

HOUSE REVENUE COMMITTEE
FEBRUARY 25, 2003 8:30 AM STATE CAPITOL BUILDING

Members Present: Representative Lane Shetterly, Chair
Representative Wayne Scott, Vice Chair
Representative Joanne Verger, Vice Chair
Representative Phil Barnhart
Representative Vicki Berger
Representative Pat Farr
Representative Mark Hass
Representative Elaine Hopson
Representative Max Williams

Witness Present: Rep. Susan Morgan, House District 2
Roger Martin, Oregon Golf Association
Oregon Transit Association
Sen. Charlie Ringo, District 17
Chris Hagerbaumer, Oregon Environmental Council
Rep. Jackie Dingfelder, District 45
Scott Bricker, Bicycle Transportation Alliance
Lyn Lundquist, Oregon Business Association
Rivka Gevurtz, Northwest Jewish Environmental Project
Mitchell Rofsky, Better World Club
Jenny Holmes, Ecumenical Ministries of Oregon
Environmental Ministries Committee,
Public Policy Committee,
Oregon Interfaith Global Warming Campaign

Staff Present: Paul Warner, Legislative Revenue Officer
Lizbeth Martin-Mahar, Legislative Revenue Office
Kathy Tooley, Committee Assistant

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006 Chair Shetterly Calls meeting to order at 8:36 a.m.

OPENED PUBLIC HEARING ON HB 2283

015	Mazen Malik	Presented background and history of HB 2283, (Exhibit 1), including revenue impact (Exhibit 2).
041	Rep. Susan Morgan	Spoke in favor and gave history of HB 2283, extends the tax exemption granted in the last session to include buildings on the golf course.
074	Rep. Barnhart	Are you aware of other golf courses making use of this new law?
077	Rep. Morgan	Purposely defined bill narrowly and is not aware of any other golf course that falls within its scope.
080	Chairman Shetterly	Clarifies Prineville is potentially a golf course that could benefit from the exemption, but isn't.
082	Roger Martin	Spoke in support of HB 2283, suggested future legislation not be so narrowly defined.

115 Chair Shetterly Closed public hearing on HB 2283.

OPENED WORK SESSION ON HB 2283

125 Rep. Verger **MOTION: MOVED HB 2283 TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION**

ROLL CALL VOTE: MOTION PASSED 8-0-1
REPRESENTATIVES VOTING AYE: Barnhart, Berger, Farr, Hopson, Scott, Verger, Williams, Chair Shetterly. EXCUSED: Rep. Hass

***See 57B, meter 218 – FINAL VOTE 9-0-0**

Rep. Morgan will carry the bill.

OPENED PUBLIC HEARING HB 2043

161 Lizbeth Martin-Mahar Presented background on HB 2043, (Exhibit 3), and revenue impact statement, (Exhibit 4). There will be an amendment, as yet undrafted.

196 Sen. Charlie Ringo Spoke in favor of HB 2043, citing traffic congestion, associated costs, and health impacts of air pollution. Said reduced auto insurance rates could provide the incentive needed to reduce congestion.

218 Rep. Verger Did you consider limiting this bill to congested areas?

232 Sen. Ringo For all areas it makes sense to give incentives to reduce driving. Discussed how insurance rates are based.

245 Rep. Verger What about areas that don't have a transit option?

255 Sen Ringo The bill is not intended to push people out of their cars; it is intended to price insurance based on time spent on the roads.

280 Chris Hagerbaumer Spoke in favor of HB 2043, (Exhibit 4). Described Pay-as-You-Drive, (PAYD) program benefits, consumer options, costs, impacts on the environment, pilot program by Progressive. Will be proposing two amendments.

420 Chair Shetterly Could you describe what the amendments would look like?

422 Hagerbaumer The amendments are suggested by a business advisory committee, allowing a company with no tax liability, in the year that the premiums are sold, to roll tax credit forward to year tax liability is incurred, or to sell the credits to a company that does have tax liability.

444 Verger Did you consider using this in congested areas only?

449 Hagerbaumer Insurance companies would pilot this in Oregon or the Northwest and it would be offered to interested parties. Did not want to limit program because there was interest in rural areas for the program.

465 Rep. Verger Explained and asked for comment on the many low income individuals in her district who have to commute in order to find employment, sometimes for an hour and a half.

480 Hagerbaumer Insurance company to offer PAYD as an option and would be an opportunity

to save money.

503 Rep. Verger As a member of the Road User Fee Task Force, asked about privacy issue associated with the technology.

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032 Hagerbaumer Explained that individual might stay in a fixed fee system and not opt into the program.

047 Rep. Scott How do you see the audit process working and how will it be paid for?

051 Hagerbaumer Expects a situation with a mechanic, or a Jiffy Lube, to certify odometer readings. It does cost money which is why the bill would provide for sunset in a few years.

061 Rep. Barnhart How many miles would be a break even point for PAYD, or a flat rate?

068 Hagerbaumer ODOT estimates the average Oregon driver drives 12,000 per year, anyone who drives less might want to opt into the program. Estimate a third of drivers, might be interested in the PAYD concept.

076 Barnhart This would appeal to people that drive less than the average?

078 Hagerbaumer Answered affirmatively.

080 Barnhart Someone who drives more, would pay more than on a fixed rate plan?

083 Hagerbaumer The bill does not tell the insurance companies how to operate the program. Feels insurance companies might require fixed payment and provide reward on back end.

088 Chair Shetterly This bill does not dictate how insurance program is set up?

089 Hagerbaumer No.

100 Rep. Dingfelder Spoke in support of HB 2043, (Exhibit 5). Discussed voluntary nature and affects on traffic congestion. Cited recent transportation study on travel time ranking, and congested lane miles showing declines in Portland's ranking. Projects passage of bill would reduce vehicle miles traveled by 5 to 15%, delaying need for highway infrastructure projects.

141 Rep. Verger How can we justify tax credits on something the insurance companies could do already?

152 Rep. Dingfelder This is a voluntary program, not requiring insurance companies to make it available.

160 Rep. Dingfelder Discussed benefits and offsets to the Oregon.

172 Rep. Dingfelder This is a pilot project, the sunset will enable legislature to review how the program is working.

176 Scott Bricker Discussed affect of incentives on transportation programs, and benefit PAYD would be to bicyclists and walkers, (Exhibit 6). Also cited health benefits and savings to chronic disease costs.

250 Questions and discussion regarding cycling on the coast, and long distance

commuting.

- 275 Lynn Lundquist The Environment Committee and the Transportation Committee of the OBA both endorsed the concept of PAYD. Spoke to issues that arose during the hearing.
- 306 Lundquist
- Privacy issues can be avoided by driving to see the agent annually.
 - Principle of the bill, a person driving less, should pay less.
 - It's a pilot project, should not subsidize the insurance industry except for start-up.
- 328 Gevurtz Spoke in support of HB 2043, (Exhibit 7), citing Oregon Interfaith Global Warming Campaign and moral obligation to be ethical consumers and stewards of the planet.
- 413 Rep. Verger This is an excellent bill for areas where there is congestion and where there is a great deal of pollution? Would it be more economical and at less expense to do a pilot program in the Mid-Valley of Oregon as opposed to all of the state?
- 421 Gevurtz Grew up in the rural community, with dollars being tight, people have to make monetary choices. Problem is the tight timeline for world health and well being. This bill would give industry and individuals the opportunity to be part of the solution.

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- 014 Roger Martin Spoke as Director, Oregon Transit Association, and on behalf of members Lane County Transit District (Exhibit 8), and Transportation Alternatives Group of Oregon (TAGO), (Exhibit 9), in supporting HB 2043 as a pilot project.
- 053 Mitch Rofsky Spoke in support of HB 2043 (Exhibit 10), cited environmental costs, risks associated with driving. Regarding tracking and privacy issues, the market place will develop alternatives if provided incentives.
- 138 Rep. Berger How do you intend to monitor mileage?
- 146 Mitchell Rofsky Represented the agency viewpoint, discussed need for underwriter who will track, people are reasonably honest, as long as they know they are going to be checked.
- 167 Jenny Holmes Spoke in support of HB 2043, citing reduction in global warming gases, while providing consumer incentives to drive less, fewer accidents, and would help low income drivers with insurance costs.
- 205 Rep. Verger Do you have any data on trucks and its affect on global warning?
- 210 Holmes Do not have data, but it is a significant contributor to global climate change. See this bill as a small step forward.
- 216 Chair Shetterly Closed the public hearing on HB 2043.

REOPENED WORK SESSION ON HB 2283

- *218 Chair Shetterly **MOTION: CHAIR MOVED TO REOPEN WORK SESSION ON HB 2283 FOR PURPOSES OF RECORDING REP. HASS' VOTE.**

ORDER: HEARING NO OBJECTION SO ORDERED.

221	Chair Shetterly	Rep. Hass how do you vote?
222	Rep. Hass	Votes Aye.
223	Chair Shetterly	Closed Work Session on HB 2283.
226	Chair Shetterly	Inquired if there was testimony on revenue options to balance the 2001-2003 budget? There being no testimony, meeting adjourned at 9:50 am.

Tape Log Submitted by,

Kathy Tooley, Committee Assistant Reviewed by Kim Taylor James

Exhibit Summary:

1. Malik, "Staff Measure Summary HB 2283", 1 page
2. Malik, "Revenue Impact Statement HB 2283", 1 page
3. Martin-Mahar, "Staff Measure Summary HB 2043", 1 page
4. Hagerbaumer, "Testimony HB 2043", 4 pages
5. Dingfelder, "Testimony HB 2043", 3 pages
6. Scott Bricker, "Testimony HB 2043", 1 page
7. Gevurtz, "Testimony HB 2043", 2 pages
8. Martin, "Testimony HB 2043 of LTD", 1 page
9. Martin, "Testimony HB 2043 of TAGO", 1 page
10. Rofsky, "Testimony HB 2043", 3 pages
11. Schneider, "Written Testimony HB 2043", 1 page
12. Morris, "Written Testimony HB 2043", 1 page
13. OEC Business Advisory Board, "Written Testimony HB 2043", 2 pages
14. Goodstein, "Written Testimony HB 2043", 1 page

**SENATE REVENUE COMMITTEE
HOUSE REVENUE COMMITTEE
FEBRUARY 25, 2003 3:00 PM STATE CAPITOL BUILDING**

Members Present: Senator Ryan Deckert, Chair
Senator Ted Ferrioli, Vice-Chair
Senator Tony Corcoran
Senator Charlie Ringo
Senator Bruce Starr
Representative Phil Barnhart
Representative Vicki Berger
Representative Mark Hass
Representative Elaine Hopson

Members Excused: Representative Lane Shetterly, Chair
Representative Joanne Verger, Vice-Chair
Representative Wayne Scott, Vice-Chair
Representative Pat Farr
Representative Max Williams
Senator Lenn Hannon

Witnesses Present: Marcia Kelley, Women's Rights Coalition
Dolores Hubert, Governor's Commission on Senior Services
Charlie Walker, Cultural Trust Board
Mike Lindberg, Cultural Advocacy Coalition

Staff Present: Paul Warner, Legislative Revenue Office
Tara Lantz, Committee Assistant

TAPE 43, SIDE A

004 Chair Deckert Calls meeting to order at 3:04pm

OPENS PUBLIC HEARING ON IDEAS ON REVENUE OPTIONS TO BALANCE THE 2001-03 BUDGET

025 Marcia Kelley Testifies in support of restoring the collection positions in the Department of Revenue, slowing down refunds, disconnecting from the Federal tax code, and eliminating tax credits.

062 Dolores Hubert Testifies in support of HB 5075, eliminating tax credits, raising vehicle registration fees, and raising the taxes on beer and wine.

095 Charlie Walker Discusses the cultural trust. Testifies in support of the state taking some of the proceeds from the sale of the Boardman property from the Cultural Trust but hopes the Legislature won't eliminate it.

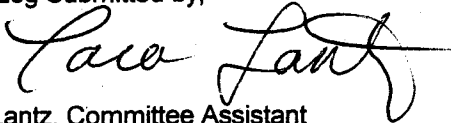
164 Mike Lindberg Recommends further 50% reduction in Boardman funds, moratorium on the receipt of revenues from future surplus land sales, and proportionate cuts in the program budgets in these agencies. Discusses his hopes of maintaining the basic infrastructure of the cultural trust.

218 Sen. Ringo Comments that the legislators support the arts but are having to choose

between that and people dying.

- 240 Walker Responds that he just hopes there is some infrastructure still standing after the budget crisis is over and gives example of Linfield College.
- 260 Rep. Hopson Asks how much has been received in donations at this point.
- 276 Walker Responds \$1,670,000.
- 282 Rep. Barnhart Asks how many donations that is.
- 283 Walker Responds slightly over 5,400.
- 288 Sen. Deckert Adjourns meeting at 2:25pm.

Tape Log Submitted by,



Tara Lantz, Committee Assistant



Reviewed by Kim Taylor James

Exhibit Summary:

1. Marcia Kelley, Written Testimony, 1p.
2. Dolores Hubert, Written Testimony, 1p.