

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: SB 442 - A**Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session  
Legislative Fiscal OfficePrepared by: Robin LaMonte  
Reviewed by: Steve Bender, Susie Jordan  
Date: April 14, 2011**Measure Description:**

Directs establishment of wine country license plate program for issuance and renewal of special registration plate.

**Government Unit(s) Affected:**

Oregon Department of Transportation (ODOT), Oregon Tourism Commission

**Summary of Expenditure Impact - Oregon Department of Transportation**

	2011-13 Biennium	2013-15 Biennium
<b>Total Funds</b>	<b>\$67,424</b>	<b>\$15,331</b>

**Oregon Tourism Commission - see comments**

	2011-13 Biennium	2013-15 Biennium
<b>Total Funds</b>	<b>\$76,182</b>	<b>\$210,168</b>

<b>Total Expenditures:</b>	<b>\$143,606</b>	<b>\$225,499</b>
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**Summary of Revenue Impact\***

	2011-13 Biennium	2013-15 Biennium
<b>Total Funds</b>	<b>\$165,215</b>	<b>\$239,301</b>

\* Note: the difference between gross revenue and Wine Country license plate expenditures relates to a portion of the revenue from all license plates that is deposited to the State Highway Fund.

**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 442 directs the Department of Transportation to establish a wine country registration plate and to issue this plate upon the request of a vehicle owner. The vehicle owner will pay a \$30 fee for the wine country plate and \$30 for each registration renewal. After the cost of creating the plate is deducted, ODOT will deposit the net proceeds into an account designated by the Oregon Tourism Commission. The bill also provides that ODOT may issue five kinds of special registration plates until all Pacific Wonderland plates have been issued and then reduces the number of special registration plates to four.

The fiscal impact assumes that 2,553 "Wine Country" plates will be issued in 2011-13 and that 4,770 "Wine Country" plates will be issued in 2013-15. ODOT estimates that there will be an initial Other Funds implementation cost of \$67,424 in the 2011-13 biennium, including \$22,500 in personal services to answer questions, provide information and perform related clerical workload. This workload will be handled by existing staff. There are one-time 2011-13 programming (\$13,750), Attorney General (\$3,000), specialty plate manufacturing (\$24,500), and services and supplies (\$1,734) costs, and

approximately \$1,940 in ongoing costs primarily related to the issuance of the "Wine Country" plates. Ongoing manufacturing costs in 2013-15 will be \$15,331.

ODOT cannot use the Highway Fund to design and produce these plates. Therefore, ODOT needs revenue that equals the total implementation cost of \$67,424 to begin plate design and issuance. The bill provides that the contribution from private entities equivalent to the cost of \$67,424 must be received before ODOT will begin the plate design and manufacturing process.

ODOT assumes that \$165,215 Other Funds revenue will be collected in the 2011-13 biennium, including \$67,424 in private contributions to establish the plate. ODOT estimates that \$239,301 Other Funds revenue will be generated in 2013-15.

The bill directs the Oregon Tourism Commission to distribute net revenues from the sale of wine country plates to regional tourism promotion agencies. The Commission will distribute revenues net of payments for plate production and marketing costs. The Legislative Fiscal Office assumes that the Commission will provide the \$67,424 to ODOT that ODOT will require before initiating plate production. The Commission also expects to spend \$10,000 per biennium for marketing the plates.

After payment of these expenses, one-half of the remaining funds from the wine country registration plate program will be distributed through a matching grant program for wine and culinary tourism promotion, and the remaining half of the funds will be distributed to regional tourism promotion agencies based on the acreage of wine grape production in each region. The bill also requires the Commission to designate a tourism promotion entity for each major wine producing region, and to submit an annual report to the Legislative Assembly on this program. The Commission notes that these requirements are consistent with current programs, and create a minimal fiscal impact on its administrative costs.

The amount of funds that will be available to regional tourism promotion programs is uncertain, and depends on the number of wine country plates purchased. Under the sales projections in this fiscal impact analysis, the program will increase the Commission's payments to tourist promotion agencies by approximately \$200,168 in the 2013-15 biennium. There will be no additional distributions to tourism promotion agencies in the 2011-13 biennium, however, because plate revenues that biennium will only be sufficient to offset production and marketing costs.