

House Bill 2289

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Kate Brown for Department of Transportation)

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**.

Eliminates weight limit for exception to user's license requirement in case of payment of use fuel tax to seller for all fuel used in motor vehicle.

Updates taxable unit standard for compressed natural gas and creates taxable unit standard for liquefied natural gas.

Changes vehicle weight limit requirement for participation in per-mile road usage charge program to classification as passenger vehicle by driver and motor vehicle services division of Department of Transportation.

A BILL FOR AN ACT

1
2 Relating to taxation related to motor vehicles; amending ORS 319.530, 319.550, 319.671 and 319.890.

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

4 **SECTION 1.** ORS 319.550 is amended to read:

5 319.550. (1) Except as provided in this section, a person may not use fuel in a motor vehicle in
6 this state unless the person holds a valid user's license.

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

11 (3) 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.

14 (4)(a) A user's license is not required for a person who uses fuel as described in ORS 319.520 (7)
15 in the vehicles specified in this subsection if the person pays to a seller, at the time of the sale, the
16 tax provided in ORS 319.530.

17 (b) Paragraph (a) of this subsection applies to the following vehicles:

18 (A) Motor homes as defined in ORS 801.350.

19 (B) Recreational vehicles as defined in ORS 446.003.

20 (5) A user's license is not required for a person who uses fuel in a motor vehicle:

21 (a) Metered use by which is subject to the per-mile road usage charge imposed under ORS
22 319.885; and

23 (b) That also uses fuels subject to ORS 319.510 to 319.880.

24 (6) A user's license is not required for a person who uses fuel in a motor vehicle on which an
25 emblem issued for the motor vehicle pursuant to ORS 319.535 is displayed.

26 **SECTION 2.** ORS 319.671 is amended to read:

27 319.671. (1) The seller of fuel for any purpose shall make a duplicate invoice for every sale of
28 fuel for any purpose and shall retain one copy and give the other copy to the user. The Department

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 of Transportation may prescribe the form of the invoice. The invoice shall show:

- 2 (a) The seller's name and address;
- 3 (b) The date;
- 4 (c) The amount of the sale in gallons; and
- 5 (d) The name and address of the user.

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

- 8 (a) The identification plate number, if the vehicle bears an identification plate issued by the
9 department;
- 10 (b) The emblem number, if the vehicle bears a user's emblem;
- 11 (c) The temporary pass number or the receipt number, if the vehicle bears no valid user's
12 emblem or identification plate issued by the department; or
- 13 (d) The license plate number if the vehicle bears no valid user's emblem or permit issued by the
14 department.

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

21 *[(a) That have a combined weight of 26,000 pounds or less; and]*

22 *[(b)(A)]* (a) For which the tax under ORS 319.530 must be paid at the time of sale under ORS
23 319.665; or

24 *[(B)]* (b) For which an emblem has been issued under ORS 319.535.

25 **SECTION 3.** ORS 319.530 is amended to read:

26 319.530. (1) To compensate this state partially for the use of its highways, an excise tax hereby
27 is imposed at the rate of 30 cents per gallon on the use of fuel in a motor vehicle.

28 (2) Except as otherwise provided in subsections (3) *[and (4)]* **to (5)** of this section, 100 cubic feet
29 of fuel used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60
30 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.

31 (3) *[One hundred twenty]* **126.67** cubic feet of compressed natural gas used or sold in a gaseous
32 state, measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, **or 5.66**
33 **pounds of compressed natural gas**, is taxable at the same rate as a gallon of liquid fuel (**gasoline**
34 **gallon equivalent**).

35 (4) **6.06 pounds of liquefied natural gas is taxable at the same rate as a gallon of other**
36 **liquid fuel (diesel gallon equivalent).**

37 *[(4)]* (5) *[One and three-tenths]* **1.3** liquid gallons of propane at 60 degrees Fahrenheit is taxable
38 at the same rate as a gallon of other liquid fuel.

39 *[(5)(a)]* (6)(a) Except as provided in paragraph (b) of this subsection, the excise tax imposed
40 under subsection (1) of this section does not apply to diesel fuel blended with a minimum of 20
41 percent biodiesel that is derived from used cooking oil.

42 (b) The exemption provided under paragraph (a) of this subsection does not apply to fuel:

- 43 (A) Used in motor vehicles that have a gross vehicle weight rating of 26,001 pounds or more;
- 44 (B) That is not sold in retail operations; or
- 45 (C) That is sold in operations involving fleet fueling or bulk sales.

1 **SECTION 4.** ORS 319.530, as amended by section 3, chapter 648, Oregon Laws 2013, is amended
 2 to read:

3 319.530. (1) To compensate this state partially for the use of its highways, an excise tax hereby
 4 is imposed at the rate of 30 cents per gallon on the use of fuel in a motor vehicle.

5 (2) Except as otherwise provided in subsections (3) [*and (4)*] **to (5)** of this section, 100 cubic feet
 6 of fuel used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60
 7 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.

8 (3) [*One hundred twenty*] **126.67** cubic feet of compressed natural gas used or sold in a gaseous
 9 state, measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, **or 5.66**
 10 **pounds of compressed natural gas**, is taxable at the same rate as a gallon of liquid fuel (**gasoline**
 11 **gallon equivalent**).

12 (4) **6.06 pounds of liquefied natural gas is taxable at the same rate as a gallon of other**
 13 **liquid fuel (diesel gallon equivalent).**

14 [(4)] (5) [*One and three-tenths*] **1.3** liquid gallons of propane at 60 degrees Fahrenheit is taxable
 15 at the same rate as a gallon of other liquid fuel.

16 **SECTION 5.** ORS 319.890 is amended to read:

17 319.890. (1) A person wishing to pay the per-mile road usage charge imposed under ORS 319.885
 18 must apply to the Department of Transportation on a form prescribed by the department.

19 (2) The department shall approve a valid and complete application submitted under this section
 20 if:

21 (a) The applicant is the registered owner or lessee of a motor vehicle;

22 (b) The motor vehicle is equipped with a method selected pursuant to ORS 319.900 for collecting
 23 and reporting the metered use by the motor vehicle of the highways in Oregon;

24 (c) The motor vehicle [*has a gross vehicle weight rating of 10,000 pounds or less*] **is classified**
 25 **as a passenger vehicle by the driver and motor vehicle services division of the Department**
 26 **of Transportation;** and

27 (d) Approval does not cause the number of subject vehicles active in the road usage charge
 28 program on the date of approval to exceed 5,000, of which no more than 1,500 may have a rating
 29 of less than 17 miles per gallon and no more than 1,500 may have a rating of at least 17 miles per
 30 gallon and less than 22 miles per gallon, such ratings to be determined pursuant to a method es-
 31 tablished by the department.

32 (3) Approval of an application under this section subjects the applicant to the requirements of
 33 ORS 319.920 until the person ends the person's voluntary participation in the road usage charge
 34 program in the manner required under subsection (4) of this section.

35 (4) A person may end the person's voluntary participation in the road usage charge program at
 36 any time by notifying the department, returning any emblem issued under ORS 319.945 to the de-
 37 partment and paying any outstanding amount of road usage charge for metered use by the person's
 38 subject vehicle.