

# House Bill 3478

Sponsored by Representatives JAVADI, DIEHL, Senators STARR, NASH, WEBER; Representative OSBORNE

## 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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act removes the need to buy a certain amount of fuel by cardlock users. The Act says that cardlock license holders will need to renew every three years instead of every year. (Flesch Readability Score: 69.5).

Eliminates gallonage requirements for eligibility for nonretail cardlock dispensing of motor vehicle fuel.

Increases cardlock facility licensing period from one year to three years.

Takes effect on the 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to dispensing nonretail fuel; creating new provisions; amending ORS 480.341, 480.345,  
3 480.350 and 480.355; repealing ORS 480.360; and prescribing an effective date.

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

5 **SECTION 1.** ORS 480.345 is amended to read:

6 480.345. The owner, operator or employee of a dispensing facility may permit nonretail custom-  
7 ers other than the owner, operator or employee to use or manipulate at the dispensing facility a  
8 card activated or key activated device for dispensing Class 1 flammable liquids into the fuel tank  
9 of a motor vehicle or other container under the following conditions:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5        **[(3)] (2)** The nonretail customer shall provide a federal employer identification number or  
6 equivalent documentation to indicate participation in a business or employment with a government  
7 agency or nonprofit or charitable organization;

8        **[(4)] (3)** The nonretail customer, other than the owner or operator, dispensing Class 1 flammable  
9 liquids shall be employed by a business, government agency or nonprofit or charitable organization  
10 and shall dispense Class 1 flammable liquids only into the fuel tank of a motor vehicle or other  
11 container owned or used by the business, government agency or nonprofit or charitable organization;

12        **[(5)] (4)** The nonretail customer, other than the owner, operator or employee, dispensing Class  
13 1 flammable liquids shall have satisfied safety training requirements in compliance with rules of the  
14 State Fire Marshal; and

15        **[(6)] (5)** The owner or operator shall enter into a written agreement with nonretail customers  
16 permitted under this section to dispense fuel at the nonretail facility. Except as otherwise provided  
17 in ORS 480.355, the agreement shall at a minimum:

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

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

23        *[(B) The fuel was purchased by a governmental agency providing fire, ambulance or police ser-*  
24 *vices;]*

25        **[(b)] (a)** Provide a federal employer identification number or equivalent documentation to indi-  
26 cate participation in a business or employment with a government agency or nonprofit or charitable  
27 organization;

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

32        **[(d)] (c)** Certify that the nonretail customer has satisfied safety training requirements in com-  
33 pliance with rules of the State Fire Marshal; and

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

36        **SECTION 2.** ORS 480.350 is amended to read:

37        480.350. (1) Except as provided in ORS 480.355, a nonretail facility shall not operate without a  
38 license issued under this section.

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

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

43        (b) A copy of the form that will be used by the applicant as the agreement required under ORS  
44 480.345 between the applicant and nonretail customers permitted to dispense fuel at the nonretail  
45 facility;

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

3 (d) An application fee of \$300.

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

7 (4) In addition to any license or renewal fees, a licensee shall pay [*an annual*] a fee of [*\$10*] **\$20**  
 8 **every three years** for each nonretail customer that enters into a written agreement with the owner  
 9 or operator of the nonretail facility under ORS 480.345.

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

12 (6) A license may be renewed upon payment to the State Fire Marshal of [*an annual*] a license  
 13 renewal fee of [*\$300*] **\$500**.

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

16  
 17 **CONFORMING AMENDMENTS**

18  
 19 **SECTION 3.** ORS 480.341 is amended to read:

20 480.341. (1) As used in this section, “rural Oregon” means Baker, Clatsop, Crook, Curry, Gilliam,  
 21 Grant, Harney, Hood River, Jefferson, Klamath, Lake, Malheur, Morrow, Sherman, Tillamook,  
 22 Umatilla, Union, Wallowa, Wasco and Wheeler Counties.

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

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

32 (4) If a nonretail facility is located in rural Oregon, the owner or operator may, subject to ORS  
 33 480.340:

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

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

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

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

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

45 (c) Sales under subsection (4) of this section do not require that a nonretail facility possess a

1 conditional use license issued under ORS 480.355. However, sales under subsection (4) of this section  
 2 do not prevent a nonretail facility that qualifies under ORS 480.355 from also possessing a condi-  
 3 tional use license.

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

6 *[(e)]* (d) Purchasing Class 1 flammable liquids under subsection (4) of this section does not make  
 7 a retail customer subject to rules of the State Fire Marshal establishing safety training require-  
 8 ments.

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

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

14 **SECTION 4.** ORS 480.355 is amended to read:

15 480.355. (1) Notwithstanding ORS 480.345, upon application from the owner or operator of a  
 16 nonretail facility, the State Fire Marshal may issue a conditional use license under which the  
 17 nonretail facility may permit persons who are not qualified as nonretail customers under ORS  
 18 480.345 (2) to (4) to dispense Class 1 flammable liquids at a nonretail facility.

19 (2) In issuing a conditional use license, the State Fire Marshal may waive the nonretail cus-  
 20 tomer requirements of ORS 480.345 *[(2) to (4)]* **(2) and (3)**, but may not waive safety training re-  
 21 quirements contained in ORS 480.345.

22 (3) The State Fire Marshal may issue a conditional use license under this section if the State  
 23 Fire Marshal determines that:

24 (a) There is no facility where Class 1 flammable liquids are dispensed by attendants at retail  
 25 within seven miles of the nonretail facility, and other undue hardship conditions exist, as may be  
 26 determined by the State Fire Marshal by rule; or

27 (b) The nonretail facility exists on property used as a private, nonprofit golf club not open to  
 28 the general public and the private, nonprofit golf club members who are not qualified as nonretail  
 29 customers use the nonretail facility only for the fueling of vehicles that are used exclusively on the  
 30 property of the private, nonprofit golf club and are not designed for highway use.

31 (4) The State Fire Marshal shall consider comments of local residents or local government  
 32 bodies to determine if undue hardship exists.

33 (5) The provisions of ORS 480.345 and 480.350 apply to a license application made under this  
 34 section, except those provisions whose applicability is waived by the State Fire Marshal under this  
 35 section.

36 (6) The applicant for a conditional use license shall bear the burden of proof that the require-  
 37 ments of this section and of any rules of the State Fire Marshal adopted pursuant to this section  
 38 are satisfied.

39 (7) The State Fire Marshal shall investigate any application made under this section and hold  
 40 at least one public hearing to determine if the conditional use license should be issued. The State  
 41 Fire Marshal may waive the requirement for a hearing if the application for a conditional use li-  
 42 cense is made by a private, nonprofit golf club.

43 (8) Any person who makes application as provided for in this section, and whose application is  
 44 denied, shall be entitled to a hearing upon request. The hearing shall be conducted as a contested  
 45 case hearing pursuant to the applicable provisions of ORS 183.413 to 183.470.

1 (9) Judicial review of an order made after a hearing under subsection (7) of this section shall  
2 be as provided in ORS 183.480 to 183.497 for judicial review of contested cases.

3 **SECTION 5. ORS 480.360 is repealed.**

4  
5 **APPLICABILITY**

6  
7 **SECTION 6. The amendments to ORS 480.350 by section 2 of this 2025 Act apply to li-**  
8 **censes issued or renewed on or after the effective date of this 2025 Act.**

9  
10 **CAPTIONS**

11  
12 **SECTION 7. The unit captions used in this 2025 Act are provided only for the convenience**  
13 **of the reader and do not become part of the statutory law of this state or express any leg-**  
14 **islative intent in the enactment of this 2025 Act.**

15  
16 **EFFECTIVE DATE**

17  
18 **SECTION 8. This 2025 Act takes effect on the 91st day after the date on which the 2025**  
19 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**