

A-Engrossed
House Bill 2737

Ordered by the House May 11
Including House Amendments dated May 11

Sponsored by Representatives BARNHART, FARR, Senator WALKER

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.

Creates Oregon Military Family Relief Program in Oregon Military Department.

Directs Department of Revenue to establish charitable checkoff on personal income tax return forms or instructions for checkoff contributions to Oregon Military Family Relief Program. Establishes Oregon Military Family Relief Program Checkoff Contribution Account for checkoff contributions.

Continuously appropriates checkoff contributions to Oregon Military Department for Oregon Military Family Relief Program.

Modifies provisions relating to how eligible entities may qualify for charitable contribution checkoff listing on tax return forms. Modifies provisions relating to listing of entities and designation of amounts contributed.

Applies to biennial years beginning on or after effective date of Act.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to Oregon Military Family Relief Program; creating new provisions; amending ORS 305.727,
3 305.745, 305.749 and 305.753; appropriating money; and prescribing an effective date.

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

5 **SECTION 1. (1) The Oregon Military Family Relief Program is created in the Oregon**
6 **Military Department. The purpose of the program is to provide grants or loans to:**

7 (a) **A member of the Oregon National Guard;**

8 (b) **A member of the reserves of the Armed Forces of the United States who is a resident**
9 **of Oregon; or**

10 (c) **The spouse or dependent of a person described in paragraph (a) or (b) of this sub-**
11 **section.**

12 (2) **The department may provide grants or loans under the program established in this**
13 **section for necessities of daily life, for services for transition to civilian life or for other**
14 **purposes determined by regulation of the department.**

15 (3) **The department shall adopt regulations implementing subsections (1) and (2) of this**
16 **section, including but not limited to establishing procedures for applying for a grant or a loan**
17 **and criteria for determining eligibility to receive a grant or a loan.**

18 (4) **As used in this section, "dependent" means a person who is:**

19 (a) **A natural child, adopted child or stepchild of a person described in subsection (1)(a)**
20 **or (b) of this section and the child is:**

21 (A) **18 years of age or younger;**

22 (B) **19 through 22 years of age and enrolled as a full-time undergraduate student; or**

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 (C) 19 years of age or older and incapable of self-support due to a physical or mental
2 disability; or

3 (b) Recognized in regulations of the Oregon Military Department as a dependent of a
4 person described in subsection (1)(a) or (b) of this section.

5 **SECTION 2.** (1) Personal income taxpayers who file an Oregon income tax return and
6 who will receive a tax refund from the Department of Revenue may designate that a contri-
7 bution of all or a portion of the refund be made to the Oregon Military Family Relief Pro-
8 gram by marking the appropriate box printed on the return pursuant to subsection (2) of this
9 section.

10 (2)(a) Subject to paragraph (b) of this subsection, the Department of Revenue shall print
11 on the face of the Oregon personal income tax return form a space for a taxpayer to desig-
12 nate that a contribution be made to the Oregon Military Family Relief Program from the
13 taxpayer's income tax refund. The space for designating the contribution shall provide for
14 checkoff boxes as indicated under ORS 305.749.

15 (b) If space limitations make the listing of the Oregon Military Family Relief Program
16 on the return form impracticable without the removal of a checkoff listing described in ORS
17 316.490, 316.493 and 496.380, the Oregon Military Family Relief Program may be given an in-
18 struction listing as described in ORS 305.727. ORS 305.727 (3) does not apply to the Oregon
19 Military Family Relief Program.

20 **SECTION 3.** (1) The Oregon Military Family Relief Program Checkoff Contribution Ac-
21 count is established in the State Treasury, separate and distinct from the General Fund.

22 (2) Moneys contributed to the Oregon Military Family Relief Program through the char-
23 itable checkoff described in section 2 of this 2005 Act shall be deposited in the Oregon Mili-
24 tary Family Relief Program Checkoff Contribution Account.

25 (3) Moneys in the Oregon Military Family Relief Program Checkoff Contribution Account
26 are continuously appropriated to the Oregon Military Department for the purpose of funding
27 the Oregon Military Family Relief Program.

28 **SECTION 4.** ORS 305.753 is amended to read:

29 305.753. (1) The State Treasurer may solicit and accept from private and public sources and
30 cause to be credited and paid to any entity gifts, grants and other donations, in money or otherwise,
31 if the entity is currently listed or entitled to be listed on the Oregon tax return for checkoff.

32 (2) In accordance with ORS chapter 183, the Department of Revenue may adopt rules to carry
33 out the purposes of ORS 305.690 to 305.753.

34 (3) Except ORS 305.749, ORS 305.690 to 305.753 do not apply to the Nongame Wildlife Fund es-
35 tablished under ORS 496.385, the Alzheimer's Disease Research Fund established under section 3,
36 chapter 902, Oregon Laws 1987, the subaccount created pursuant to section 36 (2), chapter 1084,
37 Oregon Laws 1999, or its successor, **the Oregon Military Family Relief Program Checkoff Con-
38 tribution Account established under section 3 of this 2005 Act** or other checkoff program es-
39 tablished by statute other than ORS 305.690 to 305.753.

40 **SECTION 5.** ORS 305.749 is amended to read:

41 305.749. Except ORS 305.690 to 305.753 and as otherwise specifically provided, the following are
42 applicable to the various checkoff programs established under ORS 496.380 **and section 2 of this
43 2005 Act** and ORS chapter 316:

44 (1) Subject to subsection (4) of this section, the dollar amounts of contributions made by tax-
45 payer checkoff on Oregon tax returns shall be remitted by the Department of Revenue to the State

1 Treasurer who shall deposit them to a suspense account established under ORS 293.445.

2 (2) Of the contributions so deposited, a portion is continuously appropriated for use to reimburse
3 the General Fund for costs incurred in administering the various checkoff programs. No more than
4 10 percent of the moneys generated by each checkoff program per fiscal year ending June 30 may
5 be appropriated under this subsection.

6 (3) The remainder of the contributions shall be credited by the department to each checkoff
7 program in proportion to the total amounts checked off for the tax year, the proportions to be de-
8 termined on the basis of tax returns processed as of the June 30 following the tax year. The amounts
9 so credited to each of the checkoff programs are continuously appropriated to the department for
10 payment to the checkoff designee, or shall be transferred by the department to the checkoff
11 designee, as specified under the law governing the particular checkoff program. The department may
12 adopt rules governing the crediting and payment or transfer of checkoff moneys. In addition to any
13 other provision, if adopted, the rules shall specify the time that the contributions to a program so
14 credited are to be paid or transferred by the department.

15 (4)(a) Space for designating the dollar amount of a contribution made to each checkoff program
16 shall be printed on the Oregon tax return. The space shall provide for checkoff boxes [*for the pro-*
17 *gram in the amounts of \$1, \$5, \$10 or other dollar amount.*] **or as otherwise designed by the de-**
18 **partment.**

19 (b) Overpayments of tax that are insufficient, due to ORS 293.250 or otherwise, to satisfy the
20 total amount of checkoffs designated on a tax return shall be allocated among the designees on a
21 pro rata basis as provided under ORS 305.745 (3).

22 [(5)(a) *If, as of June 30 of the calendar year immediately following the calendar year in which a*
23 *particular tax year begins, the department determines that the total amount checked off for that tax year*
24 *for a checkoff program is \$50,000 or less, the department shall notify a person administering the pro-*
25 *gram or other appropriate person.*]

26 [(b) *If, as determined by the department under paragraph (a) of this subsection, the total amount*
27 *checked off for a particular checkoff program is \$50,000 or less for each year in a period of two con-*
28 *secutive tax years, a checkoff line and appropriate box for that program shall not be provided on the*
29 *Oregon individual tax return for the tax year immediately following the later year of the two-year pe-*
30 *riod nor for any tax year thereafter, except as otherwise provided by law.*]

31 [(c) *As used in this subsection, "total amount checked off" means the total amount checked off by*
32 *taxpayers as reflected by tax returns for the tax year processed as of June 30 before any deduction for*
33 *administrative costs as required under subsection (2) of this section has occurred but after any pro-*
34 *ration under subsection (4) of this section.*]

35 **SECTION 6. (1) Notwithstanding any other provision of law, an entity that is eligible to**
36 **receive contributions by means of a checkoff on the Oregon individual income tax return**
37 **under ORS 305.690 to 305.753 or 496.380 or section 2 of this 2005 Act or ORS chapter 316, or**
38 **that is eligible for listing in the Department of Revenue instructions under ORS 305.727, shall**
39 **be shown as an equivalent option on the face of the income tax form.**

40 (2) **The Oregon Charitable Checkoff Commission shall provide a list annually to the de-**
41 **partment of entities eligible for inclusion on the Oregon income tax form or in the depart-**
42 **ment instructions.**

43 (3) **The department shall maximize the number of eligible entities shown on the income**
44 **tax form, consistent with readability and format. If there is insufficient space on the form**
45 **to show all eligible entities, the department by rule shall establish a system for rotating eli-**

1 **gible entities for inclusion either on the tax form or in the department instructions.**

2 **SECTION 7.** ORS 305.745 is amended to read:

3 305.745. (1) Upon receipt of the list certified by the Oregon Charitable Checkoff Commission
4 under ORS 305.715 (2), the Department of Revenue shall cause the name of each entity so listed to
5 be included on the Oregon individual income tax return forms prepared for the biennial years as
6 certified.

7 (2) Individual taxpayers who file an Oregon income tax return and who will receive a tax refund
8 from the department may designate that a contribution be made to one or more entities listed.
9 Designation shall be made by marking the appropriate box which the department shall cause to be
10 printed on the return form. *[For each entity, the space for designating the contribution shall provide*
11 *for checkoff boxes in the amount of \$1, \$5, \$10 or other dollar amount.]*

12 (3) Overpayments of tax that are insufficient, due to ORS 293.250 or otherwise, to satisfy the
13 total amount of checkoffs designated on a tax return under subsection (2) of this section and under
14 statute other than ORS 305.690 to 305.753 shall be allocated among the entities designated on a pro
15 rata basis.

16 **SECTION 8.** ORS 305.727 is amended to read:

17 305.727. (1) In addition to the opportunity to apply to the Oregon Charitable Checkoff Commis-
18 sion for listing on the Oregon individual tax return forms under ORS 305.725, an entity may apply
19 to the commission for listing in the Department of Revenue instructions and eligibility for tax return
20 checkoff contribution as provided in this section.

21 (2) In order to qualify for instruction listing, the entity must apply to the commission in the
22 manner in which an entity applies for listing on the individual tax forms under ORS 305.725.

23 (3) In order to qualify for instruction listing, the entity must meet the qualifications described
24 in ORS 305.720, collect 10,000 or more signatures from electors of this state attesting that the
25 electors support the entity qualifying for instruction listing and be:

26 (a) The Oregon Veterans' Home;

27 (b) A nonprofit organization described in section 501(c)(3) of the Internal Revenue Code with a
28 gross income of at least \$1 million for the year prior to application; or

29 (c) The central office for a group of affiliated nonprofit organizations with a collective gross
30 income of at least \$1 million in the year prior to the year of application.

31 (4) The commission shall review applications and approve those that meet the qualifications of
32 ORS 305.720 and this section. An entity that is approved by the commission shall thereafter qualify
33 for instruction listing for six years and thereafter must reapply under this section for continued
34 listing in additional six-year periods.

35 (5) The commission shall certify those entities that the commission has approved in the interim
36 since the last preceding certification to the Department of Revenue for listing in the instructions
37 to the forms described in ORS 305.710.

38 (6) The department shall include in the instructions to the forms described in ORS 305.710 a list
39 of entities that have been certified by the commission under this section as of the date the in-
40 structions for the forms must be prepared.

41 (7) The department shall cause a line to be included on the Oregon individual tax return forms
42 following the listing of the entities described in ORS 305.715 (2). The line may be used by a taxpayer
43 to designate an entity that has qualified for instruction listing under this section as the recipient
44 of a checkoff contribution by the taxpayer. *[The space for designation shall also provide for checkoff*
45 *boxes in the amount of \$1, \$5, \$10 or other dollar amounts.]*

1 (8) Amounts contributed by charitable checkoff to an instruction-listed entity shall be subject
2 to and distributed as provided in ORS 305.747.

3 **SECTION 9. Sections 2, 3 and 6 of this 2005 Act and the amendments to ORS 305.727,**
4 **305.745, 305.749 and 305.753 by sections 4, 5, 7 and 8 of this 2005 Act apply to biennial years,**
5 **as defined in ORS 305.690, beginning on or after the effective date of this 2005 Act.**

6 **SECTION 10. This 2005 Act takes effect on the 91st day after the date on which the**
7 **regular session of the Seventy-third Legislative Assembly adjourns sine die.**

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