



Legislative Fiscal Office
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Bill Title: Relating to the State Board of Towing.

Government Unit(s) Affected: Department of Administrative Services, Department of Transportation, Office of the Governor, Department of Justice

Summary of Fiscal Impact

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

Measure Description

The measure establishes the Oregon State Board of Towing (OSBT) as an independent agency separate from the Oregon Department of Transportation (ODOT). The measure ratifies the name change from the State Board of Towing to the Oregon State Board of Towing. The measure directs ODOT, upon the Board's request, to enter into an interagency agreement where ODOT may provide central business operating services. ODOT is authorized to charge the Board a fee for services.

The measure establishes the Oregon State Board of Towing Account as a continuation of the State Board of Towing Account. The measure declares all moneys in the existing account shall be considered funds in the Oregon State Board of Towing Account as of January 1, 2026. The measure permits the Board to request ODOT collect fees and distribute the funds to the new Account and authorizes ODOT to deduct administrative fees prior to distribution of funds. Moneys in the fund are continuously appropriated to OSBT.

Fiscal Analysis

Oregon State Board of Towing

The total budgetary impact is indeterminate depending on how the Board will reorganize as an independent agency and how it will enter into agreements for services.

The State Board of Towing was established by SB 300 (2021) within ODOT, where the Driver and Motor Vehicle Services Division (DMV) has served as the regulatory authority for towers and towing companies in Oregon. As a unit within ODOT, the Board is funded through a fee on applications for towing business certificates. ODOT's 2025-27 current service level budget includes \$663,143 Other Funds and two permanent, full-time positions (2.00 FTE) to support the Board. The current budget includes personnel costs and related service and supply costs, limited legal and technical support, but does not include rent or other facility-related costs. In addition to these current service level expenses, as an independent state agency, the Board may need additional staffing and will incur statewide assessment costs. The Department of Administrative Services (DAS) estimates statewide service charges for a small state agency with two positions range from \$19,000 to \$50,000. In addition, the measure permits the Board to enter into an interagency agreement with ODOT for central business operating services such as budgeting, accounting, office space, and human resources functions. ODOT is authorized to charge the Board a fee for these services. The cost of operating services will depend on the Board's usage but range from \$100,000 to \$196,000 for agencies with two full-time employees and similarly sized budgets.

In addition, the ability of existing fee revenues collected by the Board to support operating expenditures as an independent agency separate from ODOT is uncertain. The measure directs ODOT to transfer all assets, including staff and funds, to the Board. However, the current balance of the State Board of Towing Account is running a deficit of \$21,036 due to the Board owing repayment of funding designated for the Transportation Operating Fund. Forecasted revenue from fees and penalties is projected to be \$560,261 for the 2025-27 biennium, which is about \$100,000 below current service level expenditures. Absent a reduction in expenditures or another unspecified source of revenue, these fees will need to be increased in order to generate sufficient revenue to support operating expenditures as an independent agency.

Other Entities

The workload for DAS or ODOT to provide services to the Board, if requested, is anticipated to be minimal and absorbed within existing resources. There is a minimal fiscal impact to the Department of Justice.

There is no fiscal impact to the Office of the Governor.

Relevant Dates

The measure takes effect on January 1, 2026.