



Oregon

Kate Brown, Governor

Department of Transportation

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May 20, 2015

The Honorable Senator Richard Devlin, Co-Chair
The Honorable Representative Peter Buckley, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, Oregon 97301-4048

Dear Co-Chairpersons:

The Oregon Department of Transportation (ODOT) requests approval to apply for a \$250,000 grant through the Funding for Fuel Tax Evasion - Intergovernmental Enforcement Effort FY 2015 program administered by the Federal Highway Administration (FHWA). There is no state match required.

This program provides funding to the Internal Revenue Service and the states to carry out intergovernmental fuel excise tax enforcement efforts along with training and research to reduce evasion of payment of motor fuel and other highway use taxes.

For this opportunity, FHWA will have approximately \$4,500,000 in Federal assistance available for award. The minimum funding per project will be \$10,000 and the maximum funding per year per project will be \$250,000.

ODOT's funding request is \$250,000 for the following projects:

- Payment of maintenance and enhancement fees for ODOT's new Fuels Tax System, our on-line tax reporting and fuel tracking system. This new system will allow improved tracking of motor fuel that has been sold in, imported into, or exported from Oregon.
- Sponsorship and leadership of a multi-agency/industry Fuels Tax Advisory Committee. The committee will allow several state agencies to improve communication and cooperation with the fuel industry.
- Continue membership in the Federation of Tax Administrators, Motor Fuel Tax Section. This will allow the Fuels Tax Group to better facilitate coordination with other states regarding fuel movement, and for various training and research opportunities.
- Based on the January 2015 FHWA Motor Fuel Data Collection and Reporting Process Review, ODOT will provide to FHWA written documentation that describes: the sale of motor and diesel fuels on Tribal lands and the collection of associated fuel taxes; an

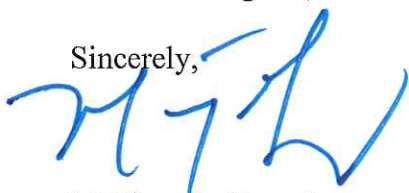
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inventory of fuel stations on Tribal lands which sell motor and diesel fuel for non-motor carrier purposes; and a summary of outreach to Tribes to establish state tax refund agreements for fuel that is used for Tribal governmental purposes and the frequency of that outreach.

If awarded the grant funds will replace the use of State Highway Fund currently paying for operational activities.

The grant was announced on May 14, 2015, and the application deadline is July 17, 2015. If awarded this grant, ODOT will return to request any additional limitation that would be needed.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. L. Garrett', is written over the word 'Sincerely,'.

Matthew L. Garrett
Director