

Secretary of State  
**NOTICE OF PROPOSED RULEMAKING\***

A Statement of Need and Fiscal Impact accompanies this form.

Department of Transportation, Driver and Motor Vehicle Services Division

735

Agency and Division

Administrative Rules Chapter Number

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Rules Coordinator

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**RULE CAPTION**

Increases manufacturing fee collected for a pair of registration plates. Supersedes notice published November 2011.

Not more than 15 words that reasonably identify the subject matter of the agency's intended action.

**RULEMAKING ACTION**

**AMEND:** 735-032-0010

ORS 184.616, 184.619, 802.010 & 803.570

Stat. Auth.

None

Other Authority

ORS 803.570

Stats. Implemented

**RULE SUMMARY**

This Notice supersedes the same as published in the November 1, 2011 Oregon Bulletin. The rule amendment is needed to bring OAR 735-032-0010 into compliance with ORS 803.570. Failure to amend the rule will result in an inconsistency between the statute and rule and result in a loss of revenues collected for the State Highway Fund.

ORS 803.570 requires DMV to establish, by rule, the registration plate manufacturing cost for a registration plate or pair of registration plates. The cost established by DMV is calculated by taking the cost to manufacture a single plate or pair of plates, and rounding the amount(s) charged DMV customers to the next higher half-dollar. DMV has adopted OAR 735-032-0010 to set the registration plate manufacturing cost amounts. (Currently, the plate manufacturing cost amount is \$2 for a single plate and \$3 for a pair of plates.) The plate manufacturing cost amount is then added to the statutory fee set forth in ORS 803.570 which is \$10 for a single plate and \$20 for a pair of plates. The total, which is also established in OAR 735-032-0010, is the registration plate fee that must be paid when a registration plate or pair of registration plates is issued to a customer.

In January 2011, DMV renewed a 10-year agreement (Agreement) with Irwin-Hodson Group (Contractor) to manufacture registration plates for DMV. Under the Agreement, DMV's cost for a pair of plates increased from \$3 to \$3.43, which when rounded to the next higher half-dollar is \$3.50. DMV delayed immediately raising the registration plate fee due to a large inventory of plates on hand at the time of the Agreement.

In October 2011, DMV filed notice to amend OAR 735-032-0010 to increase from \$3 to \$3.50, the manufacturing cost amount charged for each *pair of plates issued* [emphasis]. The increase was scheduled to become effective January 1, 2012.

Shortly after the rule was noticed, but before the effective date, DMV entered into a 12-month price agreement with the Contractor. Under the new price agreement, DMV's cost for a pair of plates increased from \$3.43 to \$3.52, which when rounded to the nearest half-dollar is \$4. The increase is needed to cover an increase in the Contractor's cost to manufacture a pair of plates.

DMV is now re-noticing the proposed amendment of OAR 735-032-0010 to increase from \$3 to \$4, the manufacturing cost amount charged for each pair of registration plates issued. As a result, the registration plate fee for a pair of plates will rise from \$23.00 to \$24.00. The proposed effective date of the rule and fee increase is April 1, 2012.

Text of proposed and recently adopted ODOT rules can be found at web site <http://www.oregon.gov/ODOT/CS/RULES/>.

A public rulemaking hearing may be requested in writing by 10 or more people, or by an association with 10 or more members, within 21 days following the publication of the Notice of Proposed Rulemaking in the *Oregon Bulletin* or 28 days from the date Notice was sent to people on the agency mailing list, whichever is later. If sufficient hearing requests are received, the notice of the date and time of the rulemaking hearing must be published in the *Oregon Bulletin* at least 14 days before the hearing.

The agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing the negative economic impact of the rule on business.

**February 21, 2012**

**Last Day for Public Comment**

Last day to submit written comments to the Rules Coordinator

Signature

Lauri Kunze

Printed name

Date

\* The *Oregon Bulletin* is published on the 1st of each month and updates the rule text found in the Oregon Administrative Rules Compilation. Notice forms must be submitted to the Administrative Rules Unit, Oregon State Archives, 800 Summer Street NE, Salem, Oregon 97310 by 5:00 pm on the 15th day of the preceding month unless this deadline falls on a Saturday, Sunday or legal holiday when Notice forms are accepted until 5:00 pm on the preceding workday.

**STATEMENT OF NEED AND FISCAL IMPACT**

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Oregon Department of Transportation, Driver and Motor Vehicle Services Division

735

Agency and Division

Administrative Rules Chapter Number

In the Matter of the Amendment of OAR 735-032-0010, Relating to Registration Plate Fees.

Rule Caption: Increases manufacturing fee collected for a pair of registration plates. Supersedes notice published November 2011.

Statutory Authority: ORS 184.616, 184.619, 802.010 &amp; ORS 803.570.

Other Authority: None.

Statutes Implemented: ORS 803.570.

**Need for the Rule(s):** This Statement of Need and Fiscal Impact supersedes the same as published in the November 1, 2011 Oregon Bulletin. The rule amendment is needed to bring OAR 735-032-0010 into compliance with ORS 803.570. Failure to amend the rule will result in an inconsistency between the statute and rule and result in a loss of revenues collected for the State Highway Fund.

ORS 803.570 requires DMV to establish, by rule, the registration plate manufacturing cost for a registration plate or pair of registration plates. The cost established by DMV is calculated by taking the cost to manufacture a single plate or pair of plates, and rounding the amount(s) charged DMV customers to the next higher half-dollar. DMV has adopted OAR 735-032-0010 to set the registration plate manufacturing cost amounts. (Currently, the plate manufacturing cost amount is \$2 for a single plate and \$3 for a pair of plates.) The plate manufacturing cost amount is then added to the statutory fee set forth in ORS 803.570 which is \$10 for a single plate and \$20 for a pair of plates. The total, which is also established in OAR 735-032-0010, is the registration plate fee that must be paid when a registration plate or pair of registration plates is issued to a customer.

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In October 2011, DMV filed notice to amend OAR 735-032-0010 to increase from \$3 to \$3.50, the manufacturing cost amount charged for each *pair of plates issued* [emphasis]. The increase was scheduled to become effective January 1, 2012.

Shortly after the rule was noticed, but before the effective date, DMV entered into a 12-month price agreement with the Contractor. Under the new price agreement, DMV's cost for a pair of plates increased from \$3.43 to \$3.52, which when rounded to the nearest half-dollar is \$4. The increase is needed to cover an increase in the Contractor's cost to manufacture a pair of plates.

DMV is now re-noticing the proposed amendment of OAR 735-032-0010 to increase from \$3 to \$4, the manufacturing cost amount charged for each pair of registration plates issued. As a result, the registration plate fee for a pair of plates will rise from \$23.00 to \$24.00. The proposed effective date of the rule and fee increase is April 1, 2012.

**Documents Relied Upon and where they are available:** Agreement between State of Oregon, ODOT, DMV and Irwin-Hodson Group. To request a copy of the document, please contact David Eyerly at: david.eyerly@state.or.us or by telephone at 503-945-5256.

**Fiscal and Economic Impact, including Statement of Cost of Compliance:** DMV is amending OAR 735-032-0010 to increase from \$3 to \$4, the manufacturing cost amount collected by DMV for each pair of registration plates issued. The increase is needed for DMV to recover the cost of manufacturing the plates as required under ORS 803.570 and to avoid a loss of revenues collected for the State Highway Fund.

The amendment will result in a \$1 increase in the registration plate fee for each pair of registration plates issued to state agencies, units of local government, businesses, including small businesses, and members of the public.

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)): See Fiscal and Economic Impact, including Statement of Cost of Compliance (above).
2. Cost of compliance effect on small business (ORS 183.336): See Fiscal and Economic Impact, including Statement of Cost of Compliance (above).
  - a. Estimate the number of small businesses and types of business and industries with small businesses subject to the rule: DMV is unable to determine the number of small businesses, and types of business and industries with small businesses affected by this rulemaking.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services: None.

c. Equipment, supplies, labor and increased administration required for compliance: None.

**How were small businesses involved in the development of this rule?** The rule change is necessary to bring OAR 735-032-0010 into compliance with 803.570. Therefore, small businesses were not involved in the development of this rule.

**Administrative Rule Advisory Committee consulted?** The rule change is necessary to bring OAR 735-032-0010 into compliance with 803.570. Therefore, an advisory committee was not used.

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Authorized Signer

Lauri Kunze

Printed name

Date

Administrative Rules Unit, Archives Division, Secretary of State, 800 Summer Street NE, Salem, Oregon 97310.

ARC 925-2005