

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 961

STATUS: A Engrossed

SUBJECT: Directs the Department of Transportation to establish a “Pacific Wonderland” specialty registration plate program, and provides that the Department may use up to \$150,000 from its operating account to initiate the program. The cost will be reimbursed from the \$10 surcharge authorized in the bill. The bill decreases the civil penalty for uncertified motor vehicle dismantler.

GOVERNMENT UNIT AFFECTED: Department of Transportation and Department of Justice

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REVIEWED BY: Susie Jordan and John Borden

DATE: May 1, 2009

EXPENDITURES:	<u>2009-2011</u>	<u>2011-2013</u>
Personal Services	\$ 22,500	\$
Services and Supplies	\$ 167,673	\$ 5,864
Total Other (Highway) Funds	\$ 190,173	\$ 5,864

REVENUES:	<u>2009-2011</u>	<u>2011-2013</u>
Total Surcharge Revenue – Other Funds	\$ 1,409,800	\$ 1,090,200
Less Implementation Costs – Other Funds	\$ (107,500)	\$
Less Admin Fees (\$0.16 per transaction) – Other Funds	\$ (2,256)	\$ (1,744)
Oregon State Capitol Foundation revenue – Other Funds	\$ 1,300,044	\$ 1,088,456

POSITIONS / FTE:

See Analysis

EFFECTIVE DATE: January 1, 2010

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.

ANALYSIS: SB 961 directs the Department of Transportation (ODOT) to establish a “Pacific Wonderland” specialty registration plate program for passenger vehicles, and provides that ODOT may use up to \$150,000 from its operating account to initiate the program. The cost will be reimbursed from the \$100 surcharge authorized in the bill. The bill also provides that, until 25,000 “Pacific Wonderland” plates have been issued, ODOT “may issue four kinds of special registration plates at any one time.” Revenue from the surcharge, after deduction of implementation costs, is “transferred to the Oregon State Capitol Foundation for the purpose of establishing and maintaining an Oregon History Center at the State Capitol.”

The measure clarifies the certification and renewal processes for motor vehicle dismantlers and allows for civil penalties for violations. The measure decreases the maximum civil penalty for operating as an uncertified motor vehicle dismantler from \$5,000 to \$1,000 and allows the Department to enjoin a person unlawfully acting as a motor vehicle dismantler. These provisions related to motor vehicle dismantlers have a minimal fiscal impact on ODOT and the Department of Justice.

ODOT reports that there are two different methodologies available to manufacture the “Pacific Wonderland” plates. The embossed methodology costs \$5.23 per pair to manufacture, and the digital reproduction methodology (similar to the Crater Lake registration plate) costs \$4.05 to manufacture. The ODOT cost estimates are based on the use of the embossed methodology.

The fiscal impact assumes that 25,000 “Pacific Wonderland” plates will be issued within the first 33 months of the program. ODOT estimates that there will be an initial implementation cost of \$190,173 Other Funds in the 2009-11 biennium, including \$22,500 Other Funds in personal services to answer questions, provide information and perform related clerical workload. This workload will be handled by existing staff. There will also be approximately \$167,673 Other Funds costs primarily related to the manufacture of 25,000 “Pacific Wonderland” plates.

ODOT assumes that \$1,409,800 in surcharge revenue will be collected in the 2009-11 biennium, and that \$107,500 from its operating account will be used to initiate the program. The bill provides that surcharge revenue will be used to reimburse the operating account, but ODOT notes that it cannot determine when that account will be reimbursed with the surcharge revenue. After costs are deducted, \$1,300,044 Other Funds will be transferred to the Oregon State Capitol Foundation for an Oregon History Center at the State Capitol.