

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
80th Oregon Legislative Assembly
2020 Regular Session
Legislative Revenue Office

Bill Number: HB 4065
Revenue Area: Court Fees
Economist: Mazen Malik
Date: 02/12/2020

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

Measure Description:

Repeals driving privilege suspension and eliminates imposition of driving privilege restrictions for failure to pay fine.

Revenue Impact (in \$Millions):

| | | 2019-21 | 2021-23 | 2023-25 |
|--------------|---|-----------------|-----------------|-----------------|
| | State Courts Fee reduction | (\$0.33) | (\$0.91) | (\$0.94) |
| | State Courts Fines reduction | (\$0.77) | (\$0.85) | (\$0.59) |
| | Subtotal Reduction from State Courts | (\$1.10) | (\$1.77) | (\$1.54) |
| | Local Courts Fee reduction | (\$0.27) | (\$0.75) | (\$0.77) |
| | Local Courts Fines reduction | (\$1.26) | (\$1.40) | (\$0.97) |
| | Subtotal Reduction for Local Courts | (\$1.53) | (\$2.14) | (\$1.74) |
| Total | ALL Courts Reductions | (\$2.64) | (\$3.91) | (\$3.28) |
| | Hwy Fund Revenue Reduction | (\$0.55) | (\$1.52) | (\$1.57) |
| Total | Revenue reductions all Funds | (\$3.19) | (\$5.43) | (\$4.85) |

Impact Explanation:

This measure would affect revenue to the state courts as well as the local courts. On average, 20% of traffic violation cases have one or more license suspensions for failure to pay. In 2019, circuit courts suspended approximately 28,000 driver licenses for failure to pay. Of the 98,669 suspensions for FTC (Failure to Comply) in 2019, 51,539 were either rescinded or reinstated. For the whole state (all courts), suspensions total was 98,669 of which 23,182 were rescinded and 28,357 were reinstated. The exact figure for reinstatements performed by DMV for 2019 would be 9,985. However, the courts will collect their \$15 fee on higher number of both rescinded and reinstated.

DOR and private collection firms collect approximately \$8.5 million per biennium through a license reinstatement program in cases where the license was suspended for either failure to pay a fine or failure to appear. DOR/PCF collections would continue to use this program to collect on all cases where the license was suspended for failure

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to appear (approx. 30% of payment plans) and failure to pay (approx. 70% of payment plans) under current law. The program will continue, and the revenue is expected to be realized although the timing might change and could take more effort to be collected (e.g., by wage garnishment). The change in suspension is likely to postpone the collections in the first 3 years of the program before it stabilizes to a predictable average. DWS/R (Driving while Suspended or Revoked) violation cases cited into circuit courts in the are expected to go down, however, the collection rate on those violations are 9%. The local courts reported a much higher (double) rate than that. This will be a permanent reduction of revenue to both state and local courts.

ODOT/DMV will experience a revenue reduction due to decreased driver license reinstatement transactions (at \$75 per transaction).

Creates, Extends, or Expands Tax Expenditure: Yes No