

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
Seventy-Eighth Oregon Legislative
Assembly
2015 Regular Session
Legislative Revenue Office

Bill Number: HB 2730 - B
Revenue Area: Plate Fees
Economist: Mazen Malik
Date: 06-29-2015

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

Measure Description: Provides for creation of a Portland Trail Blazers vehicle plate. Imposes surcharge of \$20 per year of registration and directs moneys to Trail Blazers Foundation. In the same fashion, the measure provides for creation of Breast Cancer Awareness plate. Imposes surcharge of \$20 per year of registration and directs revenue to Oregon Health Authority Fund. Specifies that neither plate may be created or issued until ODOT receives amount necessary to cover costs of initiating plate program.

Revenue Impact:

Assuming strong promotion by the sponsoring entities, the likely market for those to plates is a space of about 5,400 plates a year. This would generate about \$216,000 a year in revenue for the funds. The division between the Blazers and Breast Cancer Awareness will depend on many drivers' responses to advertisement and popularity. If everything is the same, it would be expected to divide the revenue in half and each fund getting about \$108,000 annually. Assuming the startup costs will be covered, DMV costs will have to be deducted first then the net revenue transferred to the respective funds.

Impact Explanation:

The specialty plate program seems to have a stable portion out of the total plate market. It seems that the introduction of any new plate (depending on success) will potentially slice away a piece of that make share. This new introduction of two new plates is expected to get to 450 plates per month. This profile was modeled after the existing specialty plate programs and the space they seem to span. The marketing and advertisement will make the impact on who establishes and slices a bigger market share. The measure also gives DMV the ability to change the specialty plate program by rule which might be a further defining factor for that segment of the plate market. The startup costs of about \$88,000 for each plate type, and the ongoing costs of about \$61,000 would have to be covered before the transfer occurs. The Trail Blazers plate might benefit from a strong marketing and promotional environment allowing it to slice a bigger share of the market.

Creates, Extends, or Expands Tax Expenditure: Yes No