

House Bill 2601

Sponsored by Representative CLEM (at the request of Dan Goffin)

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**.

Allows formation of agricultural fuel cooperative consisting of not more than 10 agricultural commodity producers and having sole purpose of supplying motor vehicle fuel to members for use in farm vehicles or for farm-related nonhighway use.

A BILL FOR AN ACT

1
2 Relating to agricultural fuel cooperatives.

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

4 **SECTION 1. Section 2 of this 2009 Act is added to and made a part of ORS chapter 62.**

5 **SECTION 2. (1) As used in this section:**

6 (a) "Agricultural fuel cooperative" means a cooperative formed under this chapter that:

7 (A) Has a membership composed solely of agricultural commodity producers; and

8 (B) Has as the declared sole lawful purpose of the cooperative the purchasing of motor
9 vehicle fuel for use in farm vehicles wholly or partially owned by members of the cooperative
10 or for farm-related nonhighway use by members of the cooperative.

11 (b) "Farm vehicles" means vehicles that are registered under ORS 805.300 or authorized
12 under ORS 805.400 to be proportionally registered under ORS 826.009 or 826.011.

13 (2) An agricultural fuel cooperative may not have a membership of more than 10 persons.
14 An agricultural fuel cooperative may sell motor vehicle fuel only to members of the cooper-
15 ative for use in farm vehicles or for farm-related nonhighway use.

16 (3) A wholesale dealer or motor vehicle fuel distributor selling motor vehicle fuel to the
17 agricultural fuel cooperative may deliver the fuel:

18 (a) Directly to the fuel storage tank of a member of the cooperative;

19 (b) To a nonretail facility operated by the cooperative and licensed under ORS 480.350;
20 or

21 (c) To an establishment of the cooperative if the cooperative is a nonretail dealer, as
22 defined in ORS 646.945, of diesel or biodiesel fuels.

23 (4) A wholesale dealer or motor vehicle fuel distributor that sells motor vehicle fuel to
24 an agricultural fuel cooperative may not control the price at which the cooperative makes
25 the fuel available to the members of the cooperative. An agricultural fuel cooperative may
26 not charge members of the cooperative a fuel price that exceeds the costs of obtaining fuel
27 and operating the cooperative.

28 (5) An agricultural fuel cooperative is not a dealer or distributor for purposes of ORS
29 319.010 to 319.430. A delivery of motor vehicle fuel under subsection (3) of this section is a
30 first sale or distribution for the purpose of collecting license taxes under ORS 319.020. An
31 agricultural fuel cooperative shall maintain records identifying the amount of motor vehicle

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 **fuel purchased through the cooperative that is received by each member of the cooperative.**
2 **Any claims under ORS 319.320 for a refund of the license taxes paid by the cooperative on**
3 **motor vehicle fuel received by a member must be submitted by that member. Both the ag-**
4 **ricultural fuel cooperative and the members of the cooperative are subject to examination**
5 **and investigation as described in ORS 319.370.**

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