

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
81st Oregon Legislative Assembly  
2021 Regular Session  
Legislative Revenue Office

<b>Bill Number:</b>	<b>HB 2523 - 2</b>
<b>Revenue Area:</b>	<b>DMV Fees</b>
<b>Economist:</b>	<b>Mazen Malik</b>
<b>Date:</b>	<b>03-22-2021</b>

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

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**Measure Description:**

Directs Department of Transportation to waive driving privilege reinstatement fee if driving privileges were suspended for failing to pay fine.

**Revenue Impact:**

The measure will reduce the revenue from DMV fees and the Highway Fund by about \$1.5 million in the 2021-23 Biennium. The reduction, however, is set to sunset on January 2, 2023, and not have a lasting effect.

**Impact Explanation:**

The total number of eligible suspensions under this measure is about 215 thousand. The fee for reinstatement is \$75. However, DMV, on average, receives one reinstatement fee of \$75 for every 2.84 suspensions (individuals are often suspended for multiple reasons at the same time, and an individual only needs to pay one reinstatement fee of \$75 when they are eligible for reinstatement). Using these estimates, a total of 75,649 (214,844 / 2.84) individuals are eligible for this fee waiver. ODOT also notes that most current suspensions eligible for a fee waiver under this measure have been in place for greater than 10 years and unlikely to be all practiced in the time allowed, but the ones occurring in the specified time horizon are likely to use it.

Thus, using FTA (Failure to Appear) suspensions to isolate an average year, approximately 26% of those suspended for FTA are reinstated each year. At that same rate, DMV is likely to encounter around 19,669 individuals who will seek this fee waiver. Resulting in a likely revenue reduction of \$1,475,175 during the 21-23 biennium, and no revenue reduction during the 23-25 biennium.

The impacts on court fines and fees as a consequence of these deferrals are not estimated.

**Creates, Extends, or Expands Tax Expenditure:** Yes  No