

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	5 - 0 - 0
Yeas:	Deckert, George L., Monnes Anderson, Starr, Metsger
Nays:	0
Exc.:	0
Prepared By:	Janet Adkins, Administrator
Meeting Dates:	5/30

WHAT THE MEASURE DOES: Creates license plate issuance surcharge of \$10 per plate and authorizes Highway User Tax Bonds of up to \$200 million with a maturity of not more than 20 years. Specifies proceeds of the bonds be used for projects selected by the Oregon Transportation Commission. Requires at least ten percent of the proceeds be used to secure right of way for projects on a 2002 list of projects of statewide significance. Requires at least ten percent of bond proceeds be spent in each of five regions. Allows the Department of Transportation to set the license plate manufacturing fee by determining the actual cost of manufacturing the plates and rounding up to the next highest half-dollar. Maintains portion of revenue for cities and counties by establishing a \$1 per plate surcharge allocated 60 percent to counties and 40 percent to cities.

ISSUES DISCUSSED:

- Anticipated revenues from surcharge
- Importance of highway projects of statewide significance to relieve congestion and promote economic development
- Inability to proceed with large projects under current revenue situation
- Current charges and anticipated plated manufacturing costs

EFFECT OF COMMITTEE AMENDMENT: Adds surcharge of \$10 per plate and authorizes issuance of Highway User Tax Bonds of not more than \$200 million.

BACKGROUND: Manufacturing Fee: 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-A 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 \$1.00 surcharge be allocated 60 percent to counties and 40 percent to cities (as in ORS 366.747). Individual city allocations are based on population and county allocations on number of vehicle registrations.

Highway User Tax Bonds: House Bill 2269-A 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 any bonds authorized under the measure for highway projects selected by the Transportation Commission. The measure specifies that a minimum of ten percent be allocated by the commission to each of five regions and that at least ten percent 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).

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This summary has not been adopted or officially endorsed by action of the committee.