



Oregon

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DATE: June 3, 2013

TO: House Committee on Transportation and Economic Development

FROM: Amy Joyce, Legislative Liaison

SUBJECT: License Plates Overview

INTRODUCTION

The Department of Transportation, Driver and Motor Vehicle Services Division (DMV) administers two fund-raising plate programs—specialty and group—created by the legislature. A surcharge, beyond the usual registration fee, is levied on these types of plates and that money is distributed to the various funds.

There are about 3.2 million passenger vehicles registered in Oregon. On average about 10% have specialty or group plates. The numbers of such plates issued and renewed are going down. For example, in 2004 total sales and renewals were 74,000; of those 66,000 were specialty. In 2012, total sales and renewals were 67,000 while 48,000 were specialty.

HISTORY

Since 1987 Oregon's general issuance or standard plate has been the "tree" plate. The 1993 Legislative Assembly created the Oregon Trail plate, which cost \$5 per set and sold about 400,000 units before selling out the remaining stock in 2003. That same year the body created group plates: fundraising plates that a group could apply for administratively with DMV. The 1998 session created the Salmon plate, and in 2001 the legislature approved two specialty plates: Crater Lake and Cultural Trust.

In 2003 members introduced bills to create nine different specialty plates. At that point there were 30 active Group Plates. On-going administrative issues included the inability to put additional plates on Vehicle Registration Renewal forms, start-up costs, and law enforcement concerns about the variety of plates. The 2003 Legislature passed SB 508. It limited specialty plates to three at one time, and required the legislature to identify a plate to be retired if it created a new plate. For group plates it added an application fee dependent on a minimum sales level its first year and a minimum in sales and renewals each year to keep the plate active. Finally, it limited both specialty and group to passenger vehicles only, ending their availability for motor homes and trailers.

Since then the legislature has added two specialty plates—Pacific Wonderland and Wine Country. It has created an umbrella group for Veteran organizations and designations to assist each of them in remaining an active plate. Also, three pieces of legislation have created three plates that essentially are hybrids of specialty and group. They are group plates that have a unique background or decal, but have the same limitations—and therefore the lower cost—of a group plate.

SPECIALTY and GROUP PLATES

Oregon's specialty plates are the Salmon, Crater Lake, Cultural Trust, Pacific Wonderland, and Wine Country plates. Each is created in legislation, the plate has a unique background, the plate may have

custom configuration, and it is available in DMV field offices and at many vehicle dealerships^{*}. Start-up costs are about \$75,000. The surcharge, both the amount and whether it is one-time or due at renewal, is dependent on the direction in the legislation.

Group plates include Veterans' designations, colleges and universities, and non-profit groups. There is no restriction on how many types may exist at one time. The plate used for group plates is the Tree background; it cannot have custom configuration, and it is issued from DMV headquarters (not field offices). Start-up costs are about \$37,000, including a statutory \$10,000 application fee. The application fee is refundable if 1000 units are sold in the first year. 500 units must be sold or renewed every year, or the plate becomes inactive.

Three plates in existence today were created in statute technically are group plates: Share the Road, Fallen Public Safety Officer, and Keep Kids Safe. In practice they are something of a hybrid of group and specialty. They have the benefit of a unique background (or decal, in the case of Fallen Officer), but have the lower up-front cost of a group plate. Like other group plates, they are not available in custom configuration, and are not available in field offices or at auto dealerships.

Today there are 40 available Group plates; 27 of those are under the Veteran umbrella. Seven are inactive for having failed to meet the sales / renewal minimum but continue to be sold until the inventory is gone.

Due to the Oregon Constitution's restriction on Highway Funds, all costs to implement a new specialty or group plate must be paid in advance by the proponent, and on-going administration costs are also paid by them over time.

ISSUES TO CONSIDER

Sales and renewals of fund-raising plates generally have been decreasing over the last nine years (fiscal 2012 did see an uptick) while the number of different plates available has gone up. Also, the addition of new plates has impacts on DMV. Examples are computer coding capacity for new plates, and secure storage of plate inventory in field offices. The need to do more significant programming or to find additional space to store plates could result in higher costs. Also, sales predictions are difficult and can result in organizations not making back their costs. Finally, plate proliferation around the country has been identified as a problem. New law enforcement technology that reads license plates to identify law breakers can be stymied by too many different plates.

SUMMARY

Specialty and group plates make up 10% of passenger plates issued, but overall the numbers are trending down. The 2003 Legislature put constraints on potential proliferation of plates, but over time those limits have been rolled back. Costs for specialty and group plates cannot come from the Highway Fund so organizations must submit up-front costs and pay for on-going costs. Costs could increase with changes to the fund-raising plate programs. With the reduction in sales it is possible for an organization to make less money than it cost to implement the new plate.

Attachment

^{*} Pacific Wonderland is different among specialty plates. It is limited to 40,000 sets at which point it will be discontinued. It is not available in custom configuration due to legislative intent that the plates have a "retro" look. It is not available at dealerships due to the issuance limit.

**SPECIALTY
PLATES**

Salmon

Crater Lake

Cultural

Pacific
Wonderland

Wine Country

**CUSTOM
PLATES**

Congressional
Medal of Honor

Eastern Oregon
University

Lions Clubs of
Oregon

Oregon
Masonic Family

Oregon
Paralyzed
Veterans

Oregon State
Elks

Willamette
University

University of
Portland

Available While Supplies Last

**GROUP
PLATES**

No Longer Available

Active Groups

Oregon
Professional
Firefighters

Oregon
State
University

Keep Kids
Safe

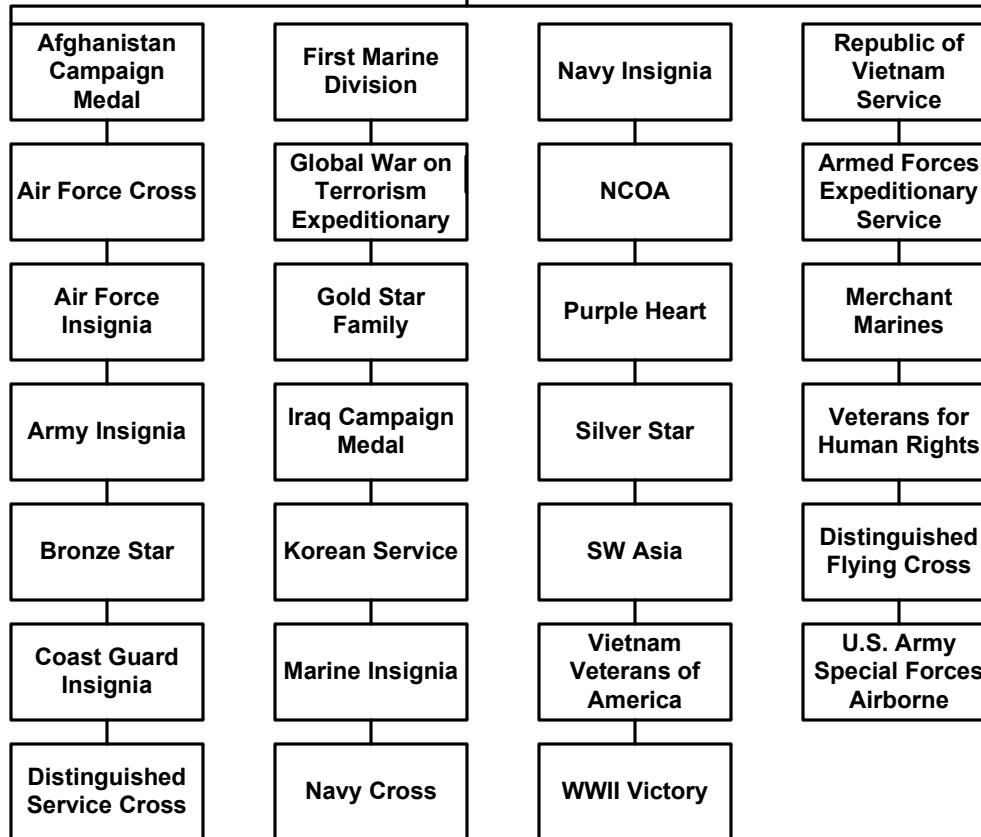
Fallen Public
Safety Officer

Share the
Road

University
of Oregon

**Veteran's
Recognition**

Plates Below Fall Under the Veteran's Recognition Plate Umbrella



George Fox College

Linfield College

Oregon Agriculture

Oregon Donor

Oregon Firefighter

Oregon Grange

Pacific University

Pearl Harbor Survivor

Square & Round Dancers

The Chosin Few

Portland State University

Western Oregon University

Support Our Troops