

House Bill 2877

Sponsored by COMMITTEE ON 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**.

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, 366.739, 367.173 and
3 367.605; prescribing an effective date; and providing for revenue raising that requires approval
4 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 of the Oregon Vehicle**
7 **Code.**

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

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

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

17 **(4) Interest shall be added at the rate of five-sixths of one percent per month or fraction**
18 **thereof for each month, or fraction of a month, from the time the payment was originally**
19 **required to be filed, not including any extensions, to the time of payment.**

20 **(5) At any time a registered owner fails to pay the impact tax, the department may en-**
21 **force collection by the issuance of a distraint warrant for the collection of the delinquent**
22 **amount and all penalties, interest and collection charges accrued thereon. The warrant shall**
23 **be issued, recorded and proceeded upon in the same manner and shall have the same force**
24 **and effect as is prescribed with respect to warrants for the collection of delinquent income**
25 **taxes.**

26 **(6) The registered owner shall pay the tax to the department in the form and manner**
27 **prescribed by the department.**

28 **(7) The department may adopt rules to carry out the provisions of this section, including**
29 **rules setting forth circumstances or conditions under which a penalty may be assessed for**
30 **failure to pay all or a portion of the tax.**

31 **(8) This section does not apply to motor vehicles registered as antique vehicles under**

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 **ORS 805.010.**

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

3 366.505. (1) The State Highway Fund shall consist of:

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

6 (b) All moneys and revenues accruing from the licensing of motor vehicles, operators and
7 chauffeurs.

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

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

12 (e) Moneys and revenues derived from or made available by the federal government for road
13 construction, maintenance or betterment purposes.

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

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

18 (2) The State Highway Fund shall be deemed and held as a trust fund, separate and distinct from
19 the General Fund, and may be used only for the purposes authorized by law and is continually ap-
20 propriated for such purposes.

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

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

25 366.739. Except as otherwise provided in ORS 366.744, the taxes collected under ORS 319.020,
26 319.530, 803.090, 803.420, 818.225, 825.476 and 825.480 **and section 2 of this 2017 Act** and the special
27 use fuel license fees collected under ORS 319.535, minus [*\$71.2 million*] \$_____ per biennium, shall
28 be allocated 24.38 percent to counties under ORS 366.762 and 15.57 percent to cities under ORS
29 366.800.

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

31 367.173. The principal, interest, premium, if any, and the purchase or tender price of the grant
32 anticipation revenue bonds issued under ORS 367.161 to 367.181 are payable solely from the follow-
33 ing moneys:

34 (1) Federal transportation funds.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 367.605. (1) Moneys deposited in the State Highway Fund established under ORS 366.505 are
15 pledged to payment of Highway User Tax Bonds issued under ORS 367.615.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

43 **SECTION 7. (1) Section 2 of this 2017 Act becomes operative January 1, 2018.**

44 **(2) The Department of Transportation may take any action before the operative date**
45 **specified in subsection (1) of this section that is necessary to enable the department, on and**

1 after the operative date specified in subsection (1) of this section, to exercise the duties,
2 functions and powers conferred on the department by section 2 of this 2017 Act.

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

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