



Oregon

Tina Kotek, Governor

Department of Transportation

Office of the Director

355 Capitol St NE

Salem, OR 97301

DATE: April 21, 2025
TO: Joint Committee on Transportation
FROM: Amy Joyce, DMV Administrator
SUBJECT: SB 1022 – Specialty Plate Exceptions for Technical and Regional Universities

INTRODUCTION

Senate Bill 1022 would create a statutory exception for Oregon’s four Technical and Regional Universities (TRUs), allowing them to qualify for specialty license plates under vastly reduced thresholds for pre-manufacture voucher sales and ongoing annual sales. The bill would reduce the sales thresholds for these institutions from 3,000 vouchers and 2,000 plates annually to 500 vouchers and 300 plates respectively.

The [specialty plate program](#) is administered by Oregon’s Driver and Motor Vehicle Services (DMV). The program was established by the legislature due to the proliferation of specialty and other plate ideas, the challenges this created for the legislature, and to address the common belief that a specialty plate would be popular and sell easily. The program established in the 2015 legislature eliminated the former “group plate” program—with decals on a tree plate background – and took proposed new specialty (unique background) plates out of the legislative process and made it an administrative program in DMV.

There are two statutory sales thresholds for specialty plates. One is the initial plate voucher threshold, which requires an interested entity (nonprofit group, institution of higher education, or public body) to sell at least 3,000 plate vouchers prior to a plate being put into circulation. The second threshold requires that at least 2,000 sets of plates be issued every year for a specialty plate to stay in circulation.

Both thresholds exist to ensure there is sufficient demand for the plates. The first threshold confirms there is a viable market for the plate to warrant it being put into circulation and helps ensure that DMV doesn’t expend limited staff resources on a plate that cannot elicit initial demand. The second threshold of 2,000 new annual sales exists to ensure there is sufficient ongoing demand to keep a plate in circulation or to end its run.

From 1998-2023, a collection of Technical and Regional Universities (TRUs) and other non-flagship institutions had their own license plates in circulation at varying points in time. All these universities' plate sales fell well below the current statutory thresholds.¹

Applicants for specialty plates must pay a preapproval fee of \$5,000 to cover DMV's start-up costs including reviewing the application and proposed plate design. After initial approval, the entity is approved to sell the statutorily-required 3,000 plate vouchers. If and when the entity sells the 3000 vouchers, they must pay the balance of the plate start-up cost, which is typically \$45,000 to finance the production and issuance of the plates. These costs reflect years of DMV experience in managing specialty plates and the typical costs associated with such efforts.

DISCUSSION

ODOT has no position on this bill. We offer the below for the committee's consideration as it weighs this measure in the context of DMV's efforts to fulfill its core mission in light of the agency's ongoing structural revenue challenges.

The Bill as Written

The bill as written would call into question the utility and future prospects of the current specialty plate program created by the legislature in 2015. We understand this effort is intended to recognize the unique role that TRUs have in Oregon and ensure individuals are able to show support for these institutions on the road similar to how people can for the University of Oregon and Oregon State University, which each have their own specialty plates. We further understand the primary motivation for this measure is not financial given that TRU plates have a demonstrated history of low demand.² Historical sales data for these plates and relevant extrapolations are discussed in more detail below.

This measure could undermine the intent of the current specialty plate program. Oregon's plate sale thresholds are a gatekeeping tool that helps ensure the state's plate inventory doesn't become unwieldy and result in DMV needing to dedicate a disproportionate amount of time and resources to managing specialty plates (including those that have very little demand) relative to DMV's core duties. This is particularly important given ODOT's current structural revenue challenges and DMV needing to manage more tasks and greater volume while being outpaced by inflationary pressures in recent years.

In 2015, the Legislature decided to move away from establishing individual specialty license plates in statute in recognition of the challenges that that process presented. The potential for

¹ The most total plate sets sold by any non-flagship Oregon university was 351 by Willamette University from 2003-2021. The most plate sets sold in any one year by a non-flagship university was 74 by Willamette University in 2003. The total, combined number of plate sets sold by all non-flagship institutions from 1998-2023 was 1,390.

² Many entities seek specialty plates to fund various efforts/programs. Oregon State University's plate, for instance, funds OSU athletics and university strategic initiatives.

higher costs, fee complexity, the ongoing legislative maintenance necessary to manage an increasing number of specialty plates, and law enforcement challenges were all considerations that precipitated this change.³ The legislature ultimately chose to address these issues by establishing the current specialty plate program, including the voucher and annual sales thresholds.

The plate sales thresholds in Oregon are not unique. According to the National Conference of State Legislatures, as of 2016, more than 30 states had [strategies](#) (such as sales thresholds) to manage specialty plate programs.

Creating a new set of plates with unique parameters in statute would increase the administrative complexity for DMV in managing the state's overall plate inventory. It also opens the door to other groups pursuing similar statutory exemptions, including because, as is the intent here, they are unable to meet existing sales thresholds. For instance, it's quite conceivable that the state's 17 community colleges and numerous other smaller institutions may also like to avail themselves of such an exception. This could slowly erode the utility of the existing specialty plate program.

Further, under the bill as drafted, these institutions would still be required to sell 500 vouchers to get the plates into circulation and then 300 plates annually to keep them in circulation. Historical data show it is unlikely these institutions will be able to meet these thresholds. For instance, Western Oregon University had a plate in circulation from 2000-2007 and sold a total of 98 plates—a little more than 12 plates per year on average. Eastern Oregon University had a plate from 2003-2014 and sold a total of 99 plates.

These institutions would also still be required to provide the \$50,000 in startup costs to manufacture the plates and put them into circulation. Specialty registration plates cost \$40 each. In the case of Western Oregon University, if it were to sell a similar number of plates as it did in the past—an average of roughly 12 per year for a total of \$490 annually—it would take them about 100 years to make back their startup costs.⁴

Under the existing specialty plate program, when institutions finish selling their 3,000 vouchers, they submit the \$120,000 in proceeds (3,000 plates sold at \$40 per plate) to DMV. The institution's balance is then settled. DMV keeps any remaining startup costs (typically \$45,000) and remits the remainder of the proceeds to the institution. This means institutions have a net profit after their voucher sales. The same would not be true under this bill because the voucher threshold is reduced to 500, which amounts to just \$20,000 in proceeds, the entirety of which would be retained by DMV to cover startup costs. TRUs would still have to pay an additional \$25,000 to cover startup costs after selling their vouchers, resulting in no net revenue transferred to the institution until after the full startup costs are covered.

³ See attached ODOT's 2015 testimony on this issue.

⁴ This likely underestimates the time TRUs would need to make back their startup costs, because at some point after vouchers sales, DMV must keep a small portion of plate proceeds to cover the ongoing administrative work necessary to manage plate inventory and transactions.

Potential Amendments

We understand the bill's proponents have several ideas for a potential amendment. ODOT appreciates the attempt to craft a creative statutory structure to address the recognized low demand for these plates and spare DMV additional costs. However, regardless of how a plate for these schools is designed and issued, the startup costs would stay roughly the same at \$50,000. This estimate is based on years of experience in managing specialty license plates. Costs include those for design, manufacturing, storage, and necessary coding to incorporate the new plate, facilitate future customer transactions, and direct the proceeds. These costs are not State Highway Fund eligible, which is why the entities themselves pay the startup costs under the current program.

And, as discussed above, any amendments that would treat TRUs differently will invite additional complexity for DMV in managing the state's overall plate inventory and could undercut the purpose of the existing program.

CONCLUSION

This bill creates a statutory exception, treating TRUs differently than all other groups applying for a specialty registration plate, allowing them to qualify for such plates via substantially reduced sales thresholds. This could undermine the utility of the current specialty plate program by reducing the uniformity in treatment among plates and participating entities, thereby introducing administrative complexities and corresponding inefficiencies. The measure would also call into question the future of the current specialty plate program and its ongoing utility as other entities who face low plate demand will almost undoubtedly seek similar exceptions.

DMV has been challenged to do more with less, including as the agency navigates structural revenue issues. The challenges presented by this bill could ultimately detract from DMV's core mission of providing the critical and necessary services that the state's broader population relies on.



Oregon

Kate Brown, Governor

Department of Transportation

Director's Office

355 Capitol St. NE, MS 11

Salem, OR 97301

DATE: March 20, 2015

TO: House Committee on Transportation and Economic Development

FROM: Amy Joyce, Legislative Liaison

SUBJECT: License Plate Programs - 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.

HISTORY

Since 1987 Oregon's general issuance plate has been the "tree" plate. The 1993 Legislative Assembly created the Oregon Trail plate, which cost \$5 extra per set and sold about 400,000 sets before selling out in 2003. Also in 1993 the legislature created the "group" plate program: fundraising plates that an organization could start administratively with DMV. The 1998 Legislature created the Salmon specialty plate, and in 2001 the legislature approved two specialty plates: Crater Lake and Cultural Trust.

In 2003 legislators introduced nine different bills to create nine different specialty plates. At that point there were also 30 active group plate types. Growing administrative issues for the department included the inability to list additional plates on vehicle registration renewal forms, start-up and on-going costs, production and storage of plates that didn't sell well, and the complexity of fees. In addition law enforcement had expressed concerns about the variety of plates.

In response to this situation, the 2003 Legislature passed SB 508. It limited the number of specialty plates being issued to three at one time, and required the legislature itself to identify the specialty plate to be retired if it chose to create a new one. For the group plate program, the bill added an application fee, which was refundable if it met minimum sales its first year. The bill increased the annual minimum sales and renewals required to remain active. Finally, the bill limited both specialty and group plates to passenger vehicles, 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 recognition plates to assist each of them in remaining active. Also, three times the legislature has created plates that essentially are hybrids of specialty and group: each has a unique background or decal, but they are subject to the limitations of the group plate program.

SPECIALTY and GROUP PLATES

Oregon's current specialty plates are Salmon, Crater Lake, Cultural Trust, Pacific Wonderland, and Wine Country, each is created in legislation, The plates have a unique background, and customers may order a custom configuration.¹ They are displayed and available in DMV field offices. Start-up costs are about \$89,000. Surcharge specifics, both the amount and whether it is one-time or also due at each renewal, depends on the language of 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 higher education and non-profit is the Tree background; for Veterans' plates it is white. Group plates cannot have custom configuration. They are issued from DMV headquarters, not field offices. Start-up costs are about \$46,000 including a statutorily-required \$10,000 application fee. The application fee is refunded if 1000 sets are sold in the first year. 500 sets must be sold or renewed every year or, by law, the plate becomes inactive.

Due to the Oregon Constitution's restriction on use of 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.

Three plates in existence today were created in statute but are technically group plates: Share the Road, Fallen Public Safety Officer, and Keep Kids Safe. In practice they are 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 38 available group plates; 27 of those are under the Veterans umbrella. Six are inactive for having failed to meet the sales / renewal minimum. No more of the plates will be ordered but they continue to be sold until the inventory is gone. 15 group plates have been retired after failing to meet minimum sales / renewals and the remaining plate stock has been sold out. Among those is Keep Kids Safe. Created by the legislature just three years ago to fund child abuse prevention, the plate did not sell well enough for its \$10,000 application fee to be refunded after the first year, and did not sell and renew enough to stay active after its second year. All plate stock has been sold.

ISSUES TO CONSIDER

Sales of such plates have remained relatively constant over time at about 10% of passenger vehicles. Sales numbers for existing specialty plates tend to drop off when new specialty plates are added. Predicting sales volume for a particular plate is difficult and likely is impacted by

¹ 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.

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many factors: specialty or group; fee amount; whether fee is one-time or also due at each renewal; design aesthetics; marketing efforts by the organization; and more. Low sales can result in an organization not recovering their costs.

DMV's core missions are to protect vehicle ownership interests, assist in the safe operation of the highways, and collect money for the Highway Fund for the maintenance and operation of Oregon's roadways. DMV does, at the direction of the legislature, assist customers and organizations outside of those missions. For example, the agency helps citizens register to vote, helps customers indicate willingness for organ donation, regulates wrecking yards, and through the license plate program is a collection point for charitable organizations. In an era of tight budgets and strained highway funding, each addition of duties outside of DMV's core missions dilutes the ability of DMV staff to serve customers. No new staff is allocated.

Adding more plates impacts DMV's administration. Examples are computer coding capacity for new plates, complexity of fees, and secure storage of plate inventory in field offices and at headquarters. The need to do more significant programming and other administrative tasks could result in higher costs. Finally, plate proliferation around the country has been identified by law enforcement as a problem. Keeping track of which state has which plate is challenging. Technology that reads license plates to aid law enforcement in identifying law breakers can be stymied by the myriad designs on too many different plates.

SUMMARY

Specialty and group plates make up about 10% of passenger plates issued. The sales numbers over time indicate that introduction of a new plate option tends to siphon customers away from one plate and over to the new one, rather than expanding the number of people willing to pay extra money for a plate.

The 2003 Legislature put constraints on the proliferation of plates, but the constraints have been loosened over time. Costs for specialty and group plates cannot come from the Highway Fund so another source must pay the funds before DMV begins work as well as 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.

Attachments: Differences Between Fundraising License Plate Programs
Oregon Fundraising License Plates

Differences Between Fundraising License Plate Programs

Specialty Plates	Group Plates
Initiated with legislation.	Initiated by application to DMV.
No restriction on what type of organization or cause; up to the Legislature.	Only for veterans designation, colleges and universities, or 501(c)(3) nonprofits.
Unique background	Tree background with logo (colleges) Tree background with name (nonprofits) White background with logo (veterans) Unique background or nonprofit with logo requires legislation (Share the Road, Keep Kids Safe, Fallen Officer)
Limited to five at a time. Will be four when Pacific Wonderland sells out all 40,000 sets.	No limit on the number of group plate types
Startup costs are approximately \$89,000. Not eligible for Highway funds. Must be paid for by the organization before DMV may begin work.	Startup costs are approximately \$46,000. (Includes \$10,000 application fee) Not eligible for Highway Funds. Must be paid for by organization before DMV may begin work.
No sales minimums	Must sell 1,000 sets in first year to be refunded the \$10,000 application fee. Must sell or renew 500 sets every year or the plate will be discontinued.
Plate can be issued immediately in DMV field offices and in some vehicle dealerships.*	Plate mailed from DMV Headquarters.
Displayed in DMV field offices.	Generally not displayed in DMV field offices.
Available with custom (vanity) configuration.	Not available with custom configuration.
Controlling laws: ORS 805.202; 805.255; 805.266; 805.260; 805.261; 805.263; 805.264; 805.266; 805.268; 805.272; 805.274 2009 Or Laws Ch 823 §1-5	Controlling laws: ORS 805.205; 805.206 OAR: 735-040-0040 through -0100

*Pacific Wonderland not issued at dealerships and not available with custom configuration.

Oregon Fundraising License Plates

SPECIALTY PLATES

- Salmon
- Crater Lake
- Cultural Trust
- Pacific Wonderland
- Wine Country
- Wildlife Conservation
- Mount Hood
- Breast Cancer Awareness
- Trail Blazers

GROUP PLATES

- Oregon Professional Firefighters
- Oregon State University
- Fallen Public Safety Officer
- Share the Road
- University of Oregon
- Gray Whale

CUSTOM

- Congressional Medal of Honor
- Inactive*
- Lions Clubs of Oregon
- Oregon Masonic Family
- Oregon Paralyzed Veterans
- Oregon State Elks
- Willamette University
- University of Portland

VETERAN/MILITARY

- | | | | |
|----------------------|-----------------------------------|---------------------------------------|------------------|
| Air Force Insignia | Air Force Cross | Distinguished Flying Cross | Veteran Service |
| Army Insignia | U.S. Army Special Forces Airborne | Armed Forces Expeditionary Service | WWII Victory |
| Coast Guard Insignia | NCOA | Afghanistan Campaign Medal | Korean Service |
| Marine Insignia | First Marine Division | Iraq Campaign Medal | Vietnam Veterans |
| Navy Insignia | Navy Cross | Global War on Terrorism Expeditionary | SW Asia |
| Merchant Marine | Distinguished Service Cross | Veterans for Human Rights | Purple Heart |
| Gold Star Family | Silver Star | Bronze Star | |

RETIRED

- George Fox College
- Pearl Harbor Survivor
- Linfield College
- Square & Round Dancers
- Oregon Agriculture
- The Chosin Few
- Organ Donor
- Portland State University
- Oregon Firefighter
- Western Oregon University
- Oregon Grange
- Support Our Troops
- Pacific University
- Eastern Oregon University
- Keep Kids Safe

*sell remaining stock

