

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

MEASURE NUMBER: HB 2273 **STATUS:** A Engrossed
SUBJECT: Revises the Oregon Motorist Information Act.
GOVERNMENT UNIT AFFECTED: Oregon Department of Transportation, Oregon Judicial Department, Department of Justice, Employment Department
PREPARED BY: Tim Walker
REVIEWED BY: Susan Jordan
DATE: April 16, 2007

	<u>2007-2009</u>	<u>2009-2011</u>
EXPENDITURES: See Comments		

REVENUES:
See Comments

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: This bill makes substantive changes to the Oregon Motorist Information Act (OMIA), reinstates the permit system, changes the distinction between on-premise and off-premise signs, requires Oregon Department of Transportation (ODOT) to restructure the outdoor advertising sign program, and creates a Sign Task Force. The Oregon Supreme Court ruled that provisions in OMIA unfairly limited free speech and was therefore unconstitutional. This bill attempts to reconcile OMIA with these constitutional concerns. In addition, this bill provides for a contested case hearing process under ORS 183 for instances where a permit is denied or not renewed.

Currently ODOT processes about 120 applications per biennium. The number of signs that will be entitled to a permit is difficult to predict. ODOT anticipates that the permit holders under the current program would be approved and 120 – 165 additional applications in 2007-09 may be processed as a result of this legislation. Of these new permit applications, ODOT estimates roughly half of these permit applications will be denied for various reasons and of these denials approximately half will seek relief under the contested case hearing process. ODOT also estimates new permit applications will decrease to an additional 120 in 2009-11, with a corresponding decrease in contested case hearings. If this additional work were to materialize ODOT believes it will need a Program Analyst 1 and an Administrative Specialist 1 for 24 months at a cost of \$215,000 to manage the workload. In addition, \$170,000 may be required to pay increased fees for legal advice from the Department of Justice.

It is anticipated that ODOT may have increased legal services costs associated with appeals of denial of a permit(s). There may also be a slight increase in Oregon Judicial Department court workload due to appeals and court sanctions associated with the provisions of this bill and additional contested case

hearings could have an impact on the Office of Administrative Hearings within Oregon Employment Department.

ODOT does not anticipate that the program will generate sufficient funds to be self supporting in 2007-09. This is primarily driven by a lack of data to provide a reasonable estimate with which to set permit fees. ODOT does anticipate having sufficient data to set permit application fees for 2009-11. ODOT anticipates the need for General Fund dollars to offset the costs for 2007-09. The Legislative Fiscal Office believes there is sufficient Other Funds available in the non-highway Transportation Operating Account to pay the start up costs of the program. The agency could establish the permit application fees at a level that would recapture the start up costs to reimburse the Transportation Operating Account for those costs.