

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2766**

1 On page 1 of the printed bill, line 2, delete “and 366.739; and” and insert  
2 “, 366.739 and 837.035;”.

3 Delete lines 6 through 30 and delete page 2 and insert:

4 **“SECTION 1.** ORS 319.020 is amended to read:

5 “319.020. (1) Subject to subsections (2) to (4) of this section, in addition  
6 to the taxes otherwise provided for by law, every dealer engaging in the  
7 dealer’s own name, or in the name of others, in the first sale, use or dis-  
8 tribution of motor vehicle fuel or aircraft fuel or withdrawal of motor vehi-  
9 cle fuel or aircraft fuel for sale, use or distribution within areas in this state  
10 within which the state lacks the power to tax the sale, use or distribution  
11 of motor vehicle fuel or aircraft fuel, shall:

12 “(a) Not later than the 25th day of each calendar month, render a state-  
13 ment to the Department of Transportation of all motor vehicle fuel or air-  
14 craft fuel sold, used, distributed or so withdrawn by the dealer in the State  
15 of Oregon as well as all such fuel sold, used or distributed in this state by  
16 a purchaser thereof upon which sale, use or distribution the dealer has as-  
17 sumed liability for the applicable license tax during the preceding calendar  
18 month. The dealer shall render the statement to the department in the man-  
19 ner provided by the department by rule.

20 “(b) Except as provided in ORS 319.270, pay a license tax computed on the  
21 basis of 30 cents per gallon on the first sale, use or distribution of such  
22 motor vehicle fuel or aircraft fuel so sold, used, distributed or withdrawn as

1 shown by such statement in the manner and within the time provided in ORS  
2 319.010 to 319.430.

3 “(2) When aircraft fuel is sold, used or distributed by a dealer, the license  
4 tax shall be computed on the basis of [*nine*] **11** cents per gallon of fuel so  
5 sold, used or distributed, except that when aircraft fuel usable in aircraft  
6 operated by turbine engines (turbo-prop or jet) is sold, used or distributed,  
7 the tax rate shall be [*one cent*] **three cents** per gallon.

8 “(3) In lieu of claiming refund of the tax paid on motor vehicle fuel con-  
9 sumed by such dealer in nonhighway use as provided in ORS 319.280, 319.290  
10 and 319.320, or of any prior erroneous payment of license tax made to the  
11 state by such dealer, the dealer may show such motor vehicle fuel as a credit  
12 or deduction on the monthly statement and payment of tax.

13 “(4) The license tax computed on the basis of the sale, use, distribution  
14 or withdrawal of motor vehicle or aircraft fuel may not be imposed wherever  
15 such tax is prohibited by the Constitution or laws of the United States with  
16 respect to such tax.

17 **“SECTION 2.** ORS 319.330 is amended to read:

18 “319.330. (1) Whenever any statement and invoices are presented to the  
19 Department of Transportation showing that motor vehicle fuel or aircraft  
20 fuel has been purchased and used in operating aircraft engines and upon  
21 which the full tax for motor vehicle fuel has been paid, the department shall  
22 refund the tax paid, but only after deducting from the tax paid [*nine*] **11** cents  
23 for each gallon of such fuel so purchased and used, except that when such  
24 fuel is used in operating aircraft turbine engines (turbo-prop or jet) the de-  
25 duction shall be [*one cent*] **three cents** for each gallon. No deduction pro-  
26 vided under this subsection shall be made on claims presented by the United  
27 States or on claims presented where a satisfactory showing has been made  
28 to the department that such aircraft fuel has been used solely in aircraft  
29 operations from a point within the State of Oregon directly to a point not  
30 within any state of the United States. The amount so deducted shall be paid

1 on warrant of the Oregon Department of Administrative Services to the State  
2 Treasurer, who shall credit the amount to the State Aviation Account for the  
3 purpose of carrying out the provisions of the state aviation law. Moneys  
4 credited to the account under this section are continuously appropriated to  
5 the Oregon Department of Aviation.

6 “(2) If satisfactory evidence is presented to the Department of Transpor-  
7 tation showing that aircraft fuel upon which the tax has been paid has been  
8 purchased and used solely in aircraft operations from a point within the  
9 State of Oregon directly to a point not within any state of the United States,  
10 the department shall refund the tax paid.

11 **“SECTION 3. Section 4 of this 2013 Act is added to and made a part**  
12 **of ORS chapter 836.**

13 **“SECTION 4. (1) The Oregon Department of Aviation shall distrib-**  
14 **ute in the manner prescribed in this section:**

15 **“(a) Any amount of tax on aircraft fuel usable in aircraft operated**  
16 **by turbine engines that is computed on a basis in excess of one cent**  
17 **per gallon and any amount of tax on all other aircraft fuel that is**  
18 **computed on a basis in excess of nine cents per gallon, under ORS**  
19 **319.020 (2); and**

20 **“(b) Any amount of tax on aircraft fuel usable in aircraft operated**  
21 **by turbine engines in excess of one cent per gallon and any amount**  
22 **of tax on all other aircraft fuel in excess of nine cents per gallon, that**  
23 **is deducted before the refunding of tax under ORS 319.330 (1).**

24 **“(2)(a) Forty percent of the amounts described in subsection (1) of**  
25 **this section shall be used to assist recipients of Federal Aviation Ad-**  
26 **ministration Airport Improvement Program grants with any required**  
27 **local match in excess of five percent.**

28 **“(b) Assistance under this subsection may not be made for the**  
29 **benefit of an airport that holds a Part 139 Airport Operating Certif-**  
30 **icate.**

1       **“(3) Thirty-five percent of the amounts described in subsection (1)**  
2 **of this section shall be used for the purposes of:**

3       **“(a) Deferred maintenance of state-owned airports that are not**  
4 **federally funded; and**

5       **“(b) Ongoing operations of the department.**

6       **“(4) Twenty-two percent of the amounts described in subsection (1)**  
7 **of this section shall be used by the department to make grants under**  
8 **the Financial Aid to Municipalities Grant Program.**

9       **“(5) Three percent of the amounts described in subsection (1) of this**  
10 **section shall be paid over and deposited, and used by the Office of**  
11 **Emergency Management, in the manner prescribed under ORS 837.035.**

12       **“SECTION 5.** ORS 366.739 is amended to read:

13       “366.739. Except as otherwise provided in ORS 366.744 **and section 4 of**  
14 **this 2013 Act**, the taxes collected under ORS 319.020, 319.530, 803.090,  
15 803.420, 818.225, 825.476 and 825.480, minus \$71.2 million per biennium, shall  
16 be allocated 24.38 percent to counties under ORS 366.762 and 15.57 percent  
17 to cities under ORS 366.800.

18       **“SECTION 6.** ORS 837.035 is amended to read:

19       “837.035. **(1)** All moneys received by the Oregon Department of Aviation  
20 for the registration of pilot licenses as prescribed in ORS 837.020 **and pur-**  
21 **suant to section 4 (5) of this 2013 Act** shall be paid by the department to  
22 the State Treasurer, who shall deposit *[it]* **the moneys** in the General Fund  
23 to a special account to be known as the Aviation Search and Rescue Ac-  
24 count.

25       **“(2)** The *[money]* **moneys** in the account established under this section  
26 shall be used by the Office of Emergency Management only for the following  
27 purposes or as otherwise provided by law:

28       “*[(1)] (a) [Such amount as may be necessary shall be used for the]* Payment  
29 of all **necessary** expenses incurred by the Office of Emergency Management  
30 in conducting activities authorized under ORS 404.105 to search for lost

1 planes and lost persons, the rescue of lost persons, pilot survival education  
2 and training and all other expenses directly attributable to the search and  
3 rescue program;

4 “(b) *[and for the]* Payment of **the necessary** expenses of the Oregon De-  
5 partment of Aviation relating to the registration of pilot licenses[.]; **and**

6 “(c) **To provide insurance to compensate any member of a volunteer**  
7 **air search and rescue organization for injuries or loss of life sustained**  
8 **in the scope of performing air search and rescue operations while un-**  
9 **der the direction of the office.**

10 “(3) *[The Oregon Department of Administrative Services,]* After approval  
11 of claims for the expenses *[referred to in this subsection]* **allowable under**  
12 **subsections (2)(a) and (b) of this section, the Oregon Department of**  
13 **Administrative Services** shall draw warrants on the State Treasurer for the  
14 payment *[thereof]* **of the expenses**, payable out of the Aviation Search and  
15 Rescue Account.

16 “[2] (4)(a) *[The Office of Emergency Management may use moneys from*  
17 *the Aviation Search and Rescue Account to provide insurance to compensate*  
18 *any member of a volunteer air search and rescue organization for injuries or*  
19 *loss of life sustained in the scope of performing air search and rescue oper-*  
20 *ations while under the direction of the office. The]* Insurance **authorized**  
21 **under subsection (2)(c) of this section** may be obtained from a public or  
22 private insurer.

23 “(b) The scope, coverage and benefits provided under the insurance  
24 *[shall]* **may not exceed [those] the scope, coverage and benefits** provided  
25 for persons under ORS chapter 656.

26 “(c) If the insurance is provided, the coverage provided by the insurance:

27 “[a] (A) *[Shall]* **Must** include all volunteer members accepted by the  
28 Office of Emergency Management.

29 “[b] (B) Regardless of negligence, is the exclusive remedy of a member  
30 of the Office of Emergency Management air search and rescue organization

1 against the State of Oregon, the office or any other person acting under the  
2 authority or direction of the office for those injuries or losses resulting from  
3 the air search and rescue activities.

4 **“SECTION 7. (1) The amendments to ORS 319.020 by section 1 of this**  
5 **2013 Act apply to aircraft fuel sold, used or distributed on or after the**  
6 **effective date of this 2013 Act.**

7 **“(2) The amendments to ORS 319.330 by section 2 of this 2013 Act**  
8 **apply to fuel purchased and used in operating aircraft engines on or**  
9 **after the effective date of this 2013 Act.**

10 **“SECTION 8. This 2013 Act takes effect on the 91st day after the**  
11 **date on which the 2013 regular session of the Seventy-seventh Legis-**  
12 **lative Assembly adjourns sine die.”.**

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