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NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 740

**DEPARTMENT OF TRANSPORTATION
COMMERCE AND COMPLIANCE DIVISION**

FILED

10/17/2024 9:28 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Amendments allowing tax payment on behalf of a carrier when a lease is in effect.

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/21/2024 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

A public rulemaking hearing may be requested in writing by 10 or more people, or by a group with 10 or more members, within 21 days following the publication of the Notice of Proposed Rulemaking in the Oregon Bulletin or 28 days from the date the Notice was sent to people on the agency mailing list, whichever is later. If sufficient hearing requests are received, the notice of the date and time of the rulemaking hearing must be published in the Oregon Bulletin at least 14 days before the hearing.

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NEED FOR THE RULE(S)

The proposed changes in OAR 740-030-0020 and 740-045-0150 are necessary for taxes to be paid on behalf of one motor carrier by another motor carrier when a lease is in effect. It is common for motor carriers with small fleet sizes to operate under lease agreements for another entity.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

None

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

The proposed amendments promote consistency and fairness in that the changes will affect all motor carriers, regardless of race.

FISCAL AND ECONOMIC IMPACT:

We do not anticipate any fiscal or economic impact.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) None.

(2)(a) The precise number is unknown. CCD does not ask motor carriers how many people they employ when those

companies register.

(2)(b) We anticipate a minor reduction of administration activities and costs for small businesses as these amendments will allow tax reporting on their behalf by a separate entity, provided that they are operating under a lease agreement. This change will reduce the administrative burden associated with tax reporting.

(2)(c) Cost of professional services, labor, equipment supplies, remain the same. We will evaluate costs and benefits post implementation and make any necessary adjustments.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

Fourteen groups representing small businesses received a copy of the proposed amendment and were asked to submit comments on fiscal and economic impact.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

RULES PROPOSED:

740-030-0020, 740-045-0150

AMEND: 740-030-0020

RULE SUMMARY: Amending to add the applicable exception to this rule which is outlined in OAR 740-045-0150.

CHANGES TO RULE:

740-030-0020

Communications, Business Names and Carrier Address ¶

(1) All carriers must immediately report any change in principal business address, legal status or business name to the Department.¶

(2) ~~A~~Except as authorized by the Department under OAR 740-045-0150, all motor carrier operations must be conducted in the name in which the certificate or permit is issued or the duly assumed business name of the carrier, and all carriers are required to use such name in all documents relating to their operations and in all correspondence with the Department's office. This rule does not preclude the use of a separate name for operations conducted as a division so long as the name in which the certificate or permit or the duly assumed business name is also shown.

Statutory/Other Authority: ORS 823.011, 825.232

Statutes/Other Implemented: ORS 825.102 - 825.117

AMEND: 740-045-0150

RULE SUMMARY: Amending title to best describe the rule and removing "fee pay" language which is no longer accurate for current business practices.

CHANGES TO RULE:

740-045-0150

Highway Use Taxes on Leased Equipment, Responsibility During Lease ¶

(1) The lessee of vehicles being operated under OAR 740-045-0110 to 740-045-0130 is responsible for highway use taxes due for all operations of those vehicles in Oregon during the term of the lease.¶

(2) The lessee may be relieved of responsibility for highway use taxes on vehicles with valid enrollment in the weight-mile tax program operating under OAR 740-045-0110 only following written notification to the Department that the lease has been terminated.¶

(3) The lessee may enter into ~~fee pay~~an agreements authorizing the owner or lessor to report and pay highway use taxes for vehicles enrolled in the weight-mile tax program in the owner's or lessor's name provided:¶

(a) The ~~fee pay~~ agreement is signed by both the lessee and the owner or lessor; and¶

(b) The agreement is filed with and approved by the Department. Such ~~fee pay~~ agreements shall not relieve the lessee of its obligation for payment of highway use taxes accruing during the term of the lease and prior to written notification of the termination of the lease.

Statutory/Other Authority: ORS 184.619, 823.011, 825.230

Statutes/Other Implemented: ORS 825.100, 825.104, 825.210