

HOUSE COMMITTEE ON TRANSPORTATION

February, 5 2003 Hearing Room 357
8:30 a.m. Tapes 15 - 16

MEMBERS PRESENT: Rep. Alan Brown, Chair
 Rep. Terry Beyer, Vice-Chair
 Rep. John Mabrey, Vice-Chair
 Rep. Jackie Dingfelder
 Rep. George Gilman
 Rep. Mitch Greenlick
 Rep. Cliff Zauner

STAFF PRESENT: Janet Adkins, Administrator
 Ryan Sherlock, Committee Assistant

MEASURE/ISSUES HEARD: **HB 2213 – Public Hearing and Work Session**
 INFORMATIONAL MEETING - Federal Highway Funding Reauthorization.

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 15, A		
003	Chair Alan Brown	Calls meeting to order at 8:34 a.m. and opens a public hearing on HB 2213.
<u>HB 2213 – PUBLIC HEARING</u>		
010	Dave Tyler	Oregon Department of Transportation, Chief Financial Officer. Offers written testimony (EXHIBIT A) in support of HB 2213.
040	Rep. Greenlick	Clarifies that the state does not currently have the authority requested in section two of the bill.
045	Tyler	Responds affirmatively. Continues with presentation.
080	Chair Brown	Inquires about number of years in question for extending the life of a bond.
085	Tyler	Offers description for how the life of a bond issued to fund a project could be linked to the life of the project.
110	Chair Brown	Expresses concern for long-term bonds with repayment based on future revenue sources which could be altered in the long term.
115	Tyler	Explains that, while highway user tax bonds which are secured by current highway fund sources are issued long term, Grant Anticipation Revenue Vehicle's (GARVEEs) are issued over shorter timeframes.
117	Chair Brown	Clarifies the shorter time frame being six years.
120	Tyler	Confirms the six to seven year timeframe, and addresses the funding for these bonds.
125	Chair Brown	Asks whether GARVEE bonds are backed by any other funding source than the federal highway allocation.

130	Tyler	Defers to Mr. Goe, and Ms. deHamel.
135	Doug Goe	Ater Wynne LLP, Chair Public Finance Group. Describes the issuance of GARVEE bonds.
150	Beth deHamel	Morgan Stanley, Executive Director. Concurs with Mr. Goe and describes how other states have addressed the issue.
160	Rep. Dingfelder	Asks how risk is factored into the issuance of bonds which are funded by long-term sources.
165	deHamel	Offers explanation of how these bonds are covered, and clarifies that they are very conservative with their numbers.
175	Rep. Greenlick	Asks Chair Brown whether it would be customary for an independent statement from the treasurer when the committee is addressing bonding measures.
180	Chair Brown	Explains that HB 2213 has a subsequent referral to the Revenue Committee.
185	Janet Adkins	Committee Administrator, explains that Chuck Smith from the State Treasurers office would have been before the committee, but had a conflict which prevented him from attending.
190	Chair Brown	Closes the public hearing on HB 2213, and opens a work session on HB 2213.

HB 2213 – WORK SESSION

195	Rep. Beyer	MOTION: Moves HB 2213 to the floor with a DO PASS recommendation and BE REFERRED to the committee on Revenue by prior reference.
200	Chair Brown	Asks if there is any discussion on the bill.
205	Rep. Greenlick	Clarifies that HB 2213 was referred to the Transportation Committee for its policy implications, and subsequently referred to Revenue for the income aspects of the bill.
210	Chair Brown	Explains Oregon’s past of paying for projects as they go, but addresses the modern necessity for the state to leverage its money in these areas, and how HB 2213 addresses this need.
220	Rep. Gilman	Explains that due to the subsequent referral and the need for the measure to be approved by the treasurer, he is not concerned by HB 2213.
225	Chair Brown	Points out Oregon’s history of keeping state indebtedness low.
230		VOTE: 7-0
		AYE: In a roll call vote, all members present vote Aye.
	Chair Brown	The motion CARRIES.
240	Chair Brown	Closes the work session on HB 2213, and opens an informational meeting.

INFORMATIONAL MEETING

250	Jason Tell	Oregon Department of Transportation, Government Relations. Offers written testimony (EXHIBIT B) overview of the Federal Highway Funding Reauthorization with reference to TEA-21 Reauthorization Recommendations (EXHIBIT C): <ul style="list-style-type: none"> ● Background ● TEA-21 ● Reauthorization Timeline
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- Factors Influencing Reauthorization
- Reauthorization Issues
- Reauthorization Recommendations
- Conclusion

TAPE 16, A

040	Tell	Continues defining the difference in funds received by the state from the federal government.
045	Chair Brown	Asks for a break down of how much of a \$300 million federal fund granted to the state would fall into the category of formula funds.
050`	Tell	Discusses the distribution of such funds.
065	Rep. Mabrey	Recalls the counties past ability to borrow funds from ODOT, and asks where those funds came from.
070	Tell	Addresses where these funds come from, and addresses its suspension do to lack of state funding.
075	Rep. Mabrey	Clarifies that the program in question is currently on hold, but could be reinstated if the funds were made available.
080	Tell	Indicates that he believes those funds have been reactivated, and concludes presentation.
100	Rep. Dingfelder	Asks about the schedule for reauthorization, and when the appropriate time would be to talk to the Oregon congressional delegation regarding reauthorization.
105	Tell	Responds that the Oregon delegation should be contacted immediately, and discusses the timeline.
115	Chair Brown	Adds that Congressmen Blumenauer had contacted his office to set up a meeting with the committee, and asks Mr. Tell if Oregon is a donor state.
125	Tell	Explains how gas taxes are collected from the states, and subsequently distributed back to the states, but Oregon felt it was not receiving a proportional amount back. Continues addressing this disparity and the efforts to correct it.
150	Chair Brown	Refers to an I-5 corridor study done in the Portland/Vancouver area, and asks whether there are any federal programs addressing issues such as those addressed in the study.
155	Tell	Responds affirmatively, outlining those federal programs.
170	Rep. Zauner	Asks how much of the gas tax collected in Oregon is sent to the federal government.
175	Tell	Identifies the federal gas tax as 18.4 cents per gallon.
177	Rep. Zauner	Asks how much this adds up to in one year.
180	Tell	Apologizes for not having that figure and indicates he will supply that to the representatives at a later date.
182	Chair Brown	Asks about rumors that the federal government is contemplating raising the national gas tax.
184	Tell	Recognizes those rumors and discusses their validity.
205	Adkins	Discusses the upcoming schedule for the committee.
210	Chair Brown	Closes the informational meeting and adjourns the committee meeting at 9:18 a.m.

EXHIBIT SUMMARY

A – HB 2213, written testimony, Dave Tyler, 4 pp.

B – Informational testimony, Jason Tell, 5 pp.

**C – Informational testimony: TEA-21 Reauthorization Recommendations, Jason Tell,
19 pp.**