

Senate Bill 190

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Finance and Revenue)

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**.

Extends and creates sunsets for certain transportation-related tax expenditures.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to transportation-related tax expenditures; creating new provisions; amending ORS 319.550,
3 319.671, 319.675, 366.739, 367.173, 367.605, 802.125 and 822.040 and section 4, chapter 648, Oregon
4 Laws 2013; repealing ORS 825.475; and prescribing an effective date.

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

6 **SECTION 1.** Section 4, chapter 648, Oregon Laws 2013, is amended to read:

7 **Sec. 4.** The amendments to ORS 319.530 by section 3, **chapter 648, Oregon Laws 2013**, *[of this*
8 *2013 Act]* apply to fuel sold on or after January 1, **[2020] 2026**.

9 **SECTION 2.** (1) **An emblem for the special use fuel license fee available under ORS**
10 **319.535 may not be issued for an application filed with the Department of Transportation on**
11 **or after January 1, 2026.**

12 **(2)(a) Any emblem that has been used for at least one year as of the date specified in**
13 **subsection (1) of this section shall be invalid on the date specified in subsection (1) of this**
14 **section.**

15 **(b) Notwithstanding subsection (1) of this section, any emblem issued for an application**
16 **filed before the date specified in subsection (1) of this section that has not been used for at**
17 **least one year shall be valid for a maximum term of one year from the date of issuance.**

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

19 319.550. (1) Except as provided in this section, a person may not use fuel in a motor vehicle in
20 this state unless the person holds a valid user's license.

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

25 (3) A user's license is not required for a person who uses fuel in a motor vehicle with a com-
26 bined weight of 26,000 pounds or less if, for all fuel used in a motor vehicle in this state, the person
27 pays to a seller, at the time of the sale, the tax provided in ORS 319.530.

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

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.

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

(A) Motor homes as defined in ORS 801.350.

(B) Recreational vehicles as defined in ORS 446.003.

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

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

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

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

SECTION 4. ORS 319.671 is amended to read:

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

(a) The seller's name and address;

(b) The date;

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

(d) The name and address of the user.

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

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

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

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

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

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

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

(b)~~[(A)]~~ For which the tax under ORS 319.530 must be paid at the time of sale under ORS 319.665. [*or*]

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

SECTION 5. ORS 319.675 is amended to read:

319.675. Except as provided in ORS 319.692, the seller of fuel for use in a motor vehicle shall report to the Department of Transportation on or before the 20th day of each month, the amount of fuel sold, during the preceding calendar month, subject to the tax imposed under ORS 319.530 [*or exempt from the tax imposed under ORS 319.530 pursuant to ORS 319.535*] and such other information pertaining to fuel handled as the department may require. The department may prescribe the form of the report. The seller shall deliver the report to the department in the manner provided by the department by rule.

SECTION 6. ORS 366.739 is amended to read:

1 366.739. Except as otherwise provided in ORS 366.744, the taxes collected under ORS 319.020,
 2 319.530, 803.090, 803.420, 818.225, 825.476 and 825.480 [*and the special use fuel license fees collected*
 3 *under ORS 319.535*], minus \$71.2 million per biennium, shall be allocated 24.38 percent to counties
 4 under ORS 366.762 and 15.57 percent to cities under ORS 366.800.

5 **SECTION 7.** ORS 367.173 is amended to read:

6 367.173. The principal, interest, premium, if any, and the purchase or tender price of the grant
 7 anticipation revenue bonds issued under ORS 367.161 to 367.181 are payable solely from the follow-
 8 ing moneys:

9 (1) Federal transportation funds.

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

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

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

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

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

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

19 [(D) Moneys from the special use fuel license fee under ORS 319.535.]

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

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

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

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

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

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

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

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

32 **SECTION 8.** ORS 367.605 is amended to read:

33 367.605. (1) Moneys deposited in the State Highway Fund established under ORS 366.505 are
 34 pledged to payment of Highway User Tax Bonds issued under ORS 367.615.

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

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

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

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

41 [(d) Moneys from the special use fuel license fee under ORS 319.535.]

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

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

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

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

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

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

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

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

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

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

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

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

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

17 802.125. (1) The Department of Transportation shall transfer to the State Parks and Recreation
 18 Department amounts described in subsection (2) of this section that are paid to the Department of
 19 Transportation and determined by the department to be paid with respect to fuel used by Class I,
 20 Class II, Class III and Class IV all-terrain vehicles in off-highway operation.

21 (2) The amounts referred to in subsection (1) of this section are[:]

22 [(a)] amounts paid as motor vehicle fuel tax under ORS 319.020 and 319.530 that are not
 23 refunded.[: and]

24 [(b) *Special use fuel license fees paid under ORS 319.535.*]

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

27 **SECTION 10.** (1) **The amendments to ORS 319.550, 319.671, 319.675, 366.739, 367.173, 367.605**
 28 **and 802.125 by sections 3 to 9 of this 2019 Act become operative on January 1, 2026.**

29 (2) **Notwithstanding the date specified in subsection (1) of this section, moneys from the**
 30 **special use fuel license fee payable under ORS 319.535, as in effect immediately preceding the**
 31 **date specified in subsection (1) of this section, that are received on or after the date specified**
 32 **in subsection (1) of this section, shall be subject to ORS 366.739, 367.173, 367.605 and 802.125,**
 33 **as applicable, as in effect immediately preceding the date specified in subsection (1) of this**
 34 **section.**

35 **SECTION 11.** ORS 822.040 is amended to read:

36 822.040. (1) The holder of a current, valid vehicle dealer certificate issued under ORS 822.020
 37 may exercise the following privileges under the certificate:

38 (a) A dealer is authorized, without violating ORS 803.025 or 803.300, to use and operate over
 39 and along the highways of this state all vehicles displaying the dealer's plates whether registered
 40 or not or whether or not a title is issued for the vehicle. This paragraph does not authorize dealers
 41 to use or operate vehicles under dealer plates unless the vehicles are actually owned or controlled
 42 by the dealer and in actual use by the dealer, members of the dealer's firm, any salesperson thereof
 43 or any person authorized by the dealer. Vehicles operated under dealer plates may be used for the
 44 same purposes as are any other vehicles registered in this state that are registered by payment of
 45 the fee under ORS 803.420. This paragraph is subject to the limitations under ORS 822.045.

1 (b) A dealer is entitled to receive dealer plates or devices and replacement or additional dealer
2 plates or devices. As many additional dealer plates as may be desired may be obtained upon the
3 filing of a formal application for additional plates with the Department of Transportation. The plates
4 issued to dealers shall require the payment of fees as provided under ORS 805.250.

5 (c) The person is not subject to the prohibitions and penalties under ORS 822.005 as long as the
6 holder's vehicle dealer business is conducted in a location approved under the certificate.

7 (d) The dealer shall be considered the owner of vehicles manufactured or dealt in by the dealer,
8 before delivery and sale of the vehicles, and of all vehicles in the dealer's possession and operated
9 or driven by the dealer or the dealer's employees.

10 *[(e) Notwithstanding ORS 825.474, in lieu of paying the weight-mile tax imposed under ORS*
11 *825.474, the dealer may pay the fuel taxes imposed under ORS 319.020 and 319.530, when the*
12 *vehicle:]*

13 *[(A) Displays the dealer's plates;]*

14 *[(B) Is actually owned or controlled by the dealer and in actual use by the dealer, members of the*
15 *dealer's firm, any salesperson of the dealer or any person authorized by the dealer;]*

16 *[(C) Is operated on the highway for the purpose of test driving the vehicle; and]*

17 *[(D) Is unloaded.]*

18 (2) The holder of a vehicle dealer certificate may open additional places of business under the
19 same business name by obtaining a supplemental certificate from the department under this sub-
20 section. The following all apply to a supplemental certificate issued under this subsection:

21 (a) The department may not issue a supplemental certificate under this subsection if the addi-
22 tional place of business opened will be operated under a different business name than that indicated
23 on the current certificate. Any business that a vehicle dealer operates under a separate business
24 name must be operated under a separate certificate and the dealer must apply for and pay the fees
25 for a regular dealer certificate for the business.

26 (b) A supplemental certificate issued under this subsection is subject to the fee for supplemental
27 certificate under ORS 822.700.

28 (3) The holder of a vehicle dealer certificate may move a place of business or change a business
29 name by obtaining a corrected certificate from the department. For purposes of this subsection,
30 "place of business" includes a recreational vehicle service facility as defined in ORS 822.082. The
31 following apply to a corrected certificate issued under this subsection:

32 (a) The department shall prescribe the form for application for a corrected certificate.

33 (b) A person applying for a corrected certificate shall pay the fee for the corrected certificate
34 established in ORS 822.700.

35 (4) The department may establish by rule the requirements a holder of a vehicle dealer certif-
36 icate must meet to display a vehicle at a location other than the dealer's place of business for the
37 purpose of advertising without first obtaining a supplemental certificate from the department. In
38 addition to any requirements established by the department by rule, all of the following apply:

39 (a) The dealer must have a signed agreement with the owner of the property or the person using
40 the property where the vehicle is to be displayed stating that the vehicle is for an advertising pro-
41 motion only and that the processing of any documents or other activities required to purchase a
42 vehicle must be done at the dealer's place of business.

43 (b) The vehicle on display must be clearly marked with the dealer's name and contact informa-
44 tion and a notice that the vehicle is displayed only for the purpose of advertising and may be pur-
45 chased only at the dealer's place of business.

1 (c) Displaying the vehicle must not violate any zoning laws or ordinances.

2 (d) The dealer or the dealer's employees may not remain with the vehicle except for the purpose
3 of moving the vehicle in or out of the display area.

4 (5) A vehicle dealer certificate is valid for a three-year period and may be renewed as provided
5 by the department. The department shall only renew a certificate if the applicant for renewal does
6 all of the following:

7 (a) Pays the required fee for renewal under ORS 822.700.

8 (b) Delivers to the department a bond that meets the requirements under ORS 822.030.

9 (c) Delivers to the department a certificate of insurance that meets the requirements under ORS
10 822.033.

11 (d) Provides the names of all partners or corporate officers.

12 (e) Certifies completion of the continuing education requirements of ORS 822.027 (1)(b) if the
13 person is a dealer subject to the education requirements.

14 (f) If the dealer offers new recreational vehicles for sale under the certificate, certifies that the
15 dealer maintains a recreational vehicle service facility as listed in the dealer certificate application
16 described in ORS 822.025.

17 (6) The department may adopt suitable rules for the issuance and renewal of certificates under
18 this section and ORS 822.020.

19 **SECTION 12. The amendments to ORS 822.040 by section 11 of this 2019 Act become op-**
20 **erative on January 1, 2026.**

21 **SECTION 13. ORS 825.475 is repealed.**

22 **SECTION 14. The repeal of ORS 825.475 by section 13 of this 2019 Act becomes operative**
23 **on January 1, 2026.**

24 **SECTION 15. This 2019 Act takes effect on the 91st day after the date on which the 2019**
25 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

26