



Oregon

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DATE: February 26, 2018

TO: Joint Committee on Transportation

FROM: Amy Joyce, Legislative Liaison

SUBJECT: HB 4062-A with A-6 amendments
DMV Fee Streamlining and License Plate Transfers

INTRODUCTION

As part of the Transportation Funding Package (HB 2017) in the 2017 session, the legislature streamlined some of DMV's fee statutes and made several fee changes. The House policy committee introduced HB 4062 to achieve additional streamlining including a few small fee changes. In addition, the –A6 amendment addresses a different, emerging issue with license plates and vehicle registration that is appropriately addressed in the short session.

BACKGROUND

DMV Fees

The Driver and Motor Vehicle Services Division (DMV) conducted a cost and fee study in 2013, with outside oversight including the Legislative Fiscal Office. DMV refined the study in 2015 and 2016, and ODOT introduced HB 2290 in the 2017 session. The bill sought to increase several fees to come closer to recovering costs. Another significant aspect of the bill was to streamline the law by reorganizing many of the statutes to make them more logical and understandable, and by assessing similar products and services the same fee. The bill did not emerge from Ways & Means, but some elements were adopted into HB 2017 including reorganizing the vehicle fee statutes and assessing consistent fees for similar types of titles and registration.

License Plate Transfers

Current law allows anyone to bring an Oregon license plate to DMV and, for a \$6 fee, transfer it onto their own vehicle. Nothing in the law requires or even allows DMV to condition that transfer on proof that the plate was legitimately acquired. And DMV has no method to check whether that license plate was stolen. DMV's understanding of the law has been to transfer the remaining registration period represented by that plate onto the vehicle to which it is being assigned. But that interpretation has been called into question. Finally, DMV has not required vehicles receiving transferred plates to prove it passed DEQ in an emissions testing area.

Reports of activity that likely do not meet the policy goals of the state have been reaching DMV from both external and internal sources. License plates are being stolen from car lots, and legally transferred through the state-sanctioned process. Plates are being sold online with the advertised benefit of avoiding registration fees and bypassing DEQ testing. The number of plate transfer transactions is increasing; a recent sampling showed only 25% were owner-to-owner.

DISCUSSION

DMV Fees

HB 4062-A provides additional streamlining of DMV fees. The bill significantly reorganizes statutes for the regulation of businesses and for driver license fees. Three sets of fees are not internally consistent and would be made uniform. The various fees for different versions of a CDL skills test are \$70, \$56, or \$0. Each test takes roughly the same amount of time: about 2.5 hours. While \$70 does not cover the actual cost for any of these tests, it would be both reasonable and more efficient to charge the same amount for similar tests. Another set of inconsistent fees are for knowledge tests. The Class C driver license knowledge test is \$5 but the motorcycle knowledge test is \$0. Nearly all CDL knowledge tests are \$10, but one is \$0. And adding a school bus endorsement to a CDL is \$21 in some circumstances, \$61 in others. A fee of \$30 in any circumstance achieves consistency. The bill also reinstates a registration fee inadvertently omitted during the 2017 session. The fee is for the lowest weight class of manufactured structure hauling vehicles, of which there are about 20.

The A-engrossed bill also rounds up nine fees to whole dollar amounts, and requires ODOT/DMV to continue doing its cost and fee studies and reporting to the legislature. The –A6 removes the report requirement, and rounds the nine fees down rather than up.

License Plate Transfers

The –A6 takes steps to address the license plate transfer issue by taking away the incentive to steal plates or sell them for profit, and tightens up the DEQ vehicle emission testing requirement. First, it specifies that the registration period represented by stickers on the plate does not transfer along with the plate, with one exception. To recognize the payment a vehicle's owner has made, a plate transfer between two vehicles owned by the same person results in the registration going with the plate. In all cases, the registration period on the "donor" vehicle loses its registration, as it does today. In addition the amendment makes clear the vehicle receiving the plates must prove it passed emissions requirements by DEQ certification unless already exempt.

Because there are legitimate reasons to transfer plates, the –A6 does not limit the fundamental ability to transfer a set of license plates for a \$6 fee.

SUMMARY

Some DMV fee efficiencies were approved during the 2017 Session. There are more opportunities for streamlining to be gained in this bill. The –A6 makes small changes to the fees and removes the cost study. The –A6 also addresses the problems with current statutes regarding vehicle plate transfers.

Attachment:
Fees changed in HB 4062-A and with –A6

HB 4062-A, and with –A6 Amendment Driver Licensing Fee Changes for Efficiency

Fee Streamlining – Aligning Fees with Other “Like” Fees

Product	Other “Like” Transactions	Current Fee	Proposed Fee
CDL Airbrake Skills Test	\$70	\$56	\$70
CDL Combination Knowledge Test	\$10	\$0	\$10
CDL School Bus Endorsement Skills Test	\$70	\$0	\$70
CDL Passenger Endorsement Skills Test	\$70	\$0	\$70
Motorcycle Knowledge Test	\$5	\$0	\$5
Add School Bus Endorsement to CDL	\$26.50*	\$21/\$61	\$27**
Projected Revenue Change from Fee increases	17-19		\$ 59,161
	19-21		\$236,604

**DMV charges the replacement fee to add CDL endorsements to an existing CDL Replacement fee below would round up to whole dollar amount*

***HB 4062-A has the fee at \$27, as it is part of the rounding exercise. The –A6 amendment would put it at \$26.*

Fee Streamlining – Rounding Fees to Eliminate “Cents”

Product	Current Fee	HB4062-A Fee	-A6 Amendment Fee
Original Commercial Driver License	\$75.50	\$76	\$75
Original Instruction Permit	\$23.50	\$24	\$23
Commercial Learner Permit	\$23.50	\$24	\$23
Limited Term Commercial Learner Permit	\$23.50	\$24	\$23
Special Student Driver Permit	\$23.50	\$24	\$23
Emergency Driver Permit	\$23.50	\$24	\$23
Commercial Driver License Renewal	\$55.50	\$56	\$55
Instruction Permit Renewal	\$23.50	\$24	\$23
Replacement Driver License or Permit	\$26.50	\$27	\$26
Projected Revenue Change from Rounding	17-19	\$ 52,762	(\$ 52,762)
	19-21	\$215,939	(\$215,939)

Revenue totals

HB 4062A	17-19	\$111,923	19-21	\$452,543
HB 4062 with –A6	17-19	\$ 6,398	19-21	\$ 20,666