

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**ORDINANCE NO. 942**

Amending MCC 11.300-11.305, increasing the Motor Vehicle Rental Tax for Visitor Facilities

**The Multnomah County Board of Commissioners Finds:**

- a. Ordinance 122 imposed a 10% car rental tax effective July 1, 1976. All revenues go to the general fund.
- b. Ordinance 407 adopted December 22, 1983 amended definitions and increased the required license fee from \$2 to \$15.
- c. Ordinance 417 effective May 1, 1984 repealed subsections to avoid possible application to transactions outside of the county.
- d. Ordinance 519 adopted June 19, 1986 amended the definition of “director.”
- e. Ordinance 627 adopted August 17, 1989 amended code to exempt replacement vehicle rental by “residents.”
- f. Ordinance 849 adopted April 11, 1996 amended code to implement County Auditor suggestions to improve administration of the tax.
- g. Ordinance 934 adopted July 29, 1999 amended the code to exempt vehicles rented from “car sharing organizations.”
- h. The County has approved a Memorandum of Understanding relating to the expansion of the Oregon Convention Center, improvements to the Portland Center for the Performing Art and Civic Stadium, and enhancements to the county visitor industry. The County has agreed to amend its code to increase the motor vehicle rental tax and the transient lodging tax to partially fund these activities.

**Multnomah County Ordains as follows:**

**Section 1.** MCC §§ 11.300-11.305 are amended to read as follows:

***MOTOR VEHICLE RENTAL TAX***

**§ 11.300 Definitions.**

For the purpose of this subchapter, the following definitions apply unless the context requires a different meaning.

***CAR SHARING ORGANIZATION.*** A profit or non-profit organization with membership requirements that provides the use of motor vehicles exclusively to its members for a fee.

***COMMERCIAL ESTABLISHMENT.*** Any person or other entity, any part of whose business consists of providing the use of motor vehicles for a rental fee.

***DIRECTOR.*** The Finance Director of the county.

***DOING BUSINESS IN THE COUNTY.*** Any of the following conduct by a commercial establishment whose business address is within or outside the county:

- (1) Delivery of a rented vehicle to a location within the county for use by a person within the county; or
- (2) Presenting for execution within the county by any person a car rental agreement.

***EXEMPTION AREA.*** Multnomah, Washington and Clackamas Counties.

***MOTOR VEHICLE.*** Without limitation, automobiles, trucks having a manufacturer's gross vehicle weight not exceeding 24,000 pounds, motor homes, motorcycles, pickup campers and any motorized passenger vehicles designed to carry fewer than ten persons, which are capable of being used on the highways of the state.

***PARITY OBLIGATIONS.*** *County bonds or obligations up to \$8,500,000 in aggregate principal amount that pledge motor vehicle rental tax on a parity with the Regional Children's Campus Bonds, and any bonds or obligations issued to the refund Regional Children's Campus Bonds.*

***REGIONAL CHILDREN'S CAMPUS (RCC) BONDS.*** *County Revenue Bonds, Series 1998 (Regional Children's Campus, Inc.) that are dated October 1, 1998.*

***RENTAL FEE.*** The gross fee and charges, whatever the basis of their calculation, paid to a commercial establishment by any person for the rental of a motor vehicle.

**RENTAL or RENTING.** Obtaining in the county the use of a motor vehicle from a commercial establishment in the county for a rental fee, and includes all services, supplies and commodities furnished by the commercial establishment in connection with providing the use of the vehicle, but does not include leasing or other transactions where title of a motor vehicle is permanently or temporarily transferred from the commercial establishment to any other person or entity.

**§ 11.301      Imposition of Tax.**

(A) A tax is imposed on every person renting a motor vehicle from a commercial establishment doing business in the county, if the rental is for a period of 30 days or less. A rental must have a duration of 30 days or less if the actual possession or use by the person renting the vehicle terminates not later than the end of a 30-day period or if any contract governing the rental has a duration of 30 days or less.

(B) The base rate of the tax imposed by subsection (A) is equal to 10% of the rental fee charged by the commercial establishment for the rental.

*(C) The surcharge rate of the tax imposed by subsection (A) is equal to 2.5% of the rental fee charged by the commercial establishment for the rental. This 2.5% surcharge will terminate if the 2.5% transient lodging tax imposed by MCC 11.401(E) is terminated before the issuance of the bonds defined in MCC 11.400.*

(D) If, with respect to any rental fee, the tax imposed under this section does not equal an amount calculable to a whole cent, the commercial establishment must charge a tax equal to the next highest whole cent. However, the amount remitted to the Director by the commercial establishment for each quarter must equal **12.5%** of the total rental fees collected by the commercial establishment during the quarter.

**§ 11.302      Collection of Tax; Remittance Records; Tax as Debt.**

(A) The commercial establishment must collect the tax imposed by § 11.301 at the time it collects a rental fee.

(B) On or before the last business day of January, April, July and October of each year, each commercial establishment must remit to the Director all taxes collected during the preceding calendar quarter. The remittance must be accompanied by a report showing:

(1) The amount of the rental fees collected by the commercial establishment during the preceding quarter;

(2) The amount, if any, of those rental fees that is attributable to and identified on the records or billings of the commercial establishment for gasoline sales;

(3) Such further information as the Director may prescribe;



(C) The report and all such additional information as required from the commercial establishment accompanying remittance of the collected tax is exempt from public disclosure and remains confidential in the possession of the Director.

(D) All commercial establishments must maintain accurate records of rental fees assessed and of taxes collected, and such records are subject to review, inspection and audit within the county by the Director or the director's designee at all reasonable times.

(E) The commercial establishment that rents a vehicle in the county is responsible for remittance of the tax, based on the total rental fee, wherever collected, as well as maintenance of the appropriate records of the fees.

(F) The tax imposed by § 11.301 is a debt owed by the commercial establishment to the county until remitted under this section.

### **§ 11.303 Tax Evasion Or Deficiency Determination.**

(A) If the Director determines that the report required in § 11.302(B) has not been filed or is incorrect, the Director may compute and determine the amount required to be paid upon the basis of the facts contained in any report or reports, or upon the basis of any available information. One or more deficiency or evasion determinations may be made of the amount due for one or more than one period. The amount so determined is due and payable immediately upon service of notice, after which the amount determined is delinquent. Penalties on deficiencies will be applied under § 11.399.

(B) In making a determination, the Director may offset any overpayments previously made for a period or periods, against any underpayment for a subsequent period or periods, or against penalties and interest on the underpayments. Interest on underpayments will accrue at the rate of one percent per month pro rata from the date the tax became delinquent until the date paid.

(C) The Director will give written determination notice to the commercial establishment, served personally or by certified mail. If mail service is employed, service is deemed made upon mailing.

(D) Except where fraud or intent to evade this subchapter exists, every deficiency determination must be made and notice given within three years after the last day of the month following the close of the quarterly reporting period for which the amount is proposed to be determined, or within three years after the report reflecting an underpayment is filed, whichever period expires later.

### **§ 11.304 Use of Taxes.**

(A) The 10% base taxes collected under this subchapter are general fund revenues of the county, except that the portion of taxes attributable to gasoline sales are subject to the limitations on use prescribed by the constitution and laws of the state.

(B) *The base taxes, and to the extent necessary also surcharge taxes, will be used by the County to pay any debt service on the RCC Bonds and any Parity Obligations. All 2.5% surcharge taxes collected under this subchapter not needed for that purpose will be deposited in the Visitors Facilities Trust Account (VFTA) created by 11.401(E) and allocated as provided by 11.401(E)(4). The Board is authorized under Home Rule authority to enter an intergovernmental agreement with the City of Portland to pledge the County to maintain this surcharge to pay the bonds and other obligations identified in 11.401(E). Such pledge is binding under ORS 288.594 from April 1, 2000 as long as the 11.401(E) bonds are outstanding.*

**§ 11.305 Exemptions.**

The tax imposed by 11.301 is not applicable to:

- (A) A rental fee that state or federal law exempts from the tax.
- (B) A rental fee for a motor vehicle used for official governmental business by an employee of the federal government.
- (C) A motor vehicle rented by a resident of the exemption area to temporarily replace a vehicle being repaired or serviced.
- (D) A motor vehicle rented in the county by a member of a car sharing organization who is a resident of the exemption area

**Section 2.** This ordinance is effective April 1, 2000.

FIRST READING:

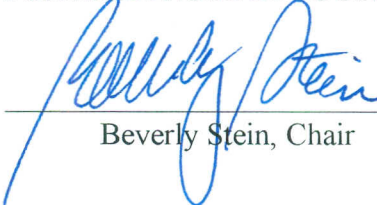
February 3, 2000

SECOND READING AND ADOPTION:

February 17, 2000



BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

  
Beverly Stein, Chair

REVIEWED:

Thomas Sponsler, County Counsel  
For Multnomah County, Oregon

