



Oregon

Kate Brown, Governor

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DATE: February 7, 2017

TO: Senate Committee on Veterans and Emergency Preparedness

FROM: Amy Joyce, Legislative Liaison

SUBJECT: SB 480, Support Our Troops license plate

INTRODUCTION

The Department of Transportation, Driver and Motor Vehicle Services Division (DMV) administers fund-raising license plate programs created by the legislature. In the 2015 session the legislature made significant changes to the law, providing a mechanism for the creation of new Specialty plates through an administrative process. SB 480 would create a new Support Our Troops plate in statute. A similar plate was available in the past.

BACKGROUND

For 30 years Oregon's general issuance plate has been the "tree" plate. During much of that time Oregon law has provided for two different types of fundraising / awareness license plate programs: Specialty and Group. Each new Specialty plate was established in statute in five different legislative sessions: Oregon Trail, Salmon, Crater Lake, Cultural Trust, Pacific Wonderland, Wine Country, and most recently the Trail Blazers. Establishing a Group plate did not require passing a new bill, but rather completing an administrative process at DMV. Today's Group plates include those under the Veterans umbrella (e.g. military branches and specific service medals), University of Oregon and Oregon State, Share the Road, Fallen Officer, and others. Differences between the two programs include the type of plate background, the configuration and whether custom configurations can be accommodated, availability of the plate at DMV field office or just at headquarters, and the surcharges customers pay. Those differences drove very different start-up costs between the two programs. Following a Department of Justice review in 2001, all costs for such license plates (beyond the cost for a standard registration plate) were prevented from using constitutionally restricted Highway Fund.

The two programs underwent many changes over the years, with major statutory adjustments in 2003 and again in 2015 (HB 2730).

Last session's bill closed the Group Plate program for new groups and grandfathered in the existing Groups. The bill also shifted the creation of new Specialty license plates to an administrative process at the DMV. The law specifies that an organization must pre-sell 3000 plates (by a voucher system) before DMV would begin implementing the new plate. Each succeeding year after implementation the plate must sell another 2000 plates, otherwise that plate will end. All start-up costs must be prepaid by the organization, and on-going administration costs are also paid by them over time.

DISCUSSION

This bill would create a new Specialty plate in statute: Support Our Troops. To implement the bill, DMV would work with the Department of Veterans' Affairs on a design, and with law enforcement professionals to ensure readability for their purposes. DMV would perform computer programming and testing to be able to process this new plate, work with the contracted vendor to produce a first run of plates, distribute them to the 60 DMV field offices, update forms, websites, etc., and begin issuing the plates. All of this would be done in coordination with the proponents of the plate.

Sales of specialty and group plates as a whole 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 many factors such as: the fee amount; whether the 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.

Unlike most proposed new plates this one was in existence in the past. The Support Our Troops Group plate was created in 2006, with a \$10 surcharge for each two-year registration period. Under the group plate program, the law required that at least 500 plates be sold or renewed every year, or the plate would become inactive. In the first 12 months approximately 200 plates were sold. As it did not meet the statutory minimum, this became an inactive plate; no more were produced and the remaining stock was sold. A total of 499 plate sets were sold in about four years.

SUMMARY

The 2015 Legislature significantly changed the way new Specialty plates can be created, with an administrative process at DMV. SB 480 would create a new Support Our Troops plate in statute. Such a plate existed from 2006 – 2010. Under that program it did not sell enough plates to remain active. Costs for creation of a specialty plate are not Highway Fund-eligible, therefore a different funding source must be identified.

Attachment: Oregon Fundraising / Awareness License Plates

Oregon Fundraising License Plates

SPECIALTY PLATES

- Salmon
- Crater Lake
- Cultural Trust
- Pacific Wonderland
- Wine Country
- Trail Blazers

GROUP PLATES

CUSTOM	VETERAN/MILITARY				RETIRED	
	Oregon Professional Firefighters	Oregon State University	Fallen Public Safety Officer	Share the Road	University of Oregon	
Congressional Medal of Honor	Air Force Insignia	Air Force Cross	Distinguished Flying Cross	Vietnam Service	George Fox College	Pearl Harbor Survivor
Inactive*	Army Insignia	U.S. Army Special Forces Airborne	Armed Forces Expeditionary Service	WWII Victory	Linfield College	Square & Round Dancers
Lions Clubs of Oregon	Coast Guard Insignia	NCOA	Afghanistan Campaign Medal	Korean Service	Oregon Agriculture	The Chosin Few
Oregon Masonic Family	Marine Insignia	First Marine Division	Iraq Campaign Medal	Vietnam Veterans of America	Organ Donor	Portland State University
Oregon Paralyzed Veterans	Navy Insignia	Navy Cross	Global War on Terrorism Expeditionary	SW Asia	Oregon Firefighter	Western Oregon University
Oregon State Elks	Merchant Marine	Distinguished Service Cross	Veterans for Human Rights	Purple Heart	Oregon Grange	Support Our Troops
Willamette University	Gold Star Family	Silver Star	Bronze Star		Pacific University	Eastern Oregon University
University of Portland					Keep Kids Safe	
Linfield College						

*sell remaining stock

