

**PROPOSED AMENDMENTS TO
HOUSE BILL 2075**

1 On page 1 of the printed bill, line 2, delete “, 319.330 and 837.035” and
2 insert “and 319.330”.

3 Delete lines 6 through 30 and delete pages 2 through 4 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14 craft fuel sold, used, distributed or so withdrawn by the dealer in the State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22 motor vehicle fuel or aircraft fuel so sold, used, distributed or withdrawn as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. (1) The amendments to ORS 319.020 by section 1 of this**
12 **2015 Act apply to aircraft fuel sold, used or distributed on or after**
13 **January 1, 2016, and before January 1, 2022.**

14 **“(2) The amendments to ORS 319.330 by section 2 of this 2015 Act**
15 **apply to fuel purchased and used in operating aircraft engines on or**
16 **after January 1, 2016, and before January 1, 2022.**

17 **“SECTION 4.** ORS 319.020, as amended by section 1 of this 2015 Act, is
18 amended to read:

19 “319.020. (1) Subject to subsections (2) to (4) of this section, in addition
20 to the taxes otherwise provided for by law, every dealer engaging in the
21 dealer’s own name, or in the name of others, in the first sale, use or dis-
22 tribution of motor vehicle fuel or aircraft fuel or withdrawal of motor vehi-
23 cle fuel or aircraft fuel for sale, use or distribution within areas in this state
24 within which the state lacks the power to tax the sale, use or distribution
25 of motor vehicle fuel or aircraft fuel, shall:

26 “(a) Not later than the 25th day of each calendar month, render a state-
27 ment to the Department of Transportation of all motor vehicle fuel or air-
28 craft fuel sold, used, distributed or so withdrawn by the dealer in the State
29 of Oregon as well as all such fuel sold, used or distributed in this state by
30 a purchaser thereof upon which sale, use or distribution the dealer has as-

1 sumed liability for the applicable license tax during the preceding calendar
2 month. The dealer shall render the statement to the department in the man-
3 ner provided by the department by rule.

4 “(b) Except as provided in ORS 319.270, pay a license tax computed on the
5 basis of 30 cents per gallon on the first sale, use or distribution of such
6 motor vehicle fuel or aircraft fuel so sold, used, distributed or withdrawn as
7 shown by such statement in the manner and within the time provided in ORS
8 319.010 to 319.430.

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

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

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

23 “**SECTION 5.** ORS 319.330, as amended by section 2 of this 2015 Act, is
24 amended to read:

25 “319.330. (1) Whenever any statement and invoices are presented to the
26 Department of Transportation showing that motor vehicle fuel or aircraft
27 fuel has been purchased and used in operating aircraft engines and upon
28 which the full tax for motor vehicle fuel has been paid, the department shall
29 refund the tax paid, but only after deducting from the tax paid [11] **nine**
30 cents for each gallon of such fuel so purchased and used, except that when

1 such fuel is used in operating aircraft turbine engines (turbo-prop or jet) the
2 deduction shall be [*three cents*] **one cent** for each gallon. No deduction pro-
3 vided under this subsection shall be made on claims presented by the United
4 States or on claims presented where a satisfactory showing has been made
5 to the department that such aircraft fuel has been used solely in aircraft
6 operations from a point within the State of Oregon directly to a point not
7 within any state of the United States. The amount so deducted shall be paid
8 on warrant of the Oregon Department of Administrative Services to the State
9 Treasurer, who shall credit the amount to the State Aviation Account for the
10 purpose of carrying out the provisions of the state aviation law. Moneys
11 credited to the account under this section are continuously appropriated to
12 the Oregon Department of Aviation.

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

18 **“SECTION 6. (1) The amendments to ORS 319.020 by section 4 of this**
19 **2015 Act apply to aircraft fuel sold, used or distributed on or after**
20 **January 1, 2022.**

21 **“(2) The amendments to ORS 319.330 by section 5 of this 2015 Act**
22 **apply to fuel purchased and used in operating aircraft engines on or**
23 **after January 1, 2022.**

24 **“SECTION 7. (1) The following amounts shall be distributed in the**
25 **manner prescribed in this section:**

26 **“(a) Any amount of tax on aircraft fuel usable in aircraft operated**
27 **by turbine engines that is computed on a basis in excess of one cent**
28 **per gallon and any amount of tax on all other aircraft fuel that is**
29 **computed on a basis in excess of nine cents per gallon, under ORS**
30 **319.020 (2); and**

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

5 **“(2) Applications for distributions under this section may not be**
6 **approved unless the applicant demonstrates a commitment to con-**
7 **tribute at least five percent of the costs of the project to which the**
8 **application relates. The Oregon Department of Aviation shall adopt**
9 **rules for purposes of this subsection.**

10 **“(3)(a) The Oregon Transportation Commission shall establish a**
11 **review committee composed of one member from each of the area**
12 **commissions on transportation chartered by the commission.**

13 **“(b) The review committee shall meet as necessary to review appli-**
14 **cations for distributions of amounts pursuant to this section. ORS**
15 **367.084 (3) applies to the review process of the review committee.**

16 **“(c) The review committee shall recommend applications to the**
17 **State Aviation Board, which shall select applications with the follow-**
18 **ing priority:**

19 **“(A) First, to applications filed pursuant to subsection (5)(a)(A) of**
20 **this section;**

21 **“(B) Second, to applications filed with respect to safety and**
22 **infrastructure development; and**

23 **“(C) Third, to applications filed with respect to aviation-related**
24 **economic benefits related to airports.**

25 **“(4)(a) Five percent of the amounts described in subsection (1) of**
26 **this section are appropriated to the Oregon Department of Aviation**
27 **for the costs of the department and the State Aviation Board in ad-**
28 **ministering this section.**

29 **“(b) The remaining 95 percent of the amounts described in sub-**
30 **section (1) of this section shall be distributed pursuant to subsections**

1 (5) to (7) of this section.

2 “(5)(a) Fifty percent of the amounts described in subsection (4)(b)
3 of this section shall be distributed for the following purposes:

4 “(A) To assist airports in Oregon with match requirements for
5 Federal Aviation Administration Airport Improvement Program
6 grants.

7 “(B) To make grants for emergency preparedness and infrastructure
8 projects, in accordance with the Oregon Resilience Plan, including
9 grants for emergency management plan development, seismic studies
10 and emergency generators and similar equipment.

11 “(C) To make grants for:

12 “(i) Services critical or essential to aviation, including, but not
13 limited to, fuel, sewer, water and weather equipment.

14 “(ii) Aviation-related business development, including, but not lim-
15 ited to, hangars, parking for business aircraft and related facilities.

16 “(iii) Airport development for local economic benefit, including, but
17 not limited to, signs and marketing.

18 “(b) Priority in distributing grants shall be given to projects for
19 which applicants demonstrate a commitment to contribute the great-
20 est amounts toward the costs of the projects to which the applications
21 relate.

22 “(6) Twenty-five percent of the amounts described in subsection
23 (4)(b) of this section shall be distributed for the purpose of assisting
24 commercial air service to rural Oregon.

25 “(7) Twenty-five percent of the amounts described in subsection
26 (4)(b) of this section shall be distributed to state-owned airports for the
27 purposes of:

28 “(a) Safety improvements recommended by the State Aviation
29 Board and local community airports.

30 “(b) Infrastructure projects at public use airports.

1 “(8)(a) The State Aviation Board shall submit reports, in the man-
2 ner provided in ORS 192.245 and paragraph (b) of this subsection, that
3 describe in detail the projects for which applications have been sub-
4 mitted and approved, the airports affected, the names of the applicants
5 and the persons who will perform the work proposed in the applica-
6 tions, the progress of projects for which applications have been ap-
7 proved and any other information the board considers necessary for a
8 comprehensive analysis of the implementation of this section.

9 “(b) The reports described in paragraph (a) of this subsection shall
10 be submitted:

11 “(A) Not later than February 10 of each year to the committees of
12 the Legislative Assembly related to air transportation; and

13 “(B) Not later than September 30 of each year to the interim com-
14 mittees of the Legislative Assembly related to air transportation.

15 “SECTION 8. (1) Section 7 of this 2015 Act is repealed on January
16 2, 2022.

17 “(2) Amounts described in section 7 (1) of this 2015 Act that are
18 uncommitted on the date specified in subsection (1) of this section for
19 distributions made pursuant to section 7 (5) to (7) of this 2015 Act may
20 be expended as other aviation fuel tax revenues are expended.

21 “SECTION 9. This 2015 Act takes effect on the 91st day after the
22 date on which the 2015 regular session of the Seventy-eighth Legisla-
23 tive Assembly adjourns sine die.”.

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