
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: June 24, 2013

Subject: HB 3137 Work Session Recommendations

HB 3137 relates to motor vehicle odometers. The measure is effective January 1, 2014. It permits an individual to submit a voluntary odometer reading for a vehicle over ten years old to the Department of Transportation. Current law does not require an odometer reading for vehicles over ten years old.

The measure, the original staff measure summaries, preliminary Joint Committee on Ways and Means staff measure summary, and fiscal impact statement are available on the Oregon Legislative Information System (OLIS).

The measure previously had a work session in House Transportation and Economic Development on April 17, passed the House 60-0-0 on April 25, had a work session in Senate General Government, Consumer and Small Business Protection on May 24, and is assigned to Ways and Means by prior reference.

The measure has a \$74,526 General Fund fiscal impact. The Department of Transportation, however, requested and was granted permission to apply for a National Highway Traffic Safety Administration odometer fraud grant in the same amount. The grant award, if any, is expected to be announced by August 31, 2013.

If the grant is awarded, ODOT can proceed with implementation of the bill. If the grant is not awarded and the department can find no other funding for the purpose of implementing the bill, they can request funding from the Legislature in February 2014.

Measure

There is no proposed amendment. The measure is recommended to be moved to the full Committee on Joint Ways and Means.

Motion: Move HB 3137 to the full committee with a “do pass” recommendation.

Carrier Full: _____ 2nd Chamber: _____

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3137 - A

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Tim Walker
Reviewed by: Linda Gilbert
Date: 06/21/2013

Measure Description:

Permits person to provide Department of Transportation with odometer reading for vehicle 10 years old or older.

Government Unit(s) Affected:

Oregon Department of Transportation (ODOT)

Summary of Expenditure Impact:

Summary of Expenditure Impact		
	2013-15 Biennium	2015-17 Biennium
General Fund	\$74,526	\$25,795
Lottery Funds		
Other Funds		
Federal Funds		
Total Funds	\$74,526	\$25,795
Positions	2	2
FTE	0.28	0.28

Local Government Mandate:

This bill [may] [does not] affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis: This bill would allow an individual to submit a voluntary odometer reading for a vehicle over ten years old to the Department of Transportation. Current state and federal law does not require an odometer reading for vehicles over ten years old.

The Division of Motor Vehicles (DMV) computer system does not allow for the entry of odometer readings for vehicle over ten years old and would need to make programming changes to the data processing system to allow for this transaction. The Attorney General has determined that the use of Highway Funds for this activity is not allowed. ODOT would need General Fund or to identify a source of other funds that could be used for this work.

Joint Committee on Ways and Means

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

Revenue:

Fiscal:

Action:

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Tim Walker, Legislative Fiscal Office

Meeting Date: [Full Committee Meeting Date]

WHAT THE MEASURE DOES: Permits person to provide Department of Transportation (Department) with odometer reading for vehicle 10 years old or older. Requires upon transfer of any interest in a motor vehicle, an odometer disclosure statement that shall be made by the transferor to the transferee. Requires Department to keep two most recent odometer records in electronic form.

ISSUES DISCUSSED:

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EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The National Highway Traffic Safety Administration estimates consumers will lose billions of dollars to odometer fraud this year. From 2002 to 2005, the Office of Odometer Fraud Investigations had seen a definite escalation in fraud. New car prices, coupled with the increased demand for late-model, low-mileage used cars, has made odometer fraud more profitable than ever. Strong enforcement of the federal and state odometer laws, i.e., prosecutions with stiff sentences, appears to be the most effective deterrent.

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	10 - 0 - 0
Yeas:	Bentz, Cameron, Davis, Doherty, Gorsek, Lively, McKeown, Nathanson, Parrish, Read
Nays:	0
Exc.:	0
Prepared By:	Troy Rayburn, Administrator
Meeting Dates:	3/18, 4/17

WHAT THE MEASURE DOES: Permits person to provide Oregon Department of Transportation with odometer reading for vehicle 10 years old or older. Requires an odometer disclosure statement be made by the transferor to the transferee. Requires Department to keep two most recent odometer records in electronic form.

ISSUES DISCUSSED:

- Large number of odometer roll-backs currently taking place
- Use of Internet to sell vehicles has increased the modes in which vehicles are sold
- Digital odometers easy to change or roll back
- Average age of vehicle before sale is no longer 10 years
- Costs associated with odometer fraud include inflated insurance premiums and increased vehicle costs
- Weight of vehicles that are exempt under Federal law (for example, box trucks)
- State (Oregon Department of Transportation) cannot use Highway Funds to do the work
- Review of fiscal impact of measure
- Access to and use of Federal moneys to assist in administering
- Review of -1 amendments
- Adoption of -1 amendments

EFFECT OF COMMITTEE AMENDMENT: The adopted -1 amendment modifies language regarding version of records required.

BACKGROUND: The National Highway Traffic Safety Administration estimates consumers will lose billions of dollars in value to odometer fraud this year. From 2002 to 2005, the Office of Odometer Fraud Investigations saw a definite escalation in fraud. New car prices, coupled with the increased demand for late-model, low-mileage used cars, has made odometer fraud more profitable than ever. Strong enforcement of the federal and state odometer laws, i.e., prosecutions with stiff sentences, appears to be the most effective deterrent.

REVENUE: No revenue impact
FISCAL: Fiscal statement issued

Action: Do Pass the A-Engrossed Measure and Be Referred to the Committee on Ways and Means by
Prior Reference
Vote: 4 - 0 - 1
Yeas: George, Monnes Anderson, Prozanski, Shields
Nays: 0
Exc.: Baertschiger
Prepared By: Channa Newell, Administrator
Meeting Dates: 5/24

WHAT THE MEASURE DOES: Allows person to provide odometer reading to Department of Transportation for vehicle that is 10 years old or older. Requires Department retain most recent version of reading in electronic form. Allows Department to develop form for such disclosure.

ISSUES DISCUSSED:

- Effects of odometer fraud
- Fraudulent odometer reading on vehicle causes inflated vehicle prices
- Current practice of Department is to keep records only on vehicles less than 10 years old
- Many people voluntarily provide odometer readings on older vehicles

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Currently, upon transfer of an interest in a vehicle, the transferor must provide a disclosure of the odometer reading on the vehicle to the transferee, unless the vehicle falls within a certain exemption. For vehicles that are at least ten years old, no odometer reading is required.

House Bill 3137-A requires the Department of Transportation to retain disclosures of odometer readings that are provided on vehicles ten years old or older.