

CHAPTER 13

AN ACT

HB 4131

Relating to taxation of use fuels; creating new provisions; amending ORS 319.550, 319.671, 319.675, 366.739, 367.173, 367.605 and 802.125; and prescribing an effective date.

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

SECTION 1. Section 2 of this 2014 Act is added to and made a part of ORS 319.510 to 319.880.

SECTION 2. (1) In lieu of paying the per-gallon tax on the use of fuel in a motor vehicle imposed under ORS 319.530, a person may pay to the Department of Transportation annually, for each motor vehicle that consumes natural gas or propane, a special use fuel license fee computed under subsection (2) of this section based on the following schedule:

COMBINED WEIGHT (Pounds)	BASE
0 - 10,000	\$60
10,001 - 26,000	\$300
26,001 and above	\$400

(2) The special use fuel license fee equals the applicable base amount from the schedule in subsection (1) of this section multiplied by the use fuel tax rate imposed under ORS 319.530 in effect at the time of payment, divided by 12 cents.

(3)(a) A person wishing to pay the special use fuel license fee shall apply to the department on a form prescribed by the department and shall include such information as the department requires.

(b) Upon receipt of a complete and valid application under this subsection, the department shall issue to the applicant without charge an emblem for display on the motor vehicle to which the application relates.

(c) An emblem issued under this section that is displayed in a conspicuous place on the motor vehicle for which the emblem is issued shall be accepted by a seller of fuel as proof of exemption from the per-gallon tax imposed under ORS 319.530.

SECTION 3. ORS 319.550 is amended to read:

319.550. A person may not use fuel in a motor vehicle in this state unless the person holds a valid user's license, except that:

(1) A nonresident may use fuel in a motor vehicle not registered in Oregon for a period not exceeding 30 days without obtaining a user's license or the emblem provided in ORS 319.600, if, for all

fuel used in a motor vehicle in this state, the nonresident pays to a seller, at the time of the sale, the tax provided in ORS 319.530.

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

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

(4) Subsection (3) of this section 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 on which an emblem issued for the motor vehicle pursuant to section 2 of this 2014 Act is displayed.

SECTION 4. ORS 319.550, as amended by section 16, chapter 781, Oregon Laws 2013, is amended to read:

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

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

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

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

(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 section 2 of this 2014 Act is displayed.

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 *[provided by]* **imposed under ORS 319.530 or exempt from the tax imposed under ORS 319.530 pursuant to section 2 of this 2014 Act** 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 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 section 2 of this 2014 Act.

SECTION 7. ORS 366.739 is amended to read:

366.739. Except as otherwise provided in ORS 366.744, the taxes collected under ORS 319.020, 319.530, 803.090, 803.420, 818.225, 825.476 and 825.480 **and the special use fuel license fees collected under section 2 of this 2014 Act**, minus \$71.2 million per biennium, shall be allocated 24.38 percent to counties under ORS 366.762 and 15.57 percent to cities under ORS 366.800.

SECTION 8. ORS 367.173 is amended to read:

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

- (1) Federal transportation funds.

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

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

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

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

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

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

(D) Moneys from the special use fuel license fee under section 2 of this 2014 Act.

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

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

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

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

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

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

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

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

SECTION 9. If chapter 48, Oregon Laws 2013, is approved by the voters at an election held throughout this state in 2014, ORS 367.173, as amended by section 9, chapter 48, Oregon Laws 2013, is amended to read:

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

(1) Federal transportation funds.
 (2) To the extent affirmatively pledged at the time issuance of revenue bonds is authorized, the following moneys that are lawfully available:

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

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

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

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

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

(D) Moneys from the special use fuel license fee under section 2 of this 2014 Act.

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

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

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

[(G)] **(H)** Moneys described under section 5, chapter 48, Oregon Laws 2013, relating to issuance of driver cards.

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

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

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

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

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

SECTION 10. ORS 367.605 is amended to read:

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

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

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

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

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

(d) Moneys from the special use fuel license fee under section 2 of this 2014 Act.

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 11. If chapter 48, Oregon Laws 2013, is approved by the voters at an election held throughout this state in 2014, ORS 367.605, as amended by section 10, chapter 48, Oregon Laws 2013, is amended to read:

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

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

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

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

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

(d) Moneys from the special use fuel license fee under section 2 of this 2014 Act.

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

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

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

[(g)] **(h)** Moneys described under section 5, chapter 48, Oregon Laws 2013, relating to the issuance of driver cards.

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

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

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

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

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

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

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

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

(5) Notwithstanding ORS 366.507, the lien or charge of any pledge of moneys securing bonds issued under ORS 367.615 is superior or prior to any

other lien or charge and to any law of the state requiring the department to spend moneys for specified highway purposes.

SECTION 12. ORS 802.125 is amended to read:

802.125. **(1)** The Department of Transportation shall transfer to the State Parks and Recreation Department *[that portion of the amount paid to the Department of Transportation as motor vehicle fuel tax under ORS 319.020 and 319.530 that is]* **amounts described in subsection (2) of this section that are paid to the Department of Transportation and determined by the department to be *[tax on]* paid with respect to fuel used by Class I, Class II, Class III and Class IV all-terrain vehicles in off-highway operation *[and that is not refunded]*.**

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

(a) Amounts paid as motor vehicle fuel tax under ORS 319.020 and 319.530 that are not refunded; and

(b) Special use fuel license fees paid under section 2 of this 2014 Act.

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

SECTION 13. This 2014 Act takes effect on July 1, 2015.

Approved by the Governor March 3, 2014

Filed in the office of Secretary of State March 3, 2014

Effective date July 1, 2015