

2007 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 222

STATUS: -A Engrossed

SUBJECT: Allows Department of Transportation to synchronize motor carrier statutes with new federal requirements of the re-authorized federal surface transportation programs and declares emergency.

GOVERNMENT UNIT AFFECTED: Oregon Department of Transportation

PREPARED BY: Tim Walker

REVIEWED BY: Susan Jordan

DATE: February 6, 2007

EXPENDITURES:	<u>2007-2009</u>	<u>2009-2011</u>
Other Fund:		
Personal Services	\$ 50,000	
Supplies and Services:		
Computer Programming	\$ 350,000	
Credit Card Transaction Fees	\$ 120,000	\$ 120,000
Motor Carrier Safety Enforcement	\$ 480,000	\$ 880,000
Total Other Funds	\$ <u>1,000,000</u>	\$ <u>1,000,000</u>

REVENUES:	<u>2007-2009</u>	<u>2009-2011</u>
Other Funds:		
Gross Unified Carrier Registration Agreement (UCRA) Fees	\$ 6,000,000	\$ 6,000,000
Portion of Fees Remitted to UCRA Depository	\$ <u>(5,000,000)</u>	\$ <u>(5,000,000)</u>
Net Oregon UCRA Revenue	\$ 1,000,000	\$ 1,000,000

POSITIONS / FTE:

0/0

0/0

EFFECTIVE DATE: On passage

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: The federal legislation that re-authorized federal surface transportation programs (SAFETEA-LU). This legislation prohibits states from:

- Registering interstate for-hire or private motor carriers
- Requiring motor carriers to file proof of financial responsibility (liability insurance)
- Requiring motor carriers to display credential related to identification of vehicles, except those credentials associated with the International Registration Plan, the International Fuel Tax Agreement and other federally-approved forms of identification.

The Unified Carrier Registration Agreement (UCRA) will be used to register all interstate operators required to file with U.S. Department of Transportation (USDOT) including, private, for-hire, exempt carriers, brokers, freight forwarders, and leasing companies. Under UCRA, interstate carriers can pay their annual fees directly to UCRA or to their base state. The fees are established by the UCRA Board of Directors and approved by USDOT and may be adjusted annually. Under SAFETEA-LU, states that did not participate in the Single State Registration System (SSRS) may receive up to \$500,000 per year in fees from UCRA. The states that did participate in SSRS are guaranteed to receive at least as much fee revenue under UCRA as they did under SSRS. Oregon did not participate in SSRS and therefore can anticipate \$500,000 per year or \$1.0 million per biennium in fee revenue. These fees can be used for motor carrier safety programs, enforcement or to cover costs associated with the administration of UCRA.

Oregon Department of Transportation anticipates collecting \$6.0 million per biennium in UCRA fees. This estimate is based on the average annual fees collected by the 36 states participating in SSRS. ODOT will realize some efficiency by not having to track and collect data on insurance liability for all interstate carriers operating in Oregon. The Motor Carrier Transportation Division (MCTD) anticipates the majority of fees will be paid online by credit card and will cost approximately \$120,000 per biennium in merchant fees charged by the banks. In addition, \$350,000 in computer programming costs, ODOT estimates, will be incurred to modify MCTD computer systems to access and interact with the UCRA database. \$50,000 in personal services costs will be incurred to amend administrative rules and revise business rules and processes.

It is important to note that ODOT analyzes all legislation that passes and develops a work plan to complete all the changes together in order to efficiently complete the necessary work. Therefore, while each bill is analyzed for changes as if it were the only change necessary, actual programming time could be reduced due to efficiencies. The Department will develop a work plan to address all computer changes required to conform Motor Carrier systems to enacted legislation. The Department will then appear before the Emergency Board, if necessary, during the interim to request an expenditure limitation increase needed to address the required work.