
OREGON VEHICLE DEALERS OPPOSES HOUSE BILL 2025

Before: Joint Committee on Transportation Reinvestment / June 10, 2025

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Chairs Gorsek and McLain, and Members of the Joint Committee:

The Oregon Vehicle Dealer Association (OVDA) is Oregon's largest association representing all DMV certified motor vehicle dealers, with approximately 500 dues paying members. Our members include franchised and independent dealers, boat and trailer dealers, RV dealers, powersports dealers and motorcycle dealers.

Today's Public Hearing theme is "Transit, Active Transportation, and Rail". In keeping with this theme, please note our concerns regarding Section 60. To wit:

Section 59-60 / **OVDA OPPOSES INCREASING** the dealer privilege and use taxes (from 0.5 percent to 1 percent). Moreover, OVDA objects to the proceeds from the privilege and use tax increases being exclusively diverted to encourage use of rail services in Oregon. This is akin to taxing beef to encourage people to eat more chicken. It lacks a sense of fairness.

Section 70 / **OVDA OPPOSES NEARLY DOUBLING** the certification fee to sell vehicles in Oregon. The certification fee has not changed in many years, and an increase is due. However, this fee is too steep with no onramp. With this dramatic increase, we suggest DMV be required to allow dealers to pay their certification fee in payments, much like property taxes. When DMV Business Regulation fines an uncertified dealer, the uncertified dealer is allowed to make payment arrangements to extinguish the penalty over time. But a dealer is not offered this opportunity to be certified. This lacks common sense. Please don't force dealers to move from a certified business to an uncertified business just to stay in business.

Section 81 / **OVDA OPPOSES THE NEW SALES TAXES ON VEHICLES** (some vehicles at two percent, others at one percent) sold by dealerships in Oregon. Simply stated: Oregonians can't afford higher taxes, and Oregon dealers don't need the costly new overhead burden of administering a new variable and complex tax collection system on behalf of the state.

Please note: The bill is silent on whether the sales taxes are applied before, or after, the value of a traded in vehicle is calculated into the price of the vehicle. We recommend future drafts of the bill clearly state whether the tax applies to the cost of the vehicle before or after the value of a traded in vehicle is considered. OVDA believes the tax should apply to the price of the vehicle after it is reduced by the value of a traded in vehicle.

*Please **OPPOSE** House Bill 2025 without **SIGNIFICANT** changes.*

I am happy to answer any questions. Thank you.