

Enrolled

House Bill 3478

Sponsored by Representatives JAVADI, DIEHL, Senators STARR, NASH, WEBER; Representatives NELSON, OSBORNE, Senators BONHAM, MCLANE, SMITH DB

CHAPTER

AN ACT

Relating to dispensing nonretail fuel; creating new provisions; amending ORS 480.341, 480.345, 480.350 and 480.375; repealing ORS 480.355 and 480.360; and prescribing an effective date.

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

SECTION 1. ORS 480.345 is amended to read:

480.345. The owner, operator or employee of a dispensing facility may permit nonretail customers other than the owner, operator or employee to use or manipulate at the dispensing facility a card activated or key activated device for dispensing Class 1 flammable liquids into the fuel tank of a motor vehicle or other container under the following conditions:

(1) The owner or operator shall hold a current nonretail facility license issued by the State Fire Marshal under ORS 480.350;

[(2) *Except as provided in ORS 480.360, a nonretail customer shall purchase at least 900 gallons of Class 1 flammable liquids or diesel fuel from any source during a 12-month period or, if the amount of such liquids or fuel purchased is less than 900 gallons annually, file documentation that:*]

[(a) *The fuel qualifies as a deductible farming expense on the customer's federal income tax return;*]

[(b) *The fuel was purchased by a governmental agency providing fire, ambulance or police services;* or]

[(c) *The fuel was purchased by:*]

[(A) *A people's utility district organized under ORS chapter 261;*]

[(B) *A domestic water supply district organized under ORS chapter 264;*]

[(C) *A mass transit district organized under ORS 267.010 to 267.394;*]

[(D) *A metropolitan service district organized under ORS chapter 268;*]

[(E) *A special road district organized under ORS 371.305 to 371.360;*]

[(F) *A 9-1-1 communications district organized under ORS 403.300 to 403.380;*]

[(G) *A sanitary district organized under ORS 450.005 to 450.245;*]

[(H) *A sanitary authority, water authority or joint water and sanitary authority organized under ORS 450.600 to 450.989;*]

[(I) *A rural fire protection district organized under ORS chapter 478;*]

[(J) *A water improvement district organized under ORS chapter 552;*]

[(K) *A water control district organized under ORS chapter 553; or*]

[(L) *A port organized under ORS chapter 777.*]

[(3) The nonretail customer shall provide a federal employer identification number or equivalent documentation to indicate participation in a business or employment with a government agency or nonprofit or charitable organization;]

[(4) The nonretail customer, other than the owner or operator, dispensing Class 1 flammable liquids shall be employed by a business, government agency or nonprofit or charitable organization and shall dispense Class 1 flammable liquids only into the fuel tank of a motor vehicle or other container owned or used by the business, government agency or nonprofit or charitable organization;]

*[(5)] (2) The nonretail customer, other than the owner, operator or employee, dispensing Class 1 flammable liquids shall [have satisfied] **receive** safety training [requirements] **materials** in compliance with rules of the State Fire Marshal; and*

[(6)] (3) The owner or operator shall enter into a written agreement with nonretail customers permitted under this section to dispense fuel at the nonretail facility. [Except as otherwise provided in ORS 480.355, the agreement shall at a minimum:]

[(a) Certify that the nonretail customer will purchase at least 900 gallons of Class 1 flammable liquids or diesel fuel from any source during a 12-month period or, if the amount of such liquids or fuel purchased is less than 900 gallons annually, file documentation that:]

[(A) The fuel qualifies as a deductible farming expense on the customer's federal income tax return; or]

[(B) The fuel was purchased by a governmental agency providing fire, ambulance or police services;]

[(b) Provide a federal employer identification number or equivalent documentation to indicate participation in a business or employment with a government agency or nonprofit or charitable organization;]

[(c) Certify that the nonretail customer is employed by a business, government agency or nonprofit or charitable organization and that the nonretail customer shall dispense Class 1 flammable liquids only into the fuel tank of a motor vehicle or other container owned or used by the business, government agency or nonprofit or charitable organization;]

[(d) Certify that the nonretail customer has satisfied safety training requirements in compliance with rules of the State Fire Marshal; and]

[(e) Require the nonretail customer to submit a sworn statement, as defined in ORS 162.055, that the information supplied in the agreement is true and correct.]

SECTION 2. ORS 480.350 is amended to read:

480.350. (1) *[Except as provided in ORS 480.355,]* A nonretail facility *[shall]* **may** not operate without a license issued under this section.

(2) The State Fire Marshal shall issue a nonretail facility license to a person if the person submits an application to the State Fire Marshal on a form approved by the State Fire Marshal for each nonretail facility and the application includes:

(a) A statement that the applicant will comply with the requirements of ORS 480.345;

(b) A copy of the form that will be used by the applicant as the agreement required under ORS 480.345 between the applicant and nonretail customers permitted to dispense fuel at the nonretail facility;

(c) A sworn statement, as defined in ORS 162.055, that information supplied in the application is true and correct; and

(d) An application fee of \$300.

(3) The applicant for a nonretail facility license shall bear the burden of proof that the requirements of this section and of any rules of the State Fire Marshal adopted to implement this section are satisfied.

(4) In addition to any license or renewal fees, a licensee shall pay *[an annual]* **a fee of [\$10] \$30 every three years** for each nonretail customer that enters into a written agreement with the owner or operator of the nonretail facility under ORS 480.345.

(5) A license issued under this section shall be valid for a period of *[one year]* **three years** from the date of issuance.

(6) A license may be renewed upon payment to the State Fire Marshal of [*an annual*] a license renewal fee of [\$300] **\$900**.

(7) All fees received by the State Fire Marshal pursuant to this section shall be deposited with the State Treasurer and shall be placed in the State Fire Marshal Fund.

SECTION 3. ORS 480.375 is amended to read:

480.375. (1) The State Fire Marshal shall conduct an annual safety inspection at all nonretail and dual operations facilities dispensing Class 1 flammable liquids to determine if the facility is operating in compliance with the provisions of ORS 480.310 to 480.385 or of any applicable rule adopted by the State Fire Marshal.

(2) **Every three years**, the State Fire Marshal shall conduct [*annual*] audits of at least five percent of all nonretail accounts to determine if nonretail facilities are in compliance with the provisions of ORS 480.310 to 480.385 and any applicable rule adopted by the State Fire Marshal.

(3) The State Fire Marshal shall have the same authority to enter into all buildings and upon all dispensing facilities for the purpose of inspection as is specified in ORS chapter 476 relating to inspection of fire hazards.

(4) Upon receiving a complaint, or upon the State Fire Marshal's own motion, the State Fire Marshal shall investigate whether a violation of any provision of ORS 480.310 to 480.385 or of any applicable rule of the State Fire Marshal has occurred.

CONFORMING AMENDMENTS

SECTION 4. ORS 480.341 is amended to read:

480.341. (1) As used in this section, "rural Oregon" means Baker, Clatsop, Crook, Curry, Gilliam, Grant, Harney, Hood River, Jefferson, Klamath, Lake, Malheur, Morrow, Sherman, Tillamook, Umatilla, Union, Wallowa, Wasco and Wheeler Counties.

(2) Subject to subsection (3) of this section, if a filling station, service station, garage or other dispensary where Class 1 flammable liquids are dispensed at retail is located in rural Oregon, the owner or operator may permit a customer to use or manipulate a device for dispensing liquids into the fuel tank of a motor vehicle or other retail container, regardless of whether an owner, operator or employee of the dispensary is present at the dispensary.

(3) If the site of a dispensary described in subsection (2) of this section includes retail space providing goods or services, other than goods or services for maintaining, repairing or cleaning a motor vehicle, the dispensary shall make an owner, operator or employee available for dispensing Class 1 flammable liquids after 6 a.m. and before 6 p.m.

(4) If a nonretail facility is located in rural Oregon, the owner or operator may, subject to ORS 480.340:

(a) Permit the dispensing of Class 1 flammable liquids at retail;

(b) Permit a person other than an owner, operator, employee or nonretail customer to use or manipulate a device for dispensing liquids into the fuel tank of a motor vehicle or other retail container; and

(c) Permit the use of an installed automated payment or self-service dispensing fuel device for the liquids.

(5)(a) Sales under subsection (2) of this section do not make a filling station, service station, garage or other dispensary where Class 1 flammable liquids are dispensed at retail subject to any provisions of ORS 480.310 to 480.385 regulating nonretail facilities.

(b) Sales under subsection (4) of this section do not require that a nonretail facility possess a license to dispense Class 1 flammable liquids at retail.

[(c) Sales under subsection (4) of this section do not require that a nonretail facility possess a conditional use license issued under ORS 480.355. However, sales under subsection (4) of this section do not prevent a nonretail facility that qualifies under ORS 480.355 from also possessing a conditional use license.]

[(d) Purchasing Class 1 flammable liquids under subsection (4) of this section does not make a retail customer subject to any gallonage requirement set forth in ORS 480.345.]

[(e)] (c) Purchasing Class 1 flammable liquids under subsection (4) of this section does not make a retail customer subject to rules of the State Fire Marshal establishing safety training requirements.

(6) This section does not prohibit, limit or condition any dispensing of Class 1 flammable liquids or diesel fuel otherwise authorized under ORS 480.310 to 480.385.

(7) No later than 90 days prior to commencing sales under subsection (4) of this section, a nonretail facility shall notify the State Fire Marshal that the facility plans to dispense Class 1 flammable liquids at retail under this section.

SECTION 5. ORS 480.355 and 480.360 are repealed.

APPLICABILITY

SECTION 6. The amendments to ORS 480.350 by section 2 of this 2025 Act apply to licenses issued or renewed on or after the effective date of this 2025 Act.

CAPTIONS

SECTION 7. The unit captions used in this 2025 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2025 Act.

EFFECTIVE DATE

SECTION 8. This 2025 Act takes effect on the 91st day after the date on which the 2025 regular session of the Eighty-third Legislative Assembly adjourns sine die.

Passed by House May 6, 2025

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Timothy G. Sekerak, Chief Clerk of House

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Julie Fahey, Speaker of House

Passed by Senate May 15, 2025

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Rob Wagner, President of Senate

Received by Governor:

.....M.,....., 2025

Approved:

.....M.,....., 2025

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Tina Kotek, Governor

Filed in Office of Secretary of State:

.....M.,....., 2025

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Tobias Read, Secretary of State