

**74th OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 2269-B

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Shields
Carrier – Senate: Sen. Metsger**

Action: Do Pass the A-Engrossed Measure as Amended and Be Printed B-Engrossed

Vote: 16 – 4 – 2

House – Yeas: D. Edwards, Galizio, Nathanson, Nolan, Shields

– Nays: Garrard, Hanna, Jenson, Morgan

– Exc:

Senate – Yeas: Bates, Brown, Courtney, Devlin, Johnson, Morse, Nelson, Schrader, Verger, Westlund, Whitsett

– Nays:

– Exc: Gordly, Winters

Prepared By: Jim Carbone, Department of Administrative Services

Reviewed By: Susie Jordan, Legislative Fiscal Office

Meeting Date: 6/22/07

Agency

Department of Transportation

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Biennium

2007-09

Senators: Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson,
Schrader, Verger, Westlund, Whitsett, Winters

Senator Kurt Schrader, Co-Chair

Representatives: D. Edwards, Galizio, Garrard, Hanna, Jenson,
Morgan, Nathanson, Nolan, Shields

Representative Mary Nolan, Co-Chair

Senator Betsy Johnson, Transportation and Economic Development
Subcommittee Chair

Budget Summary

	2005-07		2007-09		Percentage Committee
	Legislatively Approved Budget (1)	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	Change from Governor's Budget
Other Funds	0	0	75,000,000	+75,000,000	+100.0%
Other Funds Debt Service	0	0	10,200,000	+10,200,000	+100.0%
Total	\$ 0	\$ 0	\$ 85,200,000	\$ +85,200,000	+100.0%

Summary of Revenue Changes

Revenues for projects will come from Highway User Tax Bond proceeds. The revenue to pay debt service on the Highway User Tax Bonds will come from the vehicle registration plate fee.

Summary of Subcommittee Action

Plate fees are paid when a person obtains new plates, e.g. when registering a new or used vehicle for the first time, when replacing lost or damaged plates, or when ordering a different type of plate. Plate fees are separate from registration fees and are not paid at renewal. The Department of Transportation is authorized to establish vehicle plate fees by rule, but statute caps the fee at \$3 for a single plate or \$5 for a set of plates. Cities and counties currently receive a portion of this fee. House Bill 2269 sets the fee at the actual cost of manufacturing the plates, rounding up to the next highest half-dollar, and then adds \$1 for a single plate or \$2 for each pair of plates. The measure specifies that the department may retain revenue to cover manufacturing costs and that the remainder including the \$1 surcharge be allocated 60% to counties and 40% to cities (as in Ors 366.747). Individual city allocations are based on population and county allocations on number of vehicle registrations.

House Bill 2269 adds a separate \$10 surcharge per plate (\$20 per pair) at the time of plate issuance or replacement. The revenue from this surcharge will be available to repay Highway User Tax Bonds up to \$200 million for highway projects selected by the Commission. The measure specifies that a minimum of 10% be allocated by the Commission to each of five transportation regions in the state and that at least 10% be allocated to purchase right-of-way for projects of statewide significance. The list of such projects specified in the measure was adopted by the Transportation Commission in 2002 and includes the I-5 Columbia River Crossing, the Sunrise Corridor between I-205 and U.S. 26, the Tualatin-Sherwood Bypass (I-5 to Highway 99), I-205 from the Columbia to I-5, I-405 Loop, the Newberg-Dundee Bypass, Highway 20 (Corvallis-Newport) and Highway 62 (Medford).

Proceeds from these bonds will finance projects chosen by the Oregon Transportation Commission. They will include:

- Projects that reduce traffic congestion on state highways.

- Projects located on freight routes designated by the commission.
- Projects that will relieve congestion on freight routes designated by the commission.
- Projects that enhance the economic vitality of the state.

For the 2007-09 biennium, the Subcommittee approved an Other Funds expenditure limitation from these bond proceeds of \$75,000,000. Additional Other Funds expenditure limitation of \$10,200,000 is provided to pay for debt service on the bonds.

Summary of Performance Measure Action

For department performance measures, please see the budget report for House Bill 5047.