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DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
DEVELOPMENT SERVICES BUILDING
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April 21, 2022

Board of County Commissioners
Clackamas County

Members of the Board:

Second Reading of Ordinance No. 01-2022 Amending Chapter 7.07,
Vehicle Registration Fee, of the Clackamas County Code

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| Purpose/Outcomes | To amend section 7.07 of the County Code implementing a countywide vehicle registration fee; modifies fee for utility/light trailers. |
| Dollar Amount and Fiscal Impact | Reduction of approximately \$300,000 per year (out of \$11 million total) with 50% distributed to the County, 40% distributed to cities located in the County and 10% allocated to a strategic investment fund for road transfers and multi-jurisdictional projects. |
| Funding Source | N/A |
| Duration | Indefinite |
| Previous Board Action | February 21, 2019. Board passed ordinance creating the countywide vehicle registration fee. March 08, 2022 Discussion item at issues March 31, 2022 First Reading of Ordinance No. 01-2022 |
| Strategic Plan Alignment | Build a strong infrastructure. Build public trust through good government. |
| Counsel Review | Date of Counsel review: 04/12/22, NB |
| Procurement Review | <i>Was the item processed through Procurement? No. This is an ordinance amendment</i> |
| Contact Person | Mike Bezner– 503-742-4651 |

BACKGROUND:

The Clackamas County vehicle registration fee (VRF) that went into effect in January 2020 is a consistent source of transportation revenue that allows the County and our cities to complete projects that are important to our residents and businesses. Revenue from the fee supports the Community Road Fund (CRF) program, which funds road transfers, congestion relief, local road paving, and safety projects on county roads. These priorities, which were established by our community, for our community, are being overseen by the 15-member Community Road Fund Advisory Committee (CRFAC).

The fee of \$30/year for most vehicles and trailers (and \$15/year for motorcycles) is paid by Clackamas County residents when they register their vehicle with the state Driver and Motor Vehicle (DMV) Services Division every two years, in conjunction with state registration fees.

Oregon Revised Statute (ORS) 801.041 does exempt some types of vehicles from paying the local vehicle registration fee (e.g. travel trailers, campers, motor homes), but other types of trailers (e.g. utility/light trailers with a loaded weight of 8,000 pounds or less) are still required by ORS to pay a local fee. However, the county is permitted to adopt a lower rate for utility/light trailers than the \$30 that most vehicles pay.

Since the adoption of the local VRF, staff has received some feedback suggesting that the charge for trailers be reduced. As a result, staff discussed the trailer fee with CRFAC members during their regularly scheduled update in September. The Committee supported lowering the fee for utility/light trailers and the majority believed that \$5 per year was a more appropriate amount.

In 2020, based on data received from the Oregon DMV, Clackamas County received trailer fees of approximately \$350,000 for 5600 trailers; about 3% of the total anticipated VRF collections in an average year. While reducing the trailer fee to \$5 would result in less annual revenue to the county and cities, the annual revenue reduction would not have a significant impact on the county's Community Road Program as a whole.

Therefore, this proposed ordinance reduces the local VRF for utility/light trailers to \$5 per year (\$10 per biannual renewal period.) Adoption of this ordinance follows the county's usual ordinance adoption procedures, with two separate readings by the Board at least 13 days apart and an effective date no sooner than 90 days after adoption (unless an emergency is declared). The first reading occurred on March 31, 2022 and ordinance No. 01-2022 was assigned.

If approved, staff will work with DMV to revise the current intergovernmental agreement that gives DMV direction to collect these fees. It is anticipated that the reduced fee for utility/light trailers would be implemented by January 2023.

RECOMMENDATION:

Staff respectfully requests that the Board of County Commissioners read the proposed ordinance by title only and proceed to adoption.

Respectfully submitted,

Mike Bezner

Mike Bezner

Assistant Director – Department of Transportation and Development

Attachments:

1. Redlined Chapter 7.07, Vehicle Registration Fee, of the Clackamas County Code
2. ORDINANCE NO.01-2022, An Ordinance Amending Chapter 7.07, Vehicle Registration Fee, of the Clackamas County Code
 - o Exhibit A Chapter 7.07 - VEHICLE REGISTRATION FEE
 - o Exhibit B - Revised Fee Schedule

BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON

ORDINANCE NO. 01-2022

**An Ordinance Amending Clackamas County Code Chapter 7.07, Vehicle
Registration Fee**

WHEREAS, an ordinance establishing the imposition of a County vehicle registration fee is authorized by ORS 801.040, 801.041 and 803.445; and

WHEREAS, on February 21, 2019, the Clackamas County Board of County Commissioners adopted Ordinance 01-2019 adding Chapter 7.07, Vehicle Registration Fee, to the Clackamas County Code; and

WHEREAS, as required by state law, the vehicle registration fee applies to some trailers whose owners also register vehicles; and

WHEREAS, state law does not prohibit differing Vehicle Registration Fee rates between different classes of vehicles; and

WHEREAS, the Board of County Commissioners now wishes to adopt a reduced fee for the registration associated with utility trailers and light trailers, which are collectively defined in Oregon Administrative Rule (OAR) 735-030-0015 to be "... any trailer having a loaded weight of 8,000 pounds or less, except trailers for hire or rent, travel trailers, special use trailers and fixed loads"; now, therefore;

The Board of Commissioners of Clackamas County ordains as follows:

Section 1: Chapter 7.07 of the Clackamas County Code, Vehicle Registration Fee, is hereby amended as set forth in the attached Exhibit A.

Section 2: Appendix A of the Clackamas County Code is hereby amended to add the Vehicle Registration Fee amount, as set forth in the attached Exhibit B.

Section 3: This Ordinance shall take effect ninety (90) days after adoption.

ADOPTED this _____ day of _____, 2022.

BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary

Exhibit A

Chapter 7.07 - VEHICLE REGISTRATION FEE

7.07.010 Authority

This chapter is adopted pursuant to the authority granted by ORS 801.040, 801.041 and 803.445.

7.07.020 Definitions

- A. MOPED shall have the meaning given in ORS 801.345.
- B. MOTORCYCLE shall have the meaning given in ORS 801.365.
- C. REGISTRATION or REGISTER shall have the meaning given in ORS 801.410.
- D. UTILITY or LIGHT TRAILER shall have the meaning given in OAR 735-030-0015.
- E. VEHICLE shall have the meaning given in ORS 801.590.

7.07.030 Fee Imposed; Exemptions

- A. Except as provided in this chapter, Clackamas County hereby imposes a vehicle registration fee on all vehicles registered with the State of Oregon Department of Transportation where the residential or business address on the application for registration or the renewal of registration is located in Clackamas County.
- B. Clackamas County shall not impose a vehicle registration fee on those vehicles identified in ORS 801.041(3) as being exempt from the registration fee. Vehicles exempt from the vehicle registration fee include the following:
 - 1. Snowmobiles and Class I all-terrain vehicles;
 - 2. Fixed load vehicles;
 - 3. Vehicles registered under ORS 805.100 to disabled veterans;
 - 4. Vehicles registered as antique vehicles under ORS 805.010;
 - 5. Vehicles registered as vehicles of special interest under ORS 805.020;
 - 6. Government-owned or operated vehicles registered under ORS 805.040 or 805.045;

7. School buses or school activity vehicles registered under ORS 805.050;
8. Law enforcement undercover vehicles registered under ORS 805.060;
9. Vehicles registered on a proportional basis for interstate operation;
10. Vehicles with a registration weight of 26,001 pounds or more described in ORS 803.420(14) (a) or (b);
11. Vehicles registered as farm vehicles under the provisions of ORS 805.300;
12. Travel trailers, campers and motor homes, as those terms are defined in ORS 801.565, ORS 801.180, and ORS 801.350 respectively;
13. Vehicles registered under ORS 805.110 to former prisoners of war.

7.07.040 Amount and Payment of Fee

- A. Except as provided in this chapter, at the time a vehicle is first registered or at the time of registration renewal, the applicant shall pay the county vehicle registration fee for each year of the registration period.
- B. At the time a motorcycle or moped is first registered or at the time of registration renewal, the applicant shall pay the county vehicle registration fee for each year of the registration period.
- C. At the time a utility or light trailer is first registered or at the time of registration renewal, the applicant shall pay the county vehicle registration fee for each year of the registration period.
- D. The county vehicle registration fee is in addition to other fees required to be paid to the State of Oregon under ORS 803.420.
- E. The fee shall be collected by the Oregon Department of Transportation on behalf of Clackamas County.

7.07.050 Distribution of Revenue

- A. The County will pay and distribute 40% of the moneys collected to those incorporated cities within the County. The distribution shall be based on each city's proportional share of the total number of Clackamas County residents residing within incorporated cities, as determined by the most recent reports of the Portland State University Population Research Center.
- B. The County will allocate 10% of the moneys collected to a strategic investment fund for purposes of funding jurisdictional road transfers or other multi-jurisdictional projects.

- C. All distributions under this provision will be made after administrative fees are collected by the Oregon Department of Transportation and the County.

7.07.060 Use of Revenue

- A. The County Department of Finance, or its designee, shall be responsible for the disposition of the revenue from the vehicle registration fee.
- B. For the purposes of this section “net revenue” means the revenue from the fee imposed by this chapter remaining after providing for the cost of collection, transfer, and administration by the Oregon Department of Transportation and the County.
- C. The net revenue of the fees collected under this chapter shall be used only for purposes allowed by state law. Except for the portion of the net revenue described in 7.07.050(B), the net revenue received by the department shall be credited to the County road fund under a different account to ensure these funds shall be used only for the maintenance of local roadways, safety related projects and capital construction focused on the reduction of congestion on county roads. The net revenue received by the cities shall be used only for road purposes as outlined in applicable state law regarding expenditure of road user fees and taxes. The net revenue described in 7.07.050(B), which is allocated to the strategic investment fund, shall be used only for payments to transfer roads between jurisdictions or for multi-jurisdictional projects which affect new or existing roads or streets within the limits of a city, or on county roads or local access roads, as those terms are defined in ORS 368, that are located within or adjacent to the limits of an incorporated city.

Exhibit B

| DEPARTMENT / DIVISION FEE DESCRIPTION | AUTH. LEGISLATION | FEE SET BY ORS | ORS AUTH. FEE | CODE AUTH. FEE | CURRENT FEE AMOUNT | PROPOSED FEE |
|---|----------------------|-------------------|---------------------|----------------------|--------------------|--------------|
| DTD - ADMINISTRATION | | | | x | | |
| Vehicle registration fee | Code §7.07.040 | | | x | | |
| - Motorcycles/mopeds | | | | x | \$15 per year | |
| - Utility/Light Trailer | | | | x | \$30 per year | \$5 per year |
| - All other vehicles not otherwise exempt | | | | x | \$30 per year | |