REVENUE IMPACT OF PROPOSED LEGISLATION

81st Oregon Legislative Assembly
2021 Regular Session
Legislative Revenue Office

Bill Number:	**HB 2137 - 1**
Revenue Area:	**Fees and Fines**
Economist:	**Mazen Malik**
Date:	**03-10-2021**

Only Impacts on Original or Engrossed Versions are Considered Official

Measure Description:

Modifies, adds and repeals laws related to transportation.

Revenue Impact (in $Millions):

For the general fund and the CFA, this measure is likely to reduce revenue by $0.75 million for the 21-23 biennium and about $0.25 million for the 23-25 biennium. For the Highway fund, the impacts (loss) are about $1.0 million each biennium going forward.

Impact Explanation:

This measure makes four different changes related to traffic fines and DMV transactions.

1. The citation moratorium prohibits law enforcement from issuing citations for: Operating a vehicle without driving privileges under ORS 807.010; Unlawful parking in a space reserved for persons with disabilities under ORS 811.615; and Traffic offenses based upon a vehicle registration or permit that is expired fewer than 6 months. This is effectively giving individuals 6 extra months to renew their credentials. In a typical year there are 11-13 thousand offenses filed, with about $1 million collected in the first year and up to $1.5 million collected after 3 years. However, 2020 and 2021 are not typical years, but still need to be compared with current law, the reductions are estimated from a much lower base.
2. Elimination of the knowledge test requirement for out-of-state driver license applicants. Currently, statutes require that an individual moving to Oregon must take an Oregon knowledge test prior to receiving an Oregon license. These transactions come to approximately 200,000 per biennium, each with a fee of $5. The revenue reduction as a result of the elimination of these tests is projected to be approximately $1 million during the 21-23 and 23-25 biennia. However, the transaction reductions might produce some savings. If this provision becomes operative during the 19-21 biennium, any revenue reduction is expected to be minimal.
3. Elimination of a redundant knowledge test required during the teen driver licensing process. DMV does not charge a fee for this test, and no revenue reduction will be realized. However, the transactions will go away.
4. Extension of the one-year limit on driver license renewals. This change will allow drivers who've been unable to renew their license, or those that have taken advantage of recent citation moratoriums, to renew their driver license and avoid having to return to the field office to re-test. However, the revenue impact is minimal.

Creates, Extends, or Expands Tax Expenditure: Yes ☐ No ☒

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