

**REVENUE IMPACT OF
PROPOSED LEGISLATION
Seventy-Sixth Oregon Legislative
Assembly, 2011 Regular Session
Legislative Revenue Office**

**Bill Number: SB 442 - A
Revenue Area: Plate Fees
Economist: Mazen Malik
Date: 04/14/2011**

Measure Description:

Directs establishment of "wine country" license plate. The special plate will cost \$30 for the first time it is issued and \$30 for each additional renewal. The special plate program requires ODOT, after deducting their administrative cost of the program, to deposit proceeds from the sale of the wine country plate program into an account designated by Oregon Tourism Commission. Requires the Oregon Tourism Commission to distribute to tourism promotion agencies in amounts defined by criteria.

Revenue Impact:

	2011-2013 BN	2011-2013 BN
Total Other Fund Revenue	\$180,147	\$283,302
Costs paid by contributions (and ongoing costs)	\$68,344	\$16,582
ODOT Revenue (HWY Fund)	\$24,664	\$29,188
Net revenue (Tourism Commission)	\$87,139	\$237,532

Net revenue will be further reduced to cover the costs for promotion and advertisement with the remainder distributed 50-50% to grants for promotion in wine region, and tourism promotion based on acreage of wine production.

Impact Explanation:

The plates are assumed to start in the 2011-13 biennium after DMV gets (\$67,400) in setup and initial costs donated. The first biennium is assumed to sell 3,000 plates and the 2013-15 at 5,000 (original + 2,000 new) plates with all the initial ones renewing. After deducting their cost of production of the plates, including the administrative cost related to marketing and promotion of the plate, the commission is to distribute the funds received through this program. This promotion allowance is seen as the main imputes for the large number of plates sold. The remaining of net revenue is to be distributed one-half as matching grants to tourism promotion agencies to promote wine and culinary tourism. Grants need to show a one-to-one match from sources other than the Oregon Business Development Department or commission programs. The other 50% of the funds are to be distributed to tourism promotion agencies in amounts proportional to the amount of acreage in each region used for wine and grape production. The distribution of revenue comes after the tourism commission deducts its cost of promotion and advertisement, which might consume a large chunk of the expected revenue.

Creates, Extends, or Expands Tax Expenditure: Yes No