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MEMORANDUM

To: Board of County Commissioners

From: Dan Johnson, Director

Date: January 25, 2022

RE: Countywide Vehicle Registration Fee/ Community Road Fund – Trailers

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.

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. horse and boat trailers) are still required by ORS to pay a local fee. However, the county is permitted to adopt a lower rate for the trailers than the \$30 that most vehicles pay.

Staff has heard few complaints about the County's VRF, but of the few we have received, most are about the \$30 charge for trailers. In response to this concern, staff discussed the trailer fee with Community Road Fund Advisory Committee (CRFAC) members during their regularly scheduled update in September. Committee members were asked their opinion about changing the trailer fee to a nominal \$1 per year. While the CRFAC did support lowering the fee for trailers (and some supported lowering to as little as \$1), the majority of members thought that a \$5 fee was a more appropriate amount since trailers do cause wear and tear on roads and shoulders. It is interesting to note that several task force members who have horse and boat trailers support the \$5 fee rather than the \$1 fee.

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 either \$1 or \$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.

Considering the public input received to date and recommendation from the CRFAC, staff respectfully recommends that the Board give direction to provide an ordinance to modify the VRF for trailers to \$5 per year and staff coordinate with partnering cities to discuss this proposed change.