

SB 1558 A STAFF MEASURE SUMMARY**Carrier:** Sen. Beyer**Joint Committee On Transportation****Action Date:** 02/15/22**Action:** Do pass with amendments. (Printed A-Eng.)**Senate Vote****Yeas:** 5 - Beyer, Boquist, Findley, Frederick, Gorsek**House Vote****Yeas:** 8 - Boshart Davis, Evans, Lewis, McLain, Nathanson, Noble, Pham, Power**Fiscal:** Fiscal impact issued**Revenue:** Revenue impact issued**Prepared By:** Patrick Brennan, LPRO Analyst**Meeting Dates:** 2/3, 2/8, 2/15**WHAT THE MEASURE DOES:**

Clarifies that enhanced penalty for failure to use vehicle traction tires or chains applies to registered commercial vehicles at time of offense. Repeals citation moratorium for traffic offenses related to documents and credentials that expired during the period from March 1, 2020, and December 31, 2020. Increases annual allocation of vehicle dealer privilege tax revenues to Zero-Emission Incentive Fund from \$12 million to the greater of \$12 million or 45 percent of gross revenues received from the vehicle dealer privilege tax. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Background on citation moratorium
- Status of DMV operations
- Potential impact of zero-emission vehicle requirements on rideshare companies
- Zero-emission vehicle rebate program expected to be oversubscribed starting in 2022
- Impact on diversion of privilege tax funds on Connect Oregon program

EFFECT OF AMENDMENT:

Deletes all provisions related to transportation network companies, rideshare companies, and third-party food delivery platforms. Increases annual allocation of vehicle dealer privilege tax revenues to Zero-Emission Incentive Fund from \$12 million to the greater of \$12 million or 45 percent of gross revenues received from the vehicle dealer privilege tax.

BACKGROUND:

House Bill 3055 (2021) modified the offense of failing to use vehicle traction tires or chains from a Class C traffic violation to a presumptive fine of \$880. Senate Bill 1558 A clarifies that this modified offense applies only to vehicles operating as commercial vehicles at the time of the offense.

Senate Bill 1601 (2020 1st Special Session) included provisions that prohibited law enforcement from issuing fines related to certain documents or credentials that had expired between March 1, 2020 and December 31, 2020, and also directed courts to dismiss any such citations issued. This prohibition was a response to challenges related to the global pandemic, including the closure of state DMV offices and other barriers to the renewal of driver licenses and motor vehicle registration tags. Senate Bill 1558 A repeals the provisions related to the 10-month moratorium.

House Bill 2017 (2017) established a tax of 0.5 percent on the sale of all new passenger motor vehicles in the State of Oregon. Because the tax is levied on vehicle dealers for the privilege of selling new motor vehicles, the Supreme Court ruled that this vehicle dealer privilege tax is not subject to the constitutional limitations from

SB 1558 A STAFF MEASURE SUMMARY

Article IX, section 3a of the Oregon Constitution, which requires that all moneys from taxes and fees levied on the ownership or operation of a motor vehicle to be deposited in the State Highway Fund. As a result, House Bill 2017 specified that each year, \$12 million from the vehicle dealer privilege tax is to be used to fund customer rebates for purchases of new and used electric vehicles, with the remaining revenues accruing to the Connect Oregon Fund for disbursement as competitive grants for multimodal transportation projects. The electric vehicle rebate program was initially scheduled to sunset in 2023; however, the Legislative Assembly removed the sunset on the program by enacting House Bill 2165 (2021). Senate Bill 1558 A increases the allocation to the electric vehicle rebate programs to the greater of \$12 million or 45 percent of total revenues each year.