
MEMORANDUM

Legislative Fiscal Office
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To: Transportation and Economic Development Subcommittee

From: Linda Gilbert, Legislative Fiscal Office
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Date: May 8, 2013

Subject: House Bill 2263
Work Session Recommendations

House Bill 2263 passed out of the House Committee on Transportation and Economic Development February 15 on a 9-1-0 vote. It was referred to Ways and Means by prior reference. You held a public hearing on the measure April 25. The bill addresses licensing and regulatory fees for vehicle dealers, dismantlers, and appraisers. It also establishes a late fee.

Fees were last raised 12 years ago. Without this measure, fee revenue is projected to fall short of covering costs by 2015. The revenue raised by the proposed fees is calculated to cover program costs through 2020. There are no proposed amendments.

The fiscal impact to DMV is minimal. There is no revenue impact. The Staff Measure Summary is part of today's OLIS meeting materials, under HB 2263.

Measure

The measure is recommended to be moved to the full Committee on Joint Ways and Means.

Motion: Move HB 2263 to the full committee with a “do pass” recommendation.

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass and Be Referred to the Committee on Ways and Means by prior reference

Vote: 9 - 1 - 0

Yeas: Bentz, Davis, Doherty, Gorsek, Lively, McKeown, Nathanson, Parrish, Read

Nays: Cameron

Exc.: 0

Prepared By: Troy Rayburn, Administrator

Meeting Dates: 2/15

WHAT THE MEASURE DOES: Codifies fee for show licenses. Proposes to raise fee for three regulated industries – vehicle dealers, dismantlers, and appraisers – so that the cost of enforcing the regulations is covered by fee revenue. Prescribes timeline for applying, application requirements, types of fees, and penalty for not receiving permit and paying fee. Establishes an additional \$150 late fee for failure to pay fees by date the fee is due.

ISSUES DISCUSSED:

- Fee increase to support existing ODOT activities or work load
- Duration of fees (one to three years)
- ODOT work load
- Industry inspectors and types of inspections and results
- Consumer protection (dismantlers / chop shops)
- Not General Fund issue
- Need for dialog on the cost of labor

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Most licensing and enforcement activities are not eligible under Oregon’s Constitution to receive moneys from the State Highway Fund. The costs for these regulatory activities are paid by the license fees required of the regulated businesses. Fees have not been raised for 12 years and fee revenue is projected to fall short of covering costs by 2015. The revenue raised by the fees proposed is projected to cover program costs through 2020.

The Oregon Dealer Advisory Committee (ODAC) was involved in developing the measure and is in favor of the proposed increases to maintain services to regulated businesses and consumers at the current level. ODAC is a statutorily created stakeholder group made up of representatives of all the regulated industries.