

**HB 2263**

**Department of Transportation**

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House Bill 2263 increases statutory business licensing fees for dealers, dismantlers, and other vehicle-related businesses that are subject to regulation and inspection by the Department of Transportation Driver and Motor Vehicle Division. The increase is intended to produce sufficient fee revenue to cover the work associated with licensing, regulation, and inspections.

Fees have not been increased for 12 years. If fees are not increased, the Department's ending balance could go negative in 2015. With the increases in this bill there should be no need for another fee adjustment before 2020.

The Department worked with the Oregon Dealers Advisory Committee (ODAC) and included the Committee's input in crafting the new fees. ODAC testified in support of the bill.

The Transportation and Economic Development Subcommittee recommends HB 2263 be reported out do pass.

Joint Committee on Ways and Means

Carrier – House: Rep. McKeown  
Carrier – Senate: Sen. Shields

**Revenue:** No revenue impact

**Fiscal:** Minimal fiscal impact, no statement issued

**Action:** Do Pass

**Vote:**

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

**Prepared By:** Linda Gilbert, Legislative Fiscal Office

**Meeting Date:** May 17, 2013

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**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:**

- Timing of the request

**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.