

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2333 - A3

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

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

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Measure Description:

Allows option to obtain title, but not registration, from Department of Transportation for recreational vehicle qualifying as park model recreational vehicle and meeting other criteria.

Government Unit(s) Affected:

Cities, Counties, Oregon Department of Transportation (ODOT), Department of Consumer and Business Services (DCBS)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Analysis:

The measure would change the definition of “recreational vehicle” and “park model recreational vehicle” in the Oregon Vehicle Code. It would allow the Oregon Department of Transportation (ODOT) to provide for optional titling, but not the registration, of a park model recreational vehicle. It would provide that a recreational vehicle having a title issued by ODOT does not qualify as a structure. If converting a recreational vehicle for use as a structure, it would require the owner to surrender the title for the recreational vehicle to ODOT. The measure would make any recreational vehicle converted for use as a structure subject to the Oregon Building Code. It would require the seller of a new recreational vehicle to provide a purchaser with written information listing specified living area systems, including whether the items or components are covered by a warranty and, if so, the extent and length of the warranty. The measure would remove regulation of the construction of recreational vehicles from the Department of Consumer and Business Services (DCBS). It would provide an assessment definition of a “manufactured structure” for purposes of revenue and taxation. The measure would also make miscellaneous reference changes in the Oregon Revised Statutes to conform with its changes. It would take effect January 1, 2020.

Cities and Counties

Cities and Counties do not oversee or inspect recreational vehicles, but any recreational vehicle converted to a structure would be subject to a local building inspection program. While a city or county that has assumed responsibility for the administration and enforcement of a building inspection program may incur additional costs, these costs would likely be recovered from fees authorized by ORS Chapter 455. For that reason, the fiscal impact to Cities and Counties would be minimal, if any at all.

Department of Consumer and Business Services

By removing DCBS regulation of recreational vehicles, DCBS estimates the measure would reduce projected revenues by \$571,032 Other Funds in the 2019-21 biennium and \$772,829 Other Funds in the 2021-23 biennium. DCBS estimates the corresponding expenditure reduction would be \$62,577 Other Funds in the 2019-21

biennium and \$74,361 Other Funds in the 2021-23 biennium, spread out across administrative support, policy, and management positions (0.45 FTE) assigned to this function.

Because the Recreational Vehicle Inspection program operates under the same program and shares the same account code as the Manufactured Housing Inspection program, the revenue reduction would also impact the Manufactured Housing Inspection program, which is operated under a federal contract with the United States Department of Housing and Urban Development (HUD). For that reason, DCBS would need to make program adjustment(s) in either the 2019-21 or 2021-23 biennium. Possible adjustments include a fee increase for the in-plant manufactured home inspection services; reduction of expenses to align with available revenue; and/or discontinuing state service under the federal program and return the program to HUD.

Oregon Department of Transportation

ODOT anticipates that it would need to develop a new process for titling a park model recreational vehicle. Specifically, the ODOT Driver and Motor Vehicle Services Division (DMV) would need to program a new vehicle type in the Oregon License Issuance Vehicle Registration computer system. ODOT estimates DMV would need to develop a process to inspect the vehicle identification number of a park model recreational vehicle and cancel the title and registration of a recreational vehicle that has been converted to use as a structure. To implement these changes, ODOT estimates one-time, startup costs of \$35,000 in personal services and \$23,040 in services and supplies. At a minimum, ODOT estimates it would incur \$58,040 Other Funds in the 2019-21 biennium to implement the measure.

However, given that the number of park model recreational vehicle title applications that DMV would process is unknown, it is unclear whether ODOT would need additional position authority or increased expenditure limitation. For that reason, the fiscal impact to ODOT is indeterminate. If the magnitude of new applications were to warrant additional resources, ODOT would need to return to the 2020 Legislative Session or the Emergency Board for consideration of this issue.