

House Bill 3227

Sponsored by COMMITTEE ON HUMAN SERVICES AND HOUSING

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**.

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 (Pounds)	BASE
0 - 6,000	\$120
6,001 - 10,000	\$120
10,001 - 18,000	\$180
18,001 - 28,000	\$240
28,001 - 36,000	\$360
36,001 and above	\$480

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

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

(b) An emblem issued under this section that is displayed in a conspicuous place on the

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 **motor vehicle for which it is issued shall be accepted by a seller as proof of exemption from**
 2 **the per-gallon tax imposed under ORS 319.530.**

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

4 319.550. A person may not use fuel in a motor vehicle in this state unless the person holds a
 5 valid user's license, except that:

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

11 (2) A user's license is not required for a person who uses fuel in a motor vehicle with a com-
 12 bined weight of 26,000 pounds or less if, for all fuel used in a motor vehicle in this state, the person
 13 pays to a seller, at the time of the sale, the tax provided in ORS 319.530, **or the person displays**
 14 **an emblem issued for the vehicle pursuant to section 2 of this 2013 Act for the vehicle.**

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

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

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

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

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

23 319.665. (1) The seller of fuel for use in a motor vehicle shall collect the tax provided by ORS
 24 319.530 at the time the fuel is sold, unless one of the following situations applies:

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

27 (b) The fuel is dispensed at a nonretail facility, in which case the seller shall collect any tax
 28 owed at the same time the seller collects the purchase price from the person to whom the fuel was
 29 dispensed at the nonretail facility. A seller is not required to collect the tax under this paragraph
 30 from a person who certifies to the seller that the use of the fuel is exempt from the tax imposed
 31 under ORS 319.530.

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

36 **(d) The vehicle into which the seller delivers or places the fuel bears a valid emblem is-**
 37 **sued pursuant to section 2 of this 2013 Act.**

38 (2) If a cardlock card is used for purchase of fuel at an attended portion of a retail facility
 39 equipped with a cardlock card reader, the seller at the retail facility may deduct fuel purchases
 40 made with a cardlock card from the seller's retail transactions if the seller provides the department
 41 with the following information:

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

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

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

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

4 319.675. Except as provided in ORS 319.692, the seller of fuel for use in a motor vehicle shall
5 report to the Department of Transportation on or before the 20th day of each month, the amount
6 of fuel sold, during the preceding calendar month, subject to the tax [*provided by*] **imposed under**
7 **ORS 319.530 or exempt from the tax imposed under ORS 319.530 pursuant to section 2 of this**
8 **2013 Act** and such other information pertaining to fuel handled as the department may require. The
9 department may prescribe the form of the report. The seller shall deliver the report to the depart-
10 ment in the manner provided by the department by rule.

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

12 319.671. (1) The seller of fuel for any purpose shall make a duplicate invoice for every sale of
13 fuel for any purpose and shall retain one copy and give the other copy to the user. The Department
14 of Transportation may prescribe the form of the invoice. The invoice shall show:

- 15 (a) The seller's name and address;
- 16 (b) The date;
- 17 (c) The amount of the sale in gallons; and
- 18 (d) The name and address of the user.

19 (2) In addition to the invoice entries listed in subsection (1) of this section, the seller of fuel for
20 use in a motor vehicle shall indicate on the invoice the amount of the tax collected, if any, and:

- 21 (a) The identification plate number, if the vehicle bears an identification plate issued by the
22 department;
- 23 (b) The emblem number, if the vehicle bears a user's emblem;
- 24 (c) The temporary pass number or the receipt number, if the vehicle bears no valid user's
25 emblem or identification plate issued by the department; or
- 26 (d) The license plate number if the vehicle bears no valid user's emblem or permit issued by the
27 department.

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

- 34 (a) That have a combined weight of 26,000 pounds or less; and
- 35 (b)(A) For which the tax under ORS 319.530 must be paid at the time of sale under ORS
36 319.665; **or**

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

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

39 366.739. Except as otherwise provided in ORS 366.744, the taxes collected under ORS 319.020,
40 319.530, 803.090, 803.420, 818.225, 825.476 and 825.480 **and special use fuel license fees collected**
41 **under section 2 of this 2013 Act**, minus \$71.2 million per biennium, shall be allocated 24.38 percent
42 to counties under ORS 366.762 and 15.57 percent to cities under ORS 366.800.

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

44 367.173. The principal, interest, premium, if any, and the purchase or tender price of the grant
45 anticipation revenue bonds issued under ORS 367.161 to 367.181 are payable solely from the follow-

1 ing moneys:

2 (1) Federal transportation funds.

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

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

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

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

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

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

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

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

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

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

17 ~~[(G)]~~ **(H)** Moneys received by the Department of Transportation from taxes, fees or charges im-
18 posed after January 1, 2001, or other revenues or moneys received by the department from sources
19 not listed in subparagraphs (A) to ~~[(F)]~~ **(G)** of this paragraph that are lawfully available to be
20 pledged under this section.

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

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

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

24 (C) Moneys in the account established under ORS 366.512 for parks and recreation.

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

26 367.605. (1) Moneys deposited in the State Highway Fund established under ORS 366.505 are
27 pledged to payment of Highway User Tax Bonds issued under ORS 367.615.

28 (2) Except as provided in subsection (3) of this section, moneys, once deposited in the highway
29 fund from the following sources are subject to the use or pledge described in subsection (1) of this
30 section:

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

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

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

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

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

36 ~~[(e)]~~ **(f)** Moneys described under ORS 803.420 from the registration of vehicles.

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

39 ~~[(g)]~~ **(h)** Moneys received by the Department of Transportation from taxes, fees or charges im-
40 posed after January 1, 2001, or other revenues received by the department from sources not listed
41 in paragraphs (a) to ~~[(f)]~~ **(g)** of this subsection that are available for the use or pledge described by
42 this section.

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

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

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

1 (c) Moneys in the account established under ORS 366.512 for parks and recreation.

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

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

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

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

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

10 802.125. (1) The Department of Transportation shall transfer to the State Parks and Recreation
11 Department [*that portion of the amount paid to the Department of Transportation as motor vehicle fuel*
12 *tax under ORS 319.020 and 319.530 that is*] **amounts described in subsection (2) of this section**
13 **that are paid to the Department of Transportation and** determined by the department to be [*tax*
14 *on*] **paid with respect to** fuel used by Class I, Class II, Class III and Class IV all-terrain vehicles
15 in off-highway operation [*and that is not refunded*].

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

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

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

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

22 **SECTION 11. This 2013 Act takes effect on the 91st day after the date on which the 2013**
23 **regular session of the Seventy-seventh Legislative Assembly adjourns sine die.**

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