

House Bill 3148

Sponsored by Representative MARSH, Senators SMITH DB, WOODS, Representative NERON; Representative WRIGHT (Pre-session filed.)

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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Repeals the sunset on the Oregon Lifeline plan. Makes changes to the assistance that the plan provides. (Flesch Readability Score: 63.8).

Makes permanent the plan of assistance for low-income customers for telecommunication services. Renames the plan of assistance the Oregon Lifeline plan. Adds to the assistance provided to low-income customers a one-time personal computing device benefit for the purchase of an Internet-enabled computer and ancillary devices.

Repeals the requirement but still permits the Public Utility Commission to use part of the surcharge assessed on retail telecommunications subscribers for marketing and outreach activities to increase participation in the plan of assistance. Repeals the Oregon Telephone Assistance Program Advisory Committee.

Directs the commission to adopt rules to carry out the provisions of the Act not later than March 1, 2026.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to the availability of residential telecommunication services for low-income customers;
3 creating new provisions; amending ORS 291.055, 317A.100, 403.205 and 759.689 and sections 4
4 and 6, chapter 290, Oregon Laws 1987; repealing ORS 759.688 and section 16, chapter 290,
5 Oregon Laws 1987; and declaring an emergency.

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

7 **SECTION 1.** Section 6, chapter 290, Oregon Laws 1987, as amended by section 1, chapter 622,
8 Oregon Laws 1991, section 1, chapter 29, Oregon Laws 2007, section 25, chapter 599, Oregon Laws
9 2009, section 1, chapter 77, Oregon Laws 2011, section 1, chapter 29, Oregon Laws 2013, section 1,
10 chapter 91, Oregon Laws 2019, and section 1, chapter 66, Oregon Laws 2021, is amended to read:

11 **Sec. 6.** (1) *[In carrying out the provisions of]* **To carry out the public policy in** section 2,
12 chapter 290, Oregon Laws 1987, and to support broadband *[internet]* **Internet** access service, the
13 Public Utility Commission shall establish *[a]* **the Oregon Lifeline** plan to provide assistance **and**
14 **one-time benefits** to *[low income]* **low-income** customers through differential rates or otherwise.
15 The *[plan of]* assistance *[may]* **and benefits provided under the Oregon Lifeline plan may** be in
16 addition to *[the]* **any** available funding offered by the Federal Communications Commission. The
17 *[plan established by the]* Public Utility Commission shall prescribe the amount of assistance to be
18 provided and the time and manner of payment. **The amounts of assistance may vary based on**
19 **the cost or value of the supported service provided to a low-income customer.**

20 **(2)(a) In addition to the assistance provided under subsection (1) of this section, the**
21 **Oregon Lifeline plan shall provide to low-income customers a one-time personal computing**
22 **device benefit for the purchase of a new or refurbished Internet-enabled desktop computer,**
23 **laptop computer or computer tablet plus any ancillary devices such as a keyboard, mouse**
24 **or assistive computer device or software. The amount of the benefit for a benefit recipient**

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 **shall be up to \$100. The total retail price of the personal computing device plus any ancillary**
 2 **devices for a benefit recipient must be \$600 or less.**

3 **(b) The commission may contract with third parties to assist the commission in providing**
 4 **the benefits under this subsection. Contracting may include the bulk purchasing of personal**
 5 **computing or ancillary devices.**

6 [(2)] (3) For the purpose of [*establishing a plan to provide*] **providing assistance and benefits**
 7 to [*low income*] **low-income** customers under this section, the commission shall require all public
 8 utilities, cooperative corporations and unincorporated associations providing local exchange tele-
 9 communication service to participate in the **Oregon Lifeline** plan[, *except as provided in subsection*
 10 *(3) of this section*].

11 [(3) *In lieu of participation in the commission's plan to assist low income customers, a public util-*
 12 *ity, cooperative corporation or unincorporated association providing local exchange telecommunication*
 13 *service may apply to the commission to establish an alternative plan for the purposes of carrying out*
 14 *the provisions of section 2, chapter 290, Oregon Laws 1987, and supporting broadband internet access*
 15 *service for its own customers. The commission shall adopt standards for determining the adequacy of*
 16 *alternative plans.*]

17 (4) The commission may contract **or coordinate** with any governmental agency to assist the
 18 commission in the administration of any assistance [*plan adopted pursuant to this section*] **or benefit**
 19 **provided under the Oregon Lifeline plan.**

20 (5) As used in [*sections 2 to 6, chapter 290, Oregon Laws 1987, "low income"*] **this section, "low-**
 21 **income customer"** has the meaning given that term by the commission by rule.

22 **SECTION 2.** Section 4, chapter 290, Oregon Laws 1987, is amended to read:

23 **Sec. 4.** In carrying out the provisions of section 2, **chapter 290, Oregon Laws 1987**, [*of this*
 24 *1987 Act*] the Public Utility Commission may:

25 (1) Notwithstanding ORS 757.310, approve a different rate for local exchange residential tele-
 26 communication service for [*low income*] **low-income** customers than the rate charged to other resi-
 27 dential customers. However, any such rate is subject to all other provisions of [*this chapter*] **ORS**
 28 **chapter 759. For the purposes of this section, the commission may define "low-income cus-**
 29 **tomer" by rule.**

30 (2) Establish plans, or require telecommunications public utilities to establish plans, to educate
 31 customers regarding the options available for obtaining telecommunication services.

32 **SECTION 3.** ORS 759.689 is amended to read:

33 759.689. (1) From moneys collected as a surcharge under ORS 759.685, the Public Utility Com-
 34 mission [*shall*] **may** expend moneys on marketing and outreach activities as is necessary to increase
 35 the participation rate in the plan of assistance established by the commission under section 6,
 36 chapter 290, Oregon Laws 1987.

37 [(2) *The Oregon Telephone Assistance Program Advisory Committee established under ORS*
 38 *759.688 will annually review use of moneys collected as a surcharge under ORS 759.685 and make*
 39 *recommendations to the commission on the amount of moneys to expend on marketing and outreach*
 40 *activities.*]

41 [(3)] (2) Notwithstanding [*subsections (1) and (2)*] **subsection (1)** of this section, moneys ex-
 42 pended on marketing and outreach activities under this section may not exceed 15 percent of mon-
 43 eys collected as a surcharge under ORS 759.685.

44 [(4)] (3) A coordinated care organization, as defined in ORS 414.025, may not directly receive
 45 moneys expended under this section.

CONFORMING AMENDMENTS

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SECTION 4. ORS 403.205 is amended to read:

403.205. The tax imposed by ORS 403.200:

(1) Does not apply to:

(a) Services that the state is prohibited from taxing under the Constitution or laws of the United States or the Constitution or laws of the State of Oregon.

(b) Interconnection between telecommunications utilities and competitive access providers certified pursuant to ORS 759.020, common carriers and interexchange carriers.

(2) As imposed under ORS 403.200 (1)(b), does not apply to services provided under the **Oregon Lifeline** plan [*of assistance*] established under section 6, chapter 290, Oregon Laws 1987.

SECTION 5. ORS 291.055 is amended to read:

291.055. (1) Notwithstanding any other law that grants to a state agency the authority to establish fees, all new state agency fees or fee increases adopted during the period beginning on the date of adjournment sine die of a regular session of the Legislative Assembly and ending on the date of adjournment sine die of the next regular session of the Legislative Assembly:

(a) Are not effective for agencies in the executive department of government unless approved in writing by the Director of the Oregon Department of Administrative Services;

(b) Are not effective for agencies in the judicial department of government unless approved in writing by the Chief Justice of the Supreme Court;

(c) Are not effective for agencies in the legislative department of government unless approved in writing by the President of the Senate and the Speaker of the House of Representatives;

(d) Shall be reported by the state agency to the Oregon Department of Administrative Services within 10 days of their adoption; and

(e) Are rescinded on adjournment sine die of the next regular session of the Legislative Assembly as described in this subsection, unless otherwise authorized by enabling legislation setting forth the approved fees.

(2) This section does not apply to:

(a) Any tuition or fees charged by a public university listed in ORS 352.002.

(b) Taxes or other payments made or collected from employers for unemployment insurance required by ORS chapter 657 or premium assessments required by ORS 656.612 and 656.614 or contributions and assessments calculated by cents per hour for workers' compensation coverage required by ORS 656.506.

(c) Fees or payments required for:

(A) Health care services provided by the Oregon Health and Science University, by the Oregon Veterans' Homes pursuant to ORS 408.362 and 408.365 to 408.385 and by other state agencies and institutions pursuant to ORS 179.610 to 179.770.

(B) Copayments and premiums paid to the Oregon medical assistance program.

(C) Assessments paid to the Department of Consumer and Business Services under sections 3 and 5, chapter 538, Oregon Laws 2017.

(d) Fees created or authorized by statute that have no established rate or amount but are calculated for each separate instance for each fee payer and are based on actual cost of services provided.

(e) State agency charges on employees for benefits and services.

(f) Any intergovernmental charges.

1 (g) Forest protection district assessment rates established by ORS 477.210 to 477.265 and the
 2 Oregon Forest Land Protection Fund fees established by ORS 477.760.

3 (h) State Department of Energy assessments required by ORS 456.595 and 469.421 (8).

4 (i) Assessments on premiums charged by the Director of the Department of Consumer and
 5 Business Services pursuant to ORS 731.804 or fees charged by the director to banks, trusts and
 6 credit unions pursuant to ORS 706.530 and 723.114.

7 (j) Public Utility Commission operating assessments required by ORS 756.310 or charges [*paid*
 8 *to*] **assessed under ORS 759.685 and paid into** the Residential Service Protection Fund [*required*
 9 *by chapter 290, Oregon Laws 1987*].

10 (k) Fees charged by the Housing and Community Services Department for intellectual property
 11 pursuant to ORS 456.562.

12 (L) New or increased fees that are anticipated in the legislative budgeting process for an
 13 agency, revenues from which are included, explicitly or implicitly, in the legislatively adopted
 14 budget or the legislatively approved budget for the agency.

15 (m) Tolls approved by the Oregon Transportation Commission pursuant to ORS 383.004.

16 (n) Portal provider fees as defined in ORS 276A.270 and established by the State Chief Infor-
 17 mation Officer under ORS 276A.276 (3) and recommended by the Electronic Government Portal Ad-
 18 visory Board.

19 (o) Fees set by the State Parks and Recreation Director and approved by the State Parks and
 20 Recreation Commission under ORS 390.124 (2)(b).

21 (3)(a) Fees temporarily decreased for competitive or promotional reasons or because of unex-
 22 pected and temporary revenue surpluses may be increased to not more than their prior level without
 23 compliance with subsection (1) of this section if, at the time the fee is decreased, the state agency
 24 specifies the following:

25 (A) The reason for the fee decrease; and

26 (B) The conditions under which the fee will be increased to not more than its prior level.

27 (b) Fees that are decreased for reasons other than those described in paragraph (a) of this sub-
 28 section may not be subsequently increased except as allowed by ORS 291.050 to 291.060 and 294.160.

29 **SECTION 6.** ORS 317A.100, as amended by section 26, chapter 75, Oregon Laws 2024, is
 30 amended to read:

31 317A.100. As used in ORS 317A.100 to 317A.158:

32 (1)(a) “Commercial activity” means:

33 (A) The total amount realized by a person, arising from transactions and activity in the regular
 34 course of the person’s trade or business, without deduction for expenses incurred by the trade or
 35 business;

36 (B) If received by a financial institution:

37 (i) If the reporting person for a financial institution is a holding company, all items of income
 38 reported on the FR Y-9 filed by the holding company;

39 (ii) If the reporting person for a financial institution is a bank organization, all items of income
 40 reported on the call report filed by the bank organization; and

41 (iii) If the reporting person for a financial institution is a nonbank financial organization, all
 42 items of income reported in accordance with generally accepted accounting principles; and

43 (C)(i) If received by an insurer, as reported on the statement of premiums accompanying the
 44 annual statement required under ORS 731.574 to be filed with the Director of the Department of
 45 Consumer and Business Services, all gross direct life insurance premiums, gross direct accident and

1 health insurance premiums and gross direct property and casualty insurance premiums; and

2 (ii) The gross amount of surplus lines premiums received on Oregon home state risks as shown
3 in the report required by ORS 735.465.

4 (b) "Commercial activity" does not include:

5 (A) Interest income except:

6 (i) Interest on credit sales; or

7 (ii) Interest income, including service charges, received by financial institutions;

8 (B) Receipts from the sale, exchange or other disposition of an asset described in section 1221
9 or 1231 of the Internal Revenue Code, without regard to the length of time the person held the asset;

10 (C) If received by an insurer, federally reinsured premiums or income from transactions between
11 a reciprocal insurer and its attorney in fact operating under ORS 731.142;

12 (D) Receipts from hedging transactions, to the extent that the transactions are entered into
13 primarily to protect a financial position, including transactions intended to manage the risk of ex-
14 posure to foreign currency fluctuations that affect assets, liabilities, profits, losses, equity or in-
15 vestments in foreign operations, risk of exposure to interest rate fluctuations or risk of commodity
16 price fluctuations;

17 (E) Proceeds received attributable to the repayment, maturity or redemption of the principal of
18 a loan, bond, mutual fund, certificate of deposit or marketable instrument;

19 (F) The principal amount received under a repurchase agreement or on account of any trans-
20 action properly characterized as a loan to the person;

21 (G) Contributions received by a trust, plan or other arrangement, any of which is described in
22 section 501(a) of the Internal Revenue Code, or to which title 26, subtitle A, chapter 1, subchapter
23 (D) of the Internal Revenue Code applies;

24 (H) Compensation, whether current or deferred, and whether in cash or in kind, received or to
25 be received by an employee, a former employee or the employee's legal successor for services ren-
26 dered to or for an employer, including reimbursements received by or for an individual for medical
27 or education expenses, health insurance premiums or employee expenses or on account of a de-
28 pendent care spending account, legal services plan, any cafeteria plan described in section 125 of
29 the Internal Revenue Code or any similar employee reimbursement;

30 (I) Proceeds received from the issuance of the taxpayer's own stock, options, warrants, puts or
31 calls, or from the sale of the taxpayer's treasury stock;

32 (J) Proceeds received on the account of payments from insurance policies, including crop in-
33 surance policies, owned by the taxpayer, except those proceeds received for the loss of commercial
34 activity;

35 (K) Gifts or charitable contributions received, membership dues received by trade, professional,
36 homeowners' or condominium associations, payments received for educational courses, meetings or
37 meals, or similar payments to a trade, professional or other similar association, and fundraising re-
38 cepts received by any person when any excess receipts are donated or used exclusively for chari-
39 table purposes;

40 (L) Damages received as the result of litigation in excess of amounts that, if received without
41 litigation, would be treated as commercial activity;

42 (M) Property, money and other amounts received or acquired by an agent on behalf of another
43 in excess of the agent's commission, fee or other remuneration;

44 (N) Tax refunds from any tax program, other tax benefit recoveries and reimbursements for the
45 tax imposed under ORS 317A.100 to 317A.158 made by entities that are part of the same unitary

1 group as provided under ORS 317A.106, and reimbursements made by entities that are not members
2 of a unitary group that are required to be made for economic parity among multiple owners of an
3 entity whose tax obligation under ORS 317A.100 to 317A.158 is required to be reported and paid
4 entirely by one owner, as provided in ORS 317A.106;

5 (O) Pension reversions;

6 (P) Contributions to capital;

7 (Q) Receipts from the sale, transfer, exchange or other disposition of motor vehicle fuel or any
8 other product used for the propulsion of motor vehicles;

9 (R) In the case of receipts from the sale of cigarettes or tobacco products by a wholesale dealer,
10 retail dealer, distributor, manufacturer or seller, an amount equal to the federal and state excise
11 taxes paid by any person on or for such cigarettes or tobacco products under subtitle E of the
12 Internal Revenue Code or ORS chapter 323;

13 (S) In the case of receipts from the sale of malt beverages or wine, as defined in ORS 471.001,
14 cider, as defined in ORS 471.023 or distilled liquor, as defined in ORS 471.001, by a person holding
15 a license issued under ORS chapter 471, an amount equal to the federal and state excise taxes paid
16 by any person on or for such malt beverages, wine or distilled liquor under subtitle E of the Internal
17 Revenue Code or ORS chapter 471 or 473, and any amount paid to the Oregon Liquor and Cannabis
18 Commission for sales of distilled spirits by an agent appointed under ORS 471.750;

19 (T) In the case of receipts from the sale of marijuana items, as defined in ORS 475C.009, by a
20 person holding a license issued under ORS 475C.005 to 475C.525, an amount equal to the federal and
21 state excise taxes paid by any person on or for such marijuana items under subtitle E of the Internal
22 Revenue Code or ORS 475C.670 to 475C.734 and any local retail taxes authorized under ORS
23 475C.453;

24 (U) Local taxes collected by a restaurant or other food establishment on sales of meals, prepared
25 food or beverages;

26 (V) Tips or gratuities collected by a restaurant or other food establishment and passed on to
27 employees;

28 (W) Receipts realized by a vehicle dealer certified under ORS 822.020 or a person described in
29 ORS 320.400 (8)(a)(B) from the sale or other transfer of a motor vehicle, as defined in ORS 801.360,
30 to another vehicle dealer for the purpose of resale by the transferee vehicle dealer, but only if the
31 sale or other transfer was based upon the transferee's need to meet a specific customer's preference
32 for a motor vehicle or is an exchange of new vehicles between franchised motor vehicle dealerships;

33 (X) Registration fees or taxes collected by a vehicle dealer certified under ORS 822.020 or a
34 person described in ORS 320.400 (8)(a)(B) at the sale or other transfer of a motor vehicle, as defined
35 in ORS 801.360, that are owed to a third party by the purchaser of the motor vehicle and passed to
36 the third party by the dealer;

37 (Y) Receipts from a financial institution for services provided to the financial institution in
38 connection with the issuance, processing, servicing and management of loans or credit accounts, if
39 the financial institution and the recipient of the receipts have at least 50 percent of their ownership
40 interests owned or controlled, directly or constructively through related interests, by common own-
41 ers;

42 (Z) In the case of amounts retained as commissions by a holder of a license under ORS chapter
43 462, an amount equal to the amounts specified under ORS chapter 462 that must be paid to or col-
44 lected by the Department of Revenue as a tax and the amounts specified under ORS chapter 462 to
45 be used as purse money;

1 (AA) Receipts of residential care facilities as defined in ORS 443.400 or in-home care agencies
 2 as defined in ORS 443.305, to the extent that the receipts are derived from or received as compen-
 3 sation for providing services to a medical assistance or Medicare recipient;

4 (BB) Dividends received;

5 (CC) Distributive income received from a pass-through entity;

6 (DD) Receipts from sales to a wholesaler in this state, if the seller receives certification at the
 7 time of sale from the wholesaler that the wholesaler will sell the purchased property outside this
 8 state;

9 (EE) Receipts from the wholesale or retail sale of groceries, including receipts of a person that
 10 owns groceries at the time of sale and compensation of any consignee engaged in effecting the sale
 11 of groceries on behalf the owner of the groceries, but only to the extent that the compensation re-
 12 lates to grocery sales;

13 (FF) Receipts from transactions among members of a unitary group;

14 (GG) Moneys, including public purpose charge moneys collected under ORS 757.612 and moneys
 15 collected to plan for and pursue cost-effective energy efficiency resources under ORS 757.054, that
 16 are collected from customers, passed to a utility and approved by the Public Utility Commission and
 17 that support energy conservation, renewable resource acquisition and low-income assistance pro-
 18 grams;

19 (HH) Moneys collected by a utility from customers for the payment of loans through on-bill fi-
 20 nancing;

21 (II) Surcharges collected under ORS 757.736;

22 (JJ) Moneys passed to a utility by the Bonneville Power Administration for the purpose of
 23 effectuating the Regional Power Act Exchange credits or pursuant to any settlement associated with
 24 the exchange credit;

25 (KK) Moneys collected or recovered, by entities listed in ORS 756.310, cable operators as de-
 26 fined in 47 U.S.C. 522(5), telecommunications carriers as defined in 47 U.S.C. 153(51) and providers
 27 of information services as defined in 47 U.S.C. 153(24), for fees payable under ORS 756.310, right-of-
 28 way fees, franchise fees, privilege taxes, federal taxes and local taxes;

29 (LL) Charges *[paid to]* **assessed under ORS 759.685 and paid into** the Residential Service
 30 Protection Fund *[required by chapter 290, Oregon Laws 1987]*;

31 (MM) Universal service surcharge moneys collected or recovered and paid into the universal
 32 service fund established in ORS 759.425;

33 (NN) Moneys collected for public purpose funding as described in ORS 759.430;

34 (OO) Moneys collected or recovered and paid into the federal universal service fund as deter-
 35 mined by the Federal Communications Commission;

36 (PP) In the case of a seller or provider of telecommunications services, the amount of tax im-
 37 posed under ORS 403.200 for access to the emergency communications system that is collected from
 38 subscribers or consumers;

39 (QQ) In the case of a transient lodging tax collector, the amount of tax imposed under ORS
 40 320.305 and of any local transient lodging tax imposed upon the occupancy of transit lodging;

41 (RR) In the case of a seller of bicycles, the amount of tax imposed under ORS 320.415 upon retail
 42 sales of bicycles;

43 (SS) In the case of a qualified heavy equipment provider, the amount of tax imposed under ORS
 44 307.872 upon the rental price of heavy equipment;

45 (TT) Farmer sales to an agricultural cooperative in this state that is a cooperative organization

1 described in section 1381 of the Internal Revenue Code;

2 (UU) Revenue received by a business entity that is mandated by contract or subcontract to be
 3 distributed to another person or entity if the revenue constitutes sales commissions that are paid
 4 to a person who is not an employee of the business entity, including, without limitation, a split-fee
 5 real estate commission;

6 (VV) Receipts from the sale of fluid milk by dairy farmers that are not members of an agricul-
 7 tural cooperative; and

8 (WW)(i) Cost paid by a dealer for items of precious metal.

9 (ii) As used in this subparagraph, “item of precious metal” means an item of gold, silver,
 10 platinum, rhodium or palladium that has been put through a process of smelting or refining and that
 11 is in a state or condition that its value depends on its contents and not its form.

12 (2) “Cost inputs” means:

13 (a) The cost of goods sold as calculated in arriving at federal taxable income under the Internal
 14 Revenue Code; or

15 (b) In the case of a taxpayer that is engaged in a farming operation, as defined in ORS 317A.102,
 16 and that does not report cost of goods sold for federal tax purposes, the taxpayer’s operating ex-
 17 penses excluding labor costs.

18 (3) “Doing business” means engaging in any activity, whether legal or illegal, that is conducted
 19 for, or results in, the receipt of commercial activity at any time during a calendar year.

20 (4) “Excluded person” means any of the following:

21 (a) Organizations described in sections 501(c) and 501(j) of the Internal Revenue Code, unless the
 22 exemption is denied under section 501(h), (i) or (m) or under section 502, 503 or 505 of the Internal
 23 Revenue Code.

24 (b) Organizations described in section 501(d) of the Internal Revenue Code, unless the exemption
 25 is denied under section 502 or 503 of the Internal Revenue Code.

26 (c) Organizations described in section 501(e) of the Internal Revenue Code.

27 (d) Organizations described in section 501(f) of the Internal Revenue Code.

28 (e) Charitable risk pools described in section 501(n) of the Internal Revenue Code.

29 (f) Organizations described in section 521 of the Internal Revenue Code.

30 (g) Qualified state tuition programs described in section 529 of the Internal Revenue Code.

31 (h) Foreign or alien insurance companies, but only with respect to the underwriting profit de-
 32 rived from writing wet marine and transportation insurance subject to tax under ORS 731.824 and
 33 731.828 or if an insurance company is subject to the retaliatory tax under ORS 731.854 and 731.859.

34 (i) Governmental entities.

35 (j) Any person with commercial activity that does not exceed \$750,000 for the tax year, other
 36 than a person that is part of a unitary group as provided in ORS 317A.106 with commercial activity
 37 in excess of \$750,000.

38 (k) Hospitals subject to assessment under ORS 414.855, long term care facilities subject to as-
 39 sessment under ORS 409.801 or any entity subject to assessment under ORS 414.880 or section 3 or
 40 5, chapter 538, Oregon Laws 2017.

41 (L) Manufactured dwelling park nonprofit cooperatives organized under ORS chapter 62.

42 (5) “Financial institution” has the meaning given that term in ORS 314.610, except that “finan-
 43 cial institution” does not include a credit union.

44 (6)(a) “FR Y-9” means the consolidated or parent-only financial statements that a holding com-
 45 pany is required to file with the Federal Reserve Board pursuant to 12 U.S.C. 1844.

1 (b) In the case of a holding company required to file both consolidated and parent-only financial
 2 statements, “FR Y-9” means the consolidated financial statements that the holding company is re-
 3 quired to file.

4 (7) “Governmental entity” means:

5 (a) The United States and any of its unincorporated agencies and instrumentalities.

6 (b) Any incorporated agency or instrumentality of the United States wholly owned by the United
 7 States or by a corporation wholly owned by the United States.

8 (c) The State of Oregon and any of its unincorporated agencies and instrumentalities.

9 (d) Any county, city, district or other political subdivision of the state.

10 (e) A special government body as defined in ORS 174.117.

11 (f) A federally recognized Indian tribe.

12 (8) “Groceries” means food as defined in 7 U.S.C. 2012(k), but does not include cannabinoid
 13 edibles or marijuana seeds.

14 (9)(a) “Hedging transaction” means a hedging transaction as defined in section 1221 of the
 15 Internal Revenue Code or a transaction accorded hedge accounting treatment under Financial Ac-
 16 counting Standards Board Statement No. 133.

17 (b) “Hedging transaction” does not include a transaction in which an actual transfer of title of
 18 real or tangible property to another entity occurs.

19 (10) “Insurer” has the meaning given that term in ORS 317.010.

20 (11) “Internal Revenue Code,” except where the Legislative Assembly has provided otherwise,
 21 refers to the laws of the United States or to the Internal Revenue Code as they are amended and
 22 in effect on December 31, 2023.

23 (12) “Labor costs” means total compensation of all employees, not to include compensation paid
 24 to any single employee in excess of \$500,000.

25 (13)(a) “Motor vehicle fuel or any other product used for the propulsion of motor vehicles”
 26 means:

27 (A) Motor vehicle fuel as defined in ORS 319.010; and

28 (B) Fuel the use of which in a motor vehicle is subject to taxation under ORS 319.530.

29 (b) “Motor vehicle fuel or any other product used for the propulsion of motor vehicles” does not
 30 mean:

31 (A) Electricity; or

32 (B) Electric batteries or any other mechanical or physical component or accessory of a motor
 33 vehicle.

34 (14) “Person” includes individuals, combinations of individuals of any form, receivers, assignees,
 35 trustees in bankruptcy, firms, companies, joint-stock companies, business trusts, estates, partner-
 36 ships, limited liability partnerships, limited liability companies, associations, joint ventures, clubs,
 37 societies, entities organized as for-profit corporations under ORS chapter 60, C corporations, S cor-
 38 porations, qualified subchapter S subsidiaries, qualified subchapter S trusts, trusts, entities that are
 39 disregarded for federal income tax purposes and any other entities.

40 (15) “Retailer” means a person doing business by selling tangible personal property to a pur-
 41 chaser for a purpose other than:

42 (a) Resale by the purchaser of the property as tangible personal property in the regular course
 43 of business;

44 (b) Incorporation by the purchaser of the property in the course of regular business as an in-
 45 gredient or component of real or personal property; or

1 (c) Consumption by the purchaser of the property in the production for sale of a new article of
2 tangible personal property.

3 (16) "Taxable commercial activity" means commercial activity sourced to this state under ORS
4 317A.128, less any subtraction pursuant to ORS 317A.119.

5 (17)(a) "Taxpayer" means any person or unitary group required to register, file or pay tax under
6 ORS 317A.100 to 317A.158.

7 (b) "Taxpayer" does not include excluded persons, except to the extent that a tax-exempt entity
8 has unrelated business income as described in the Internal Revenue Code.

9 (18) "Tax year" means, except as otherwise provided in ORS 317A.103, a taxpayer's annual ac-
10 counting period used for federal income tax purposes under section 441 of the Internal Revenue
11 Code.

12 (19)(a) "Unitary business" means a business enterprise in which there exists directly or indi-
13 rectly between the members or parts of the enterprise a sharing or exchange of value as demon-
14 strated by:

15 (A) Centralized management or a common executive force;

16 (B) Centralized administrative services or functions resulting in economies of scale; or

17 (C) Flow of goods, capital resources or services demonstrating functional integration.

18 (b) "Unitary business" may include a business enterprise the activities of which:

19 (A) Are in the same general line of business, such as manufacturing, wholesaling or retailing;

20 or

21 (B) Constitute steps in a vertically integrated process, such as the steps involved in the pro-
22 duction of natural resources, which might include exploration, mining, refining and marketing.

23 (20) "Unitary group" means a group of persons with more than 50 percent common ownership,
24 either direct or indirect, that is engaged in business activities that constitute a unitary business.

25 (21) "Wholesaler" means a person primarily doing business by merchant distribution of tangible
26 personal property to retailers or to other wholesalers.

27
28 **REPEALS**

29
30 **SECTION 7. Section 16, chapter 290, Oregon Laws 1987, as amended by section 4, chapter**
31 **622, Oregon Laws 1991, section 1, chapter 481, Oregon Laws 1997, section 1, chapter 408,**
32 **Oregon Laws 2001, section 1, chapter 544, Oregon Laws 2009, section 4, chapter 434, Oregon**
33 **Laws 2017, and section 2, chapter 66, Oregon Laws 2021, is repealed.**

34 **SECTION 8. ORS 759.688 is repealed.**

35
36 **EXPENDITURES LIMIT**

37
38 **SECTION 9. Notwithstanding any other law limiting expenditures, the amount of**
39 **\$25,877,295 is established for the biennium beginning July 1, 2025, as the maximum limit for**
40 **payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts,**
41 **but excluding lottery funds and federal funds, collected or received by the Public Utility**
42 **Commission of Oregon for the Residential Service Protection Fund.**

43
44 **CAPTIONS**

SECTION 10. The unit captions used in this 2025 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2025 Act.

OPERATIVE DATE

SECTION 11. (1) The amendments to ORS 291.055, 317A.100 and 403.205 and sections 4 and 6, chapter 290, Oregon Laws 1987, by sections 1, 2 and 4 to 6 of this 2025 Act and the repeal of section 16, chapter 290, Oregon Laws 1987, by section 7 of this 2025 Act become operative on the date the Public Utility Commission adopts rules necessary to carry out the duties, functions and powers conferred on the commission by the amendments to ORS 291.055, 317A.100 and 403.205 and sections 4 and 6, chapter 290, Oregon Laws 1987, by sections 1, 2 and 4 to 6 of this 2025 Act and the repeal of section 16, chapter 290, Oregon Laws 1987, by section 7 of this 2025 Act.

(2) The commission must adopt rules necessary to carry out the duties, functions and powers conferred on the commission by the amendments to ORS 291.055, 317A.100 and 403.205 and sections 4 and 6, chapter 290, Oregon Laws 1987, by sections 1, 2 and 4 to 6 of this 2025 Act and the repeal of section 16, chapter 290, Oregon Laws 1987, by section 7 of this 2025 Act, no later than March 1, 2026.

(3) The commission shall notify the interim committees of the Legislative Assembly related to energy and the Legislative Counsel upon the commission adopting rules necessary to carry out the duties, functions and powers conferred on the commission by the amendments to ORS 291.055, 317A.100 and 403.205 and sections 4 and 6, chapter 290, Oregon Laws 1987, by sections 1, 2 and 4 to 6 of this 2025 Act and the repeal of section 16, chapter 290, Oregon Laws 1987, by section 7 of this 2025 Act.

EFFECTIVE DATE

SECTION 12. This 2025 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect on its passage.