

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 1569 - A

80th Oregon Legislative Assembly – 2020 Regular Session
Legislative Fiscal Office

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

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Measure Description:

Establishes State Board of Towing within Department of Transportation.

Government Unit(s) Affected:

Oregon Department of Transportation (ODOT), Oregon State Police (OSP), Department of Justice (DOJ)

Summary of Fiscal Impact:

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

Analysis:

SB 1569, as amended, creates the State Board of Towing within the Department of Transportation. The Board is tasked with adopting rules to implement ORS 98.853 to 98.862, which are the statutes regulating the conditions under which towing is allowed in Oregon. The Board may order the Department of Transportation to deny, suspend, revoke or refuse to renew a towing business certificate for specified reasons, including failure to comply with any rule adopted by the Board and for violations of law related to unlawful towing. Disciplinary action can also include denial, suspension or revocation of a tower’s ability to participate in the Department of State Police tow rotation. Persons subject to discipline by the Board are entitled to a contested case hearing under ORS Chapter 183.

The Board is composed of nine members appointed by the Governor. The bill directs the Board to appoint an administrative officer, who may appoint additional staff as needed. To fund operations, the bill establishes the State Board of Towing Account in the State Treasury, separate and distinct from the General Fund, which consists of fees imposed by the Board on individuals holding a towing certificate from the Department of Transportation, moneys appropriated by the Legislative Assembly or moneys from any other source.

Oregon Department of Transportation

This bill will have a fiscal impact on the Oregon Department of Transportation. This fiscal impact statement anticipates a minimal staffing level to begin work, which may need to be adjusted in future biennia depending on actual workload.

In 2019, the Oregon Department of Transportation’s Division of Motor Vehicles (ODOT-DMV) issued 2,178 tow certificates. A tow certificate authorizes the owner to conduct commercial towing activity in Oregon. Based on the number of tow certificates issued, ODOT estimates needing two positions, an Operations and Policy Analyst 4 and a Compliance Specialist 2. These positions will be used to support the work of the Board, including administering Board functions, receiving constituent complaints, conducting investigations, and representing the Board during the administrative law process.

Some additional implementation work will be required to implement this measure, including computer system programming to manage Board requests for the denial, suspension, revocation, or refusal to renew a towing certificate. This work is anticipated to be minimal and absorbable within existing agency resources.

The fiscal impact to ODOT-DMV is \$241,650 Other Funds and 1.08 FTE for the 2019-21 biennium and \$446,122 Other Funds and 2.0 FTE for the 2021-23 biennium. ODOT will loan the new program sufficient funds to hire staff and begin work. Fees generated by the program will be used to repay the initial loan and for ongoing operations.

Oregon Department of Justice

The Oregon Department of Justice will support the Board with counsel at Board meetings as well as for contested case hearings. There is a minimal fiscal impact anticipated for the Oregon Department of Justice.

Oregon State Police

There is a minimal fiscal impact to the Oregon State Police to process denials, suspensions or revocations for the tow rotation program.