**  
12 **passed in the passports issued under this section and that collect a business license tax or**  
13 **fee. Distribution of moneys under this subsection must be made at least once in each year.**

14       **(5) A city shall waive payment of a business license fee by a person who only conducts**  
15 **de minimis business in the city upon presentation of proof that the person has been issued**  
16 **a business license passport under subsection (2) of this section.**

17       **(6) A city that imposes a business license fee based on or measured by adjusted net in-**  
18 **come earned by conducting business within the city shall be exempt from the provisions of**  
19 **this section.**

20       **(7) If, at the end of the year for which a business license passport was issued under this**  
21 **section, the department determines that the person to whom the passport was issued con-**  
22 **ducted other than de minimis business in a city for which the passport was issued, the de-**  
23 **partment shall invalidate that portion of the passport that applies to that city, and that city**  
24 **is authorized to retroactively charge the person for any business license fee the city would**  
25 **have charged the person to conduct business in that city during that year.**

26       **SECTION 3.** (1) Section 2 of this 2011 Act becomes operative on July 1, 2012.

27       **(2) The Department of Consumer and Business Services may adopt rules or take any**  
28 **action before the operative date specified in subsection (1) of this section that is necessary**  
29 **for the department to exercise, on and after the operative date specified in subsection (1) of**  
30 **this section, all of the duties, functions and powers conferred on the department by section**  
31 **2 of this 2011 Act.**

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