

D R A F T

SUMMARY

Creates impact tax. Requires registered owners of vehicles 20 years old or older to pay \$1,000 every five years.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to motor vehicles; creating new provisions; amending ORS 366.505,
3 366.739, 367.173 and 367.605; prescribing an effective date; and providing
4 for revenue raising that requires approval by a three-fifths majority.

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

6 **SECTION 1. Section 2 of this 2017 Act is added to and made a part**
7 **of the Oregon Vehicle Code.**

8 **SECTION 2. (1) An impact tax is hereby imposed on motor vehicles**
9 **as provided in this section. A person shall pay the tax if the person**
10 **owns a motor vehicle registered in this state and the model year of the**
11 **motor vehicle is 20 years old or older on January 1 of the current year.**
12 **The tax shall be collected by the Department of Transportation every**
13 **five years on or before January 31 of the year in which the tax is due.**

14 **(2) The amount of the tax is \$1,000.**

15 **(3) The department for good cause may extend for up to 30 days the**
16 **time for making any payment under this section. The extension may**
17 **be granted at any time if a written request is filed with the department**
18 **before January 31 of the year in which the tax is due.**

19 **(4) Interest shall be added at the rate of five-sixths of one percent**
20 **per month or fraction thereof for each month, or fraction of a month,**

1 from the time the payment was originally required to be filed, not in-
2 cluding any extensions, to the time of payment.

3 (5) At any time a registered owner fails to pay the impact tax, the
4 department may enforce collection by the issuance of a distraint war-
5 rant for the collection of the delinquent amount and all penalties, in-
6 terest and collection charges accrued thereon. The warrant shall be
7 issued, recorded and proceeded upon in the same manner and shall
8 have the same force and effect as is prescribed with respect to war-
9 rants for the collection of delinquent income taxes.

10 (6) The registered owner shall pay the tax to the department in the
11 form and manner prescribed by the department.

12 (7) The department may adopt rules to carry out the provisions of
13 this section, including rules setting forth circumstances or conditions
14 under which a penalty may be assessed for failure to pay all or a por-
15 tion of the tax.

16 (8) This section does not apply to motor vehicles registered as an-
17 tique vehicles under ORS 805.010.

18 **SECTION 3.** ORS 366.505 is amended to read:

19 366.505. (1) The State Highway Fund shall consist of:

20 (a) All moneys and revenues derived under and by virtue of the sale of
21 bonds, the sale of which is authorized by law and the proceeds thereof to be
22 dedicated to highway purposes.

23 (b) All moneys and revenues accruing from the licensing of motor vehi-
24 cles, operators and chauffeurs.

25 (c) Moneys and revenues derived from any tax levied upon gasoline,
26 distillate, liberty fuel or other volatile and inflammable liquid fuels, except
27 moneys and revenues described in ORS 184.642 (2)(a) that become part of the
28 Department of Transportation Operating Fund.

29 (d) Moneys and revenues derived from the road usage charges imposed
30 under ORS 319.885.

31 (e) Moneys and revenues derived from or made available by the federal

1 government for road construction, maintenance or betterment purposes.

2 **(f) Moneys and revenues derived from the impact tax imposed under**
3 **section 2 of this 2017 Act.**

4 ~~[(f)]~~ **(g)** All moneys and revenues received from all other sources which
5 by law are allocated or dedicated for highway purposes.

6 (2) The State Highway Fund shall be deemed and held as a trust fund,
7 separate and distinct from the General Fund, and may be used only for the
8 purposes authorized by law and is continually appropriated for such pur-
9 poses.

10 (3) Moneys in the State Highway Fund may be invested as provided in
11 ORS 293.701 to 293.857. All interest earnings on any of the funds designated
12 in subsection (1) of this section shall be placed to the credit of the highway
13 fund.

14 **SECTION 4.** ORS 366.739 is amended to read:

15 366.739. Except as otherwise provided in ORS 366.744, the taxes collected
16 under ORS 319.020, 319.530, 803.090, 803.420, 818.225, 825.476 and 825.480 **and**
17 **section 2 of this 2017 Act** and the special use fuel license fees collected
18 under ORS 319.535, minus [*\$71.2 million*] \$_____ per biennium, shall be al-
19 located 24.38 percent to counties under ORS 366.762 and 15.57 percent to
20 cities under ORS 366.800.

21 **SECTION 5.** ORS 367.173 is amended to read:

22 367.173. The principal, interest, premium, if any, and the purchase or
23 tender price of the grant anticipation revenue bonds issued under ORS
24 367.161 to 367.181 are payable solely from the following moneys:

25 (1) Federal transportation funds.

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

28 (a) Moneys deposited in the State Highway Fund established under ORS
29 366.505.

30 (b) Except as provided in paragraph (c) of this subsection, moneys, once
31 deposited in the State Highway Fund established under ORS 366.505, from

1 the following sources may be affirmatively pledged:

2 (A) Moneys from the taxes and fees on motor carriers imposed under ORS
3 825.474 and 825.480.

4 (B) Moneys from the tax on motor vehicle fuel imposed under ORS
5 319.020.

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

8 (D) Moneys from the special use fuel license fee under ORS 319.535.

9 (E) Moneys described under ORS 803.090 from the titling of vehicles.

10 (F) Moneys described under ORS 803.420 from the registration of vehicles.

11 (G) Moneys described under ORS 807.370 relating to the issuance of driver
12 licenses and driver permits.

13 **(H) Moneys from the impact tax imposed under section 2 of this 2017**
14 **Act.**

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

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

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

23 (B) Moneys provided for appropriations to cities under ORS 366.785 to
24 366.820.

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

27 **SECTION 6.** ORS 367.605 is amended to read:

28 367.605. (1) Moneys deposited in the State Highway Fund established un-
29 der ORS 366.505 are pledged to payment of Highway User Tax Bonds issued
30 under ORS 367.615.

31 (2) Except as provided in subsection (3) of this section, moneys, once de-

1 posited in the highway fund from the following sources are subject to the
2 use or pledge described in subsection (1) of this section:

3 (a) Moneys from the taxes and fees on motor carriers imposed under ORS
4 825.474 and 825.480.

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

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

8 (d) Moneys from the special use fuel license fee under ORS 319.535.

9 (e) Moneys described under ORS 803.090 from the titling of vehicles.

10 (f) Moneys described under ORS 803.420 from the registration of vehicles.

11 (g) Moneys described under ORS 807.370 relating to the issuance of driver
12 licenses and driver permits.

13 **(h) Moneys from the impact tax imposed under section 2 of this 2017**
14 **Act.**

15 [(h)] (i) Moneys received by the Department of Transportation from taxes,
16 fees or charges imposed after January 1, 2001, or other revenues received by
17 the department from sources not listed in paragraphs (a) to [(g)] (h) of this
18 subsection that are available for the use or pledge described by this section.

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

20 (a) Moneys provided for appropriations to counties under ORS 366.762 to
21 366.768.

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

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

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

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

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

31 (5) Notwithstanding ORS 366.507, the lien or charge of any pledge of

1 moneys securing bonds issued under ORS 367.615 is superior or prior to any
2 other lien or charge and to any law of the state requiring the department
3 to spend moneys for specified highway purposes.

4 **SECTION 7. (1) Section 2 of this 2017 Act becomes operative Janu-**
5 **ary 1, 2018.**

6 **(2) The Department of Transportation may take any action before**
7 **the operative date specified in subsection (1) of this section that is**
8 **necessary to enable the department, on and after the operative date**
9 **specified in subsection (1) of this section, to exercise the duties, func-**
10 **tions and powers conferred on the department by section 2 of this 2017**
11 **Act.**

12 **SECTION 8. This 2017 Act takes effect on the 91st day after the date**
13 **on which the 2017 regular session of the Seventy-ninth Legislative**
14 **Assembly adjourns sine die.**

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