



# Oregon

Kate Brown, Governor

MEASURE: License Plate Overview  
EXHIBIT: 4  
HOUSE TRANS & ECON DEVEL  
DATE: 3/20/15 PAGES: 5  
SUBMITTED BY: Amy Joyce  
355 CAPITOL ST. NE, 1110 11  
Salem, OR 97301

**DATE:** March 20, 2015  
**TO:** House Committee on Transportation and Economic Development  
**FROM:** Amy Joyce, Legislative Liaison  
**SUBJECT:** License Plate Programs - Overview

## INTRODUCTION

The Department of Transportation, Driver and Motor Vehicle Services Division (DMV) administers two fund-raising plate programs—specialty and group—created by the legislature. A surcharge, beyond the usual registration fee, is levied on these types of plates and that money is distributed to the various funds. There are about 3.2 million passenger vehicles registered in Oregon. On average about 10% have specialty or group plates.

## HISTORY

Since 1987 Oregon's general issuance plate has been the "tree" plate. The 1993 Legislative Assembly created the Oregon Trail plate, which cost \$5 extra per set and sold about 400,000 sets before selling out in 2003. Also in 1993 the legislature created the "group" plate program: fundraising plates that an organization could start administratively with DMV. The 1998 Legislature created the Salmon specialty plate, and in 2001 the legislature approved two specialty plates: Crater Lake and Cultural Trust.

In 2003 legislators introduced nine different bills to create nine different specialty plates. At that point there were also 30 active group plate types. Growing administrative issues for the department included the inability to list additional plates on vehicle registration renewal forms, start-up and on-going costs, production and storage of plates that didn't sell well, and the complexity of fees. In addition law enforcement had expressed concerns about the variety of plates.

In response to this situation, the 2003 Legislature passed SB 508. It limited the number of specialty plates being issued to three at one time, and required the legislature itself to identify the specialty plate to be retired if it chose to create a new one. For the group plate program, the bill added an application fee, which was refundable if it met minimum sales its first year. The bill increased the annual minimum sales and renewals required to remain active. Finally, the bill limited both specialty and group plates to passenger vehicles, ending their availability for motor homes and trailers. Since then the legislature has added two specialty plates—Pacific Wonderland and Wine Country. It has created an umbrella group for Veteran recognition plates to assist each of them in remaining active. Also, three times the legislature has created plates that essentially are hybrids of specialty and group: each has a unique background or decal, but they are subject to the limitations of the group plate program.

## **SPECIALTY and GROUP PLATES**

Oregon's current specialty plates are Salmon, Crater Lake, Cultural Trust, Pacific Wonderland, and Wine Country, each is created in legislation. The plates have a unique background, and customers may order a custom configuration.<sup>1</sup> They are displayed and available in DMV field offices. Start-up costs are about \$89,000. Surcharge specifics, both the amount and whether it is one-time or also due at each renewal, depends on the language of the legislation.

Group plates include Veterans' designations, colleges and universities, and non-profit groups. There is no restriction on how many types may exist at one time. The plate used for higher education and non-profit is the Tree background; for Veterans' plates it is white. Group plates cannot have custom configuration. They are issued from DMV headquarters, not field offices. Start-up costs are about \$46,000 including a statutorily-required \$10,000 application fee. The application fee is refunded if 1000 sets are sold in the first year. 500 sets must be sold or renewed every year or, by law, the plate becomes inactive.

Due to the Oregon Constitution's restriction on use of Highway Funds, all costs to implement a new specialty or group plate must be paid in advance by the proponent, and on-going administration costs are also paid by them over time.

Three plates in existence today were created in statute but are technically group plates: Share the Road, Fallen Public Safety Officer, and Keep Kids Safe. In practice they are a hybrid of group and specialty. They have the benefit of a unique background (or decal, in the case of Fallen Officer), but have the lower up-front cost of a group plate. Like other group plates, they are not available in custom configuration, and are not available in field offices or at auto dealerships.

Today there are 38 available group plates; 27 of those are under the Veterans umbrella. Six are inactive for having failed to meet the sales / renewal minimum. No more of the plates will be ordered but they continue to be sold until the inventory is gone. 15 group plates have been retired after failing to meet minimum sales / renewals and the remaining plate stock has been sold out. Among those is Keep Kids Safe. Created by the legislature just three years ago to fund child abuse prevention, the plate did not sell well enough for its \$10,000 application fee to be refunded after the first year, and did not sell and renew enough to stay active after its second year. All plate stock has been sold.

## **ISSUES TO CONSIDER**

Sales of such plates have remained relatively constant over time at about 10% of passenger vehicles. Sales numbers for existing specialty plates tend to drop off when new specialty plates are added. Predicting sales volume for a particular plate is difficult and likely is impacted by

---

<sup>1</sup> Pacific Wonderland is different among specialty plates. It is limited to 40,000 sets at which point it will be discontinued. It is not available in custom configuration due to legislative intent that the plates have a "retro" look. It is not available at dealerships due to the issuance limit.

March 20, 2015

House Committee on Transportation and Economic Development

Page 3

many factors: specialty or group; fee amount; whether fee is one-time or also due at each renewal; design aesthetics; marketing efforts by the organization; and more. Low sales can result in an organization not recovering their costs.

DMV's core missions are to protect vehicle ownership interests, assist in the safe operation of the highways, and collect money for the Highway Fund for the maintenance and operation of Oregon's roadways. DMV does, at the direction of the legislature, assist customers and organizations outside of those missions. For example, the agency helps citizens register to vote, helps customers indicate willingness for organ donation, regulates wrecking yards, and through the license plate program is a collection point for charitable organizations. In an era of tight budgets and strained highway funding, each addition of duties outside of DMV's core missions dilutes the ability of DMV staff to serve customers. No new staff is allocated.

Adding more plates impacts DMV's administration. Examples are computer coding capacity for new plates, complexity of fees, and secure storage of plate inventory in field offices and at headquarters. The need to do more significant programming and other administrative tasks could result in higher costs. Finally, plate proliferation around the country has been identified by law enforcement as a problem. Keeping track of which state has which plate is challenging. Technology that reads license plates to aid law enforcement in identifying law breakers can be stymied by the myriad designs on too many different plates.

## **SUMMARY**

Specialty and group plates make up about 10% of passenger plates issued. The sales numbers over time indicate that introduction of a new plate option tends to siphon customers away from one plate and over to the new one, rather than expanding the number of people willing to pay extra money for a plate.

The 2003 Legislature put constraints on the proliferation of plates, but the constraints have been loosened over time. Costs for specialty and group plates cannot come from the Highway Fund so another source must pay the funds before DMV begins work as well as for on-going costs. Costs could increase with changes to the fund-raising plate programs. With the reduction in sales it is possible for an organization to make less money than it cost to implement the new plate.

Attachments: Differences Between Fundraising License Plate Programs  
Oregon Fundraising License Plates

## Differences Between Fundraising License Plate Programs

Specialty Plates	Group Plates
Initiated with legislation.	Initiated by application to DMV.
No restriction on what type of organization or cause; up to the Legislature.	Only for veterans designation, colleges and universities, or 501(c)(3) nonprofits.
Unique background	Tree background with logo (colleges) Tree background with name (nonprofits) White background with logo (veterans) Unique background or nonprofit with logo requires legislation (Share the Road, Keep Kids Safe, Fallen Officer)
Limited to five at a time. Will be four when Pacific Wonderland sells out all 40,000 sets.	No limit on the number of group plate types
Startup costs are approximately \$89,000. Not eligible for Highway funds. Must be paid for by the organization before DMV may begin work.	Startup costs are approximately \$46,000. (Includes \$10,000 application fee) Not eligible for Highway Funds. Must be paid for by organization before DMV may begin work.
No sales minimums	Must sell 1,000 sets in first year to be refunded the \$10,000 application fee. Must sell or renew 500 sets every year or the plate will be discontinued.
Plate can be issued immediately in DMV field offices and in some vehicle dealerships.*	Plate mailed from DMV Headquarters.
Displayed in DMV field offices.	Generally not displayed in DMV field offices.
Available with custom (vanity) configuration.	Not available with custom configuration.
Controlling laws: ORS 805.202; 805.255; 805.266; 805.260; 805.261; 805.263; 805.264; 805.266; 805.268; 805.272; 805.274 2009 Or Laws Ch 823 §1-5	Controlling laws: ORS 805.205; 805.206 OAR: 735-040-0040 through -0100

\*Pacific Wonderland not issued at dealerships and not available with custom configuration.



# Oregon Fundraising License Plates

## GROUP PLATES

- Oregon Professional Firefighters
- Oregon State University
- Fallen Public Safety Officer
- Share the Road
- University of Oregon
- Gray Whale

## SPECIALTY PLATES

- Salmon
- Crater Lake
- Cultural Trust
- Pacific Wonderland
- Wine Country
- Wildlife Conservation
- Mount Hood
- Breast Cancer Awareness
- Trail Blazers

## RETIRED

- Pearl Harbor Survivor
- George Fox College
- Square & Round Dancers
- Linfield College
- The Chosin Few
- Oregon Agriculture
- Portland State University
- Western Oregon University
- Support Our Troops
- Oregon Grange
- Pacific University
- Eastern Oregon University
- Keep Kids Safe

## VETERAN/MILITARY

- Veteran Service
- WWII Victory
- Korean Service
- Distinguished Flying Cross
- Armed Forces Expeditionary Service
- Afghanistan Campaign Medal
- Iraq Campaign Medal
- Global War on Terrorism Expeditionary
- Purple Heart
- Air Force Cross
- U.S. Army Special Forces Airborne
- NCOA
- First Marine Division
- Navy Cross
- Distinguished Service Cross
- Bronze Star
- Air Force Insignia
- Army Insignia
- Coast Guard Insignia
- Marine Insignia
- Navy Insignia
- Merchant Marine
- Gold Star Family
- Silver Star

## CUSTOM

- Congressional Medal of Honor
- Inactive\*
- Lions Clubs of Oregon
- Oregon Masonic Family
- Oregon Paralyzed Veterans
- Oregon State Elks
- Willamette University
- University of Portland

\*sell remaining stock



