

D R A F T

SUMMARY

Extends and creates sunsets for certain transportation-related tax expenditures.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

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

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

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

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

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

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

(b) Notwithstanding subsection (1) of this section, any emblem issued for an application filed before the date specified in subsection (1) of this section that has not been used for at least one year shall be

1 **valid for a maximum term of one year from the date of issuance.**

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

3 319.550. (1) Except as provided in this section, a person may not use fuel
4 in a motor vehicle in this state unless the person holds a valid user's license.

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

10 (3) A user's license is not required for a person who uses fuel in a motor
11 vehicle with a combined weight of 26,000 pounds or less if, for all fuel used
12 in a motor vehicle in this state, the person pays to a seller, at the time of
13 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 de-
15 scribed in ORS 319.520 (7) in the vehicles specified in this subsection if the
16 person pays to a seller, at the time of the sale, the tax provided in ORS
17 319.530.

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

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

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

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

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

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

26 *[(6) A user's license is not required for a person who uses fuel in a motor*
27 *vehicle on which an emblem issued for the motor vehicle pursuant to ORS*
28 *319.535 is displayed.]*

29 **SECTION 4.** ORS 319.671 is amended to read:

30 319.671. (1) The seller of fuel for any purpose shall make a duplicate in-
31 voice for every sale of fuel for any purpose and shall retain one copy and

1 give the other copy to the user. The Department of Transportation may pre-
2 scribe the form of the invoice. The invoice shall show:

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

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

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

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

- 24 (a) That have a combined weight of 26,000 pounds or less; and
- 25 (b)[(A)] For which the tax under ORS 319.530 must be paid at the time
26 of sale under ORS 319.665.[: or]
27 [(B) For which an emblem has been issued under ORS 319.535.]

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

29 319.675. Except as provided in ORS 319.692, the seller of fuel for use in
30 a motor vehicle shall report to the Department of Transportation on or be-
31 fore the 20th day of each month, the amount of fuel sold, during the pre-

1 ceding calendar month, subject to the tax imposed under ORS 319.530 [*or*
2 *exempt from the tax imposed under ORS 319.530 pursuant to ORS 319.535*] and
3 such other information pertaining to fuel handled as the department may
4 require. The department may prescribe the form of the report. The seller
5 shall deliver the report to the department in the manner provided by the
6 department by rule.

7 **SECTION 6.** ORS 366.739 is amended to read:

8 366.739. Except as otherwise provided in ORS 366.744, the taxes collected
9 under ORS 319.020, 319.530, 803.090, 803.420, 818.225, 825.476 and 825.480 [*and*
10 *the special use fuel license fees collected under ORS 319.535*], minus \$71.2
11 million per biennium, shall be allocated 24.38 percent to counties under ORS
12 366.762 and 15.57 percent to cities under ORS 366.800.

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

14 367.173. The principal, interest, premium, if any, and the purchase or
15 tender price of the grant anticipation revenue bonds issued under ORS
16 367.161 to 367.181 are payable solely from the following moneys:

17 (1) Federal transportation funds.

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

20 (a) Moneys deposited in the State Highway Fund established under ORS
21 366.505.

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

25 (A) Moneys from the taxes and fees on motor carriers imposed under ORS
26 825.474 and 825.480.

27 (B) Moneys from the tax on motor vehicle fuel imposed under ORS
28 319.020.

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

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

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

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

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

6 [(H)] (G) Moneys received by the Department of Transportation from
7 taxes, fees or charges imposed after January 1, 2001, or other revenues or
8 moneys received by the department from sources not listed in subparagraphs
9 (A) to [(G)] (F) of this paragraph that are lawfully available to be pledged
10 under this section.

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

12 (A) Moneys provided for appropriations to counties under ORS 366.762 to
13 366.768.

14 (B) Moneys provided for appropriations to cities under ORS 366.785 to
15 366.820.

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

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

19 367.605. (1) Moneys deposited in the State Highway Fund established un-
20 der ORS 366.505 are pledged to payment of Highway User Tax Bonds issued
21 under ORS 367.615.

22 (2) Except as provided in subsection (3) of this section, moneys, once de-
23 posited in the highway fund from the following sources are subject to the
24 use or pledge described in subsection (1) of this section:

25 (a) Moneys from the taxes and fees on motor carriers imposed under ORS
26 825.474 and 825.480.

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

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

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

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

1 [(f)] (e) Moneys described under ORS 803.420 from the registration of ve-
2 hicles.

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

5 [(h)] (g) Moneys received by the Department of Transportation from
6 taxes, fees or charges imposed after January 1, 2001, or other revenues re-
7 ceived by the department from sources not listed in paragraphs (a) to [(g)]
8 (f) of this subsection that are available for the use or pledge described by
9 this section.

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

11 (a) Moneys provided for appropriations to counties under ORS 366.762 to
12 366.768.

13 (b) Moneys provided for appropriations to cities under ORS 366.785 to
14 366.820.

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

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

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

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

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

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

27 802.125. (1) The Department of Transportation shall transfer to the State
28 Parks and Recreation Department amounts described in subsection (2) of this
29 section that are paid to the Department of Transportation and determined
30 by the department to be paid with respect to fuel used by Class I, Class II,
31 Class III and Class IV all-terrain vehicles in off-highway operation.

1 (2) The amounts referred to in subsection (1) of this section are[:]
2 [(a)] amounts paid as motor vehicle fuel tax under ORS 319.020 and
3 319.530 that are not refunded.[: and]

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

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

7 **SECTION 10. (1) The amendments to ORS 319.550, 319.671, 319.675,**
8 **366.739, 367.173, 367.605 and 802.125 by sections 3 to 9 of this 2019 Act**
9 **become operative on January 1, 2026.**

10 (2) **Notwithstanding the date specified in subsection (1) of this sec-**
11 **tion, moneys from the special use fuel license fee payable under ORS**
12 **319.535, as in effect immediately preceding the date specified in sub-**
13 **section (1) of this section, that are received on or after the date spec-**
14 **ified in subsection (1) of this section, shall be subject to ORS 366.739,**
15 **367.173, 367.605 and 802.125, as applicable, as in effect immediately pre-**
16 **ceding the date specified in subsection (1) of this section.**

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

18 822.040. (1) The holder of a current, valid vehicle dealer certificate issued
19 under ORS 822.020 may exercise the following privileges under the certifi-
20 cate:

21 (a) A dealer is authorized, without violating ORS 803.025 or 803.300, to
22 use and operate over and along the highways of this state all vehicles dis-
23 playing the dealer's plates whether registered or not or whether or not a title
24 is issued for the vehicle. This paragraph does not authorize dealers to use
25 or operate vehicles under dealer plates unless the vehicles are actually
26 owned or controlled by the dealer and in actual use by the dealer, members
27 of the dealer's firm, any salesperson thereof or any person authorized by the
28 dealer. Vehicles operated under dealer plates may be used for the same pur-
29 poses as are any other vehicles registered in this state that are registered
30 by payment of the fee under ORS 803.420. This paragraph is subject to the
31 limitations under ORS 822.045.

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

6 (c) The person is not subject to the prohibitions and penalties under ORS
7 822.005 as long as the holder's vehicle dealer business is conducted in a lo-
8 cation approved under the certificate.

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

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

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

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

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

22 *[(D) Is unloaded.]*

23 (2) The holder of a vehicle dealer certificate may open additional places
24 of business under the same business name by obtaining a supplemental cer-
25 tificate from the department under this subsection. The following all apply
26 to a supplemental certificate issued under this subsection:

27 (a) The department may not issue a supplemental certificate under this
28 subsection if the additional place of business opened will be operated under
29 a different business name than that indicated on the current certificate. Any
30 business that a vehicle dealer operates under a separate business name must
31 be operated under a separate certificate and the dealer must apply for and

1 pay the fees for a regular dealer certificate for the business.

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

4 (3) The holder of a vehicle dealer certificate may move a place of business
5 or change a business name by obtaining a corrected certificate from the de-
6 partment. For purposes of this subsection, “place of business” includes a
7 recreational vehicle service facility as defined in ORS 822.082. The following
8 apply to a corrected certificate issued under this subsection:

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

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

13 (4) The department may establish by rule the requirements a holder of a
14 vehicle dealer certificate must meet to display a vehicle at a location other
15 than the dealer’s place of business for the purpose of advertising without
16 first obtaining a supplemental certificate from the department. In addition
17 to any requirements established by the department by rule, all of the fol-
18 lowing apply:

19 (a) The dealer must have a signed agreement with the owner of the
20 property or the person using the property where the vehicle is to be dis-
21 played stating that the vehicle is for an advertising promotion only and that
22 the processing of any documents or other activities required to purchase a
23 vehicle must be done at the dealer’s place of business.

24 (b) The vehicle on display must be clearly marked with the dealer’s name
25 and contact information and a notice that the vehicle is displayed only for
26 the purpose of advertising and may be purchased only at the dealer’s place
27 of business.

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

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

31 (5) A vehicle dealer certificate is valid for a three-year period and may

1 be renewed as provided by the department. The department shall only renew
2 a certificate if the applicant for renewal does all of the following:

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

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

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

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

9 (e) Certifies completion of the continuing education requirements of ORS
10 822.027 (1)(b) if the person is a dealer subject to the education requirements.

11 (f) If the dealer offers new recreational vehicles for sale under the cer-
12 tificate, certifies that the dealer maintains a recreational vehicle service fa-
13 cility as listed in the dealer certificate application described in ORS 822.025.

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

16 **SECTION 12. The amendments to ORS 822.040 by section 11 of this**
17 **2019 Act become operative on January 1, 2026.**

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

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

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

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