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NOTICE OF PROPOSED RULEMAKING

INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 735

DEPARTMENT OF TRANSPORTATION

DRIVER AND MOTOR VEHICLE SERVICES DIVISION

FILED: 07/31/2026 3:39 PM

ARCHIVES DIVISION SECRETARY OF STATE

FILING CAPTION: Updates to OAR Chapter 735, Division 170 for Motor Vehicle Fuel and Aircraft Fuel Dealers

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 08/21/2026 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

A public rulemaking hearing may be requested in writing by 10 or more people, or by a group with 10 or more members, within 21 days following the publication of the Notice of Proposed Rulemaking in the Oregon Bulletin or 28 days from the date the Notice was sent to people on the agency mailing list, whichever is later. If sufficient hearing requests are received, the notice of the date and time of the rulemaking hearing must be published in the Oregon Bulletin at least 14 days before the hearing.

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NEED FOR THE RULE(S):

ODOT proposes amending OAR 735-170-0085 to implement Oregon Laws 2026, chapter 75 (Senate Bill (SB) 1510, section 8 (2026)), which removes the requirement that an Indian tribe exempt from the motor vehicle fuel license tax expend revenue collected from the Indian tribe's motor vehicle fuel tax in accordance with Article IX, section 3a, of the Oregon Constitution. ODOT proposes additional amendments to OAR 735-170 to reference current form numbers; further equalize licensing and reporting practices for customers; and align rules with current practices.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

Enrolled SB 1510, Section 8: https://olis.oregonlegislature.gov/liz/2026R1/Downloads/MeasureDocument/SB1510

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE:

No impact.

FISCAL AND ECONOMIC IMPACT:

None.

COST OF COMPLIANCE:
(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

None.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

This rulemaking does not impact small businesses and, therefore, small businesses were not involved in the development of these rules.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

This rulemaking implements changes in recently enacted legislation, makes updates to tax reporting, and corrects grammatical inconsistencies; input from an advisory committee was not needed.

RULES PROPOSED:
735-170-0040, 735-170-0050, 735-170-0085, 735-170-0115, 735-170-0120

AMEND: 735-170-0040

RULE SUMMARY: ODOT proposes amendments to OAR Chapter 735, Division 170 to reference current form numbers; further equalize licensing and reporting practices for customers; and align rules with current practices.

CHANGES TO RULE:

735-170-0040
Tax Report Filing Dates~~.~~
(1) A licensed dealer or registered fuel handler must complete a monthly tax report with full payment of taxes which must be received by the Department not later than the 25th of the succeeding calendar month.¶
(a) "Received" is the date the report is physically received by the Department or its designated agent, or the date that the report has been electronically filed with full payment initiated for any taxes resulting from the report.¶
(b) When the due date falls on a Saturday, a Sunday, or any recognized state or federal holiday, the report and payment must be received by the Department or its designated agent on or before the next business day.¶
(2) A monthly tax report must be filed by a licensed dealer or registered fuel handler, even when there is no tax due.¶
(3) Tax reports and payments not received by the Department in a timely fashion will be considered late and subject to interest and penalty as described in ORS 319.180. Any tax report and payment not received by the due date of the subsequent report constitutes a "failure to report" and is subject to an additional 10% penalty as described in ORS 319.200.¶
(~~3~~4) If the report and payment are not received on or before the 25th day of the month a penalty will be assessed pursuant to ORS 319.180 or, if the Department determines that no tax is due, a penalty of $25 will be assessed.
Statutory/Other Authority: ORS~~ 184.616,~~ 184.619, 319.010 - 319.4~~3~~20, 319.990
Statutes/Other Implemented: ORS 319.020, 319.180, 319.190, 319.200

AMEND: 735-170-0050

RULE SUMMARY: ODOT proposes amendments to OAR Chapter 735, Division 170 to reference current form numbers; further equalize licensing and reporting practices for customers; and align rules with current practices.

CHANGES TO RULE:

735-170-0050
Transactions Which May Be Classed as Export Sales~~-~~
Transactions that may be classified as export sales consist of:¶
(1) Motor vehicle fuel and aircraft fuel delivered by an Oregon licensed dealer to a destination outside the ~~s~~State of Oregon where the recipient is licensed in the destination state, country or territory and takes legal title of the fuel is considered an export sale.¶
(2) Motor vehicle ~~and~~fuel or aircraft fuel leaving Oregon in the fuel tank of a motor vehicle or aircraft used only for the propulsion of the vehicle or aircraft is not an export, except as provided in ORS 319.330.¶
(3) The export certificate as described in ORS 319.240 is waived.
Statutory/Other Authority: ORS~~ 184.616,~~ 184.619, 319.010 - 319.4~~3~~20, 319.990
Statutes/Other Implemented: ORS 319.240

AMEND: 735-170-0085

RULE SUMMARY: ODOT proposes amending OAR 735-170-0085 to implement Oregon Laws 2026, chapter 75 (Senate Bill (SB) 1510, section 8 (2026)), which removes the requirement that an Indian tribe exempt from the motor vehicle fuel license tax expend revenue collected from the Indian tribe's motor vehicle fuel tax in accordance with Article IX, section 3a, of the Oregon Constitution.

CHANGES TO RULE:

735-170-0085
Annual Tribal Certification
(1) For an Indian tribe, ~~T~~tribal entity, or ~~T~~tribal member entity to be eligible to purchase motor vehicle fuel exempt from the license tax imposed under ORS 319.020 (1) (b), the Indian tribe, prior to January 1 of each calendar year, must submit the following to the ODOT Fuels Tax Group:¶
(a) A letter, on tribal letterhead, signed by an authorized member stating~~: ¶~~
~~(A) T~~ that the tribe has enacted a tribal tax on the distribution of motor vehicle fuel at the same rate as the license tax imposed under ORS 319.020 (1) (b)~~, and;¶~~
~~(B) The tribe uses the revenue generated by the tribal tax in accordance with Article IX, section 3a, of the Oregon Constitution. ~~.¶
(b) A copy of the tribal tax ordinance~~;~~.¶
(c) A list of service stations operated on the Indian tribe's reservation or trust land. The list must include:¶
(A) The name of the qualified service station operator (Indian tribe, tribal entity, tribal member entity);¶
(B) Physical address of the service station; and¶
(C) Types of fuel sold.¶
(2) The letter and required attachments may be submitted by regular mail and sent to:¶
Oregon Department of Transportation¶
Fuels Tax Group MS 21¶
355 Capitol St NE¶
Salem, OR 97301¶
Or by e-mail to ODOTFuelsTax@odot.~~state.or.us~~ oregon.gov¶
(3) The ODOT Fuels Tax Group will post and maintain a list of certified Indian tribes, tribal entities, and ~~T~~tribal member entities eligible to purchase tax~~-~~-exempt ~~M~~motor ~~V~~vehicle ~~F~~fuel on their website, https://fuelstax.oregon.gov.
Statutory/Other Authority: ORS 184.619, 319.010 - 319.~~88~~420, 319.990
Statutes/Other Implemented: ORS 319.010 - 319.4~~3~~20, 202~~1~~6 OL chapter ~~630~~75

AMEND: 735-170-0115

RULE SUMMARY: ODOT proposes amendments to OAR Chapter 735, Division 170 to reference current form numbers; further equalize licensing and reporting practices for customers; and align rules with current practices.

CHANGES TO RULE:

735-170-0115
Change in Ownership or Cancellation of License~~.~~
(1) A licensed dealer must notify the Department in writing of a change in ownership or cancellation of a license as described in ORS 319.125 before the next report is due. Performing the acts of a dealer without being properly licensed may subject the unlicensed dealer to penalties as described in ORS 319.090.¶
(2) An agent may sign on an individual's behalf when a valid power of attorney or guardianship is in effect.¶
(3) The Department may cancel a dealer's license if the Department determines that the dealer has not performed any of the acts of a dealer in the State of Oregon described in ORS 319.010(6) within the past 12 calendar months.¶
(a) The Department will notify the dealer of the license cancellation 30 days prior to it taking effect.¶
(b) The Department will mail notification of the license cancellation to the most recent postal address provided by the dealer.
Statutory/Other Authority: ORS~~ 184.616,~~ 184.619, 319.010 - 319.4~~3~~20, 319.990
Statutes/Other Implemented: ORS 319.110, 319.125

AMEND: 735-170-0120

RULE SUMMARY: ODOT proposes amendments to OAR Chapter 735, Division 170 to reference current form numbers; further equalize licensing and reporting practices for customers; and align rules with current practices.

CHANGES TO RULE:

735-170-0120

Notice of Suspension~~/~~, Revocation, or Reinstatement - Method of Delivery~~-~~

(1) Each licensed dealer must provide the Department~~, by mail,~~ with current contact information for the purpose of notification of license suspension, revocation, or reinstatement.¶

(2) The contact information as described in section (1) of this rule must be a~~ postal address and a telephone contact. A~~n e-mail address~~ is optional~~.¶

(3) Not later than the first business day following suspension~~ or~~, revocation, o~~f an Oregon M~~r reinstatement of a motor ~~V~~vehicle ~~F~~fuel dealer license, the Department will serve official notice to other licensed dealers ~~as follows:¶~~

~~(a) The Department will telephone fuel suppliers listed on the most recent tax report of the suspended or revoked dealer.¶~~

~~(b) The Department will notify all licensed dealers of the suspension or revocation at the postal address, and e-mail address if available, as~~of the suspension, revocation, or reinstatement by e-mail, using the contact information provided by each dealer.¶

(4) Each licensed dealer ~~will~~must notify the Department of any change of ~~address or ~~contact information for the purpose of maintaining accurate contact information to serv~~ing~~e notice~~s~~ of suspension~~ or~~, revocation~~. The~~, or reinstatement to other licensed dealers. The contact information most recently received by the Department from each licensed dealer will be the information that the Department will use to serve notice of suspension, revocation, or reinstatement to other licensed dealers and fulfill~~s~~ the Department's notice requirements as required by law.

Statutory/Other Authority: ORS~~ 184.616,~~ 184.619, 319.010 - 319.4~~3~~20, 319.990

Statutes/Other Implemented: ORS 319.096, 319.100, 319.102