

D R A F T

SUMMARY

Allows person that uses natural gas or propane in motor vehicle to pay annual special use fuel license fee in lieu of per-gallon tax.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to taxation of use fuels; creating new provisions; amending ORS 319.550, 319.665, 319.671, 319.675, 366.739, 367.173, 367.605 and 802.125; and prescribing an effective date.

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

SECTION 1. Section 2 of this 2013 Act is added to and made a part of ORS 319.510 to 319.880.

SECTION 2. (1) In lieu of paying the per-gallon tax on the use of fuel in a motor vehicle imposed under ORS 319.530, a person may pay to the Department of Transportation annually, for each motor vehicle that consumes natural gas or propane, a special use fuel license fee computed under subsection (2) of this section based on the following schedule:

COMBINED WEIGHT	BASE
(Pounds)	
0 - 6,000	\$120
6,001 - 10,000	\$120

1	10,001 - 18,000	\$180
2	18,001 - 28,000	\$240
3	28,001 - 36,000	\$360
4	36,001 and above	\$480

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7 **(2) The special use fuel license fee equals the applicable base**
8 **amount from the schedule in subsection (1) of this section multiplied**
9 **by the use fuel tax rate imposed under ORS 319.530 in effect at the**
10 **time of payment, divided by 12 cents.**

11 **(3)(a) The Department of Transportation shall issue an emblem**
12 **without charge upon application by a person that chooses to pay the**
13 **annual special use fuel license fee.**

14 **(b) An emblem issued under this section that is displayed in a con-**
15 **spicuous place on the motor vehicle for which it is issued shall be ac-**
16 **cepted by a seller as proof of exemption from the per-gallon tax**
17 **imposed under ORS 319.530.**

18 **SECTION 3.** ORS 319.550 is amended to read:

19 319.550. A person may not use fuel in a motor vehicle in this state unless
20 the person holds a valid user's license, except that:

21 (1) A nonresident may use fuel in a motor vehicle not registered in
22 Oregon for a period not exceeding 30 days without obtaining a user's license
23 or the emblem provided in ORS 319.600, if, for all fuel used in a motor ve-
24 hicle in this state, the nonresident pays to a seller, at the time of the sale,
25 the tax provided in ORS 319.530 **or the nonresident displays an emblem**
26 **issued for the vehicle pursuant to section 2 of this 2013 Act.**

27 (2) A user's license is not required for a person who uses fuel in a motor
28 vehicle with a combined weight of 26,000 pounds or less if, for all fuel used
29 in a motor vehicle in this state, the person pays to a seller, at the time of
30 the sale, the tax provided in ORS 319.530, **or the person displays an**
31 **emblem issued for the vehicle pursuant to section 2 of this 2013 Act**

1 **for the vehicle.**

2 (3) A user's license is not required for a person who uses fuel as described
3 in ORS 319.520 (7) in the vehicles specified in subsection (4) of this section
4 if the person pays to a seller, at the time of the sale, the tax provided in
5 ORS 319.530, **or the person displays an emblem issued for the vehicle**
6 **pursuant to section 2 of this 2013 Act.**

7 (4) Subsection (3) of this section applies to the following vehicles:

8 (a) Motor homes as defined in ORS 801.350.

9 (b) Recreational vehicles as defined in ORS 446.003.

10 **SECTION 4.** ORS 319.665 is amended to read:

11 319.665. (1) The seller of fuel for use in a motor vehicle shall collect the
12 tax provided by ORS 319.530 at the time the fuel is sold, unless one of the
13 following situations applies:

14 (a) The vehicle into which the seller delivers or places the fuel bears a
15 valid permit or user's emblem issued by the Department of Transportation.

16 (b) The fuel is dispensed at a nonretail facility, in which case the seller
17 shall collect any tax owed at the same time the seller collects the purchase
18 price from the person to whom the fuel was dispensed at the nonretail fa-
19 cility. A seller is not required to collect the tax under this paragraph from
20 a person who certifies to the seller that the use of the fuel is exempt from
21 the tax imposed under ORS 319.530.

22 (c) A cardlock card is used for purchase of the fuel at an attended portion
23 of a retail facility equipped with a cardlock card reader, in which case the
24 cardlock card issuer licensed in this state is responsible for collecting and
25 remitting the tax unless the person making the purchase certifies to the
26 seller that the use of the fuel is exempt from the tax imposed under ORS
27 319.530.

28 **(d) The vehicle into which the seller delivers or places the fuel bears**
29 **a valid emblem issued pursuant to section 2 of this 2013 Act.**

30 (2) If a cardlock card is used for purchase of fuel at an attended portion
31 of a retail facility equipped with a cardlock card reader, the seller at the

1 retail facility may deduct fuel purchases made with a cardlock card from the
2 seller's retail transactions if the seller provides the department with the
3 following information:

4 (a) A monthly statement from a cardlock card issuer that details the
5 cardlock card purchases at the retail facility; and

6 (b) A listing of cardlock card issuers and gallons of fuel purchased at the
7 retail facility by the issuers' customers.

8 (3) The department shall supply each seller of fuel for use in a motor
9 vehicle with a chart which sets forth the tax imposed on given quantities
10 of fuel.

11 **SECTION 5.** ORS 319.675 is amended to read:

12 319.675. Except as provided in ORS 319.692, the seller of fuel for use in
13 a motor vehicle shall report to the Department of Transportation on or be-
14 fore the 20th day of each month, the amount of fuel sold, during the pre-
15 ceding calendar month, subject to the tax [*provided by*] **imposed under** ORS
16 319.530 **or exempt from the tax imposed under ORS 319.530 pursuant to**
17 **section 2 of this 2013 Act** and such other information pertaining to fuel
18 handled as the department may require. The department may prescribe the
19 form of the report. The seller shall deliver the report to the department in
20 the manner provided by the department by rule.

21 **SECTION 6.** ORS 319.671 is amended to read:

22 319.671. (1) The seller of fuel for any purpose shall make a duplicate in-
23 voice for every sale of fuel for any purpose and shall retain one copy and
24 give the other copy to the user. The Department of Transportation may pre-
25 scribe the form of the invoice. The invoice shall show:

26 (a) The seller's name and address;

27 (b) The date;

28 (c) The amount of the sale in gallons; and

29 (d) The name and address of the user.

30 (2) In addition to the invoice entries listed in subsection (1) of this sec-
31 tion, the seller of fuel for use in a motor vehicle shall indicate on the invoice

1 the amount of the tax collected, if any, and:

2 (a) The identification plate number, if the vehicle bears an identification
3 plate issued by the department;

4 (b) The emblem number, if the vehicle bears a user's emblem;

5 (c) The temporary pass number or the receipt number, if the vehicle bears
6 no valid user's emblem or identification plate issued by the department; or

7 (d) The license plate number if the vehicle bears no valid user's emblem
8 or permit issued by the department.

9 (3) Notwithstanding subsection (1) of this section, this section does not
10 require any invoice to be prepared for any sale where fuel is delivered into
11 the fuel tank of a vehicle described in this subsection unless the operator
12 of the vehicle requests an invoice. If an invoice is prepared under this sub-
13 section, the name and address of a user is not required to be shown on the
14 invoice for sales where the fuel is delivered into the fuel tanks of vehicles
15 described in this subsection. This subsection applies to vehicles:

16 (a) That have a combined weight of 26,000 pounds or less; and

17 (b)(A) For which the tax under ORS 319.530 must be paid at the time of
18 sale under ORS 319.665; or

19 **(B) For which an emblem has been issued under section 2 of this**
20 **2013 Act.**

21 **SECTION 7.** ORS 366.739 is amended to read:

22 366.739. Except as otherwise provided in ORS 366.744, the taxes collected
23 under ORS 319.020, 319.530, 803.090, 803.420, 818.225, 825.476 and 825.480 **and**
24 **special use fuel license fees collected under section 2 of this 2013 Act,**
25 minus \$71.2 million per biennium, shall be allocated 24.38 percent to counties
26 under ORS 366.762 and 15.57 percent to cities under ORS 366.800.

27 **SECTION 8.** ORS 367.173 is amended to read:

28 367.173. The principal, interest, premium, if any, and the purchase or
29 tender price of the grant anticipation revenue bonds issued under ORS
30 367.161 to 367.181 are payable solely from the following moneys:

31 (1) Federal transportation funds.

1 (2) To the extent affirmatively pledged at the time issuance of revenue
2 bonds is authorized, the following moneys that are lawfully available:

3 (a) Moneys deposited in the State Highway Fund established under ORS
4 366.505.

5 (b) Except as provided in paragraph (c) of this subsection, moneys, once
6 deposited in the State Highway Fund established under ORS 366.505, from
7 the following sources may be affirmatively pledged:

8 (A) Moneys from the taxes and fees on motor carriers imposed under ORS
9 825.474 and 825.480.

10 (B) Moneys from the tax on motor vehicle fuel imposed under ORS
11 319.020.

12 (C) Moneys from the tax on fuel used in motor vehicles imposed under
13 ORS 319.530.

14 **(D) Moneys from the special use fuel license fee under section 2 of**
15 **this 2013 Act.**

16 *[(D)]* (E) Moneys described under ORS 803.090 from the titling of vehicles.

17 *[(E)]* (F) Moneys described under ORS 803.420 from the registration of
18 vehicles.

19 *[(F)]* (G) Moneys described under ORS 807.370 relating to the issuance
20 of driver licenses and driver permits.

21 *[(G)]* (H) Moneys received by the Department of Transportation from
22 taxes, fees or charges imposed after January 1, 2001, or other revenues or
23 moneys received by the department from sources not listed in subparagraphs
24 (A) to *[(F)]* (G) of this paragraph that are lawfully available to be pledged
25 under this section.

26 (c) Moneys described in paragraph (b) of this subsection do not include:

27 (A) Moneys provided for appropriations to counties under ORS 366.762 to
28 366.768.

29 (B) Moneys provided for appropriations to cities under ORS 366.785 to
30 366.820.

31 (C) Moneys in the account established under ORS 366.512 for parks and

1 recreation.

2 **SECTION 9.** ORS 367.605 is amended to read:

3 367.605. (1) Moneys deposited in the State Highway Fund established un-
4 der ORS 366.505 are pledged to payment of Highway User Tax Bonds issued
5 under ORS 367.615.

6 (2) Except as provided in subsection (3) of this section, moneys, once de-
7 posited in the highway fund from the following sources are subject to the
8 use or pledge described in subsection (1) of this section:

9 (a) Moneys from the taxes and fees on motor carriers imposed under ORS
10 825.474 and 825.480.

11 (b) Moneys from the tax on motor vehicle fuel imposed under ORS 319.020.

12 (c) Moneys from the tax on fuel used in motor vehicles imposed under
13 ORS 319.530.

14 **(d) Moneys from the special use fuel license fee under section 2 of**
15 **this 2013 Act.**

16 *[(d)]* (e) Moneys described under ORS 803.090 from the titling of vehicles.

17 *[(e)]* (f) Moneys described under ORS 803.420 from the registration of ve-
18 hicles.

19 *[(f)]* (g) Moneys described under ORS 807.370 relating to the issuance of
20 driver licenses and driver permits.

21 *[(g)]* (h) Moneys received by the Department of Transportation from
22 taxes, fees or charges imposed after January 1, 2001, or other revenues re-
23 ceived by the department from sources not listed in paragraphs (a) to *[(f)]*
24 (g) of this subsection that are available for the use or pledge described by
25 this section.

26 (3) Moneys described under subsection (2) of this section do not include:

27 (a) Moneys provided for appropriations to counties under ORS 366.762 to
28 366.768.

29 (b) Moneys provided for appropriations to cities under ORS 366.785 to
30 366.820.

31 (c) Moneys in the account established under ORS 366.512 for parks and

1 recreation.

2 (4) To the extent affirmatively pledged, moneys from the following sources
3 are subject to the use or pledge described in subsection (1) of this section:

4 (a) Moneys received by the Department of Transportation from the United
5 States government.

6 (b) Any other moneys legally available to the department.

7 (5) Notwithstanding ORS 366.507, the lien or charge of any pledge of
8 moneys securing bonds issued under ORS 367.615 is superior or prior to any
9 other lien or charge and to any law of the state requiring the department
10 to spend moneys for specified highway purposes.

11 **SECTION 10.** ORS 802.125 is amended to read:

12 802.125. (1) The Department of Transportation shall transfer to the State
13 Parks and Recreation Department [*that portion of the amount paid to the*
14 *Department of Transportation as motor vehicle fuel tax under ORS 319.020 and*
15 *319.530 that is*] **amounts described in subsection (2) of this section that**
16 **are paid to the Department of Transportation and** determined by the
17 department to be [*tax on*] **paid with respect to** fuel used by Class I, Class
18 II, Class III and Class IV all-terrain vehicles in off-highway operation [*and*
19 *that is not refunded*].

20 (2) **The amounts referred to in subsection (1) of this section are:**

21 (a) **Amounts paid as motor vehicle fuel tax under ORS 319.020 and**
22 **319.530 that are not refunded; and**

23 (b) **Special use fuel license fees paid under section 2 of this 2013 Act.**

24 (3) The Department of Transportation shall determine the amount of
25 moneys to be transferred under this section at quarterly intervals.

26 **SECTION 11. This 2013 Act takes effect on the 91st day after the**
27 **date on which the 2013 regular session of the Seventy-seventh Legis-**
28 **lative Assembly adjourns sine die.**

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