

SENATE COMMITTEE ON
TRANSPORTATION AND ECONOMIC DEVELOPMENT

June 25, 2003
1:00 PM

Hearing Room D
Tapes 116 - 117

MEMBERS PRESENT: **Sen. Rick Metsger, Chair**
 Sen. Bruce Starr, Vice-Chair
 Sen. Ryan Deckert
 Sen. David Nelson

VISITING MEMBERS: **Sen. Charlie Ringo**

STAFF PRESENT: **Janet Adkins, Committee Administrator**
 Dick Yates, Legislative Revenue Staff
 Ryan Sherlock, Committee Assistant

MEASURE/ISSUES HEARD: HB 2041B – Public Hearing and Work Session

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 116, A		
005	Chair Metsger	Calls the committee to order at 1:22 a.m., welcomes Janet Adkins as the committee staff. Opens a public hearing on HB 2041B.
010	Janet Adkins	Committee Administrator. Offers a description of the HB 2041B packet before the members which includes: Revenue Impact Statement (EXHIBIT A), Fiscal Impact Statement (EXHIBIT B), 2003 Oregon Transportation Investment Act (III) (EXHIBIT C), HB 2041B section overview (EXHIBIT D), and Projects of Statewide Significance (EXHIBIT E). Enters into the record a submitted letter to the House Revenue Committee outlining the Multnomah County agreement (EXHIBIT F), and submitted testimony from the Oregon State Treasurer, Randall Edwards (EXHIBIT G).
050	Rep. Alan Brown	House District 10. Offers testimony in support of HB 2041B; referred to as the Transportation Funding Package (TFP).
105	Vic Backlund	House District 25. Thanks Committee Administrator Adkins for her work with the TFP. Offers testimony in support of HB 2041B.
135	Chair Metsger	Recognizes the Vice Chairs of the House Committee on Transportation; Rep. Mabrey and Rep. Beyer. Opens a public hearing on HB 2041B.
<u>HB 2041B – PUBLIC HEARING</u>		
145	Steven Corey	Chair, Oregon Transportation Commission (OTC). Offers written testimony (EXHIBIT H) in support of HB 2041B.
235	Bruce Warner	Director, Oregon Department of Transportation (ODOT). Offers written testimony (EXHIBIT I) in support of HB 2041B.
330	Chair Metsger	Points out the importance of employing Oregonians with the investments of the TFP. Asks that a commitment to this effect be

offered to the record.

355 Warner Reiterates ODOT's interest and intention to ensure the maximum employment of Oregonians.

365 Chair Metsger Clarifies that the department has all the resources needed to effectively complete the projects.

375 Warner Assures the committee that ODOT has all the resources to implement the projects.

390 Chair Metsger Refers to an Oregon Transportation Commission policy of awarding contracts based on those that are ready to be started, and clarifies that this policy will still be utilized.

400 Corey Acknowledges, that the projects in question will be completed using proper procedures and guidelines.

420 Chair Metsger Thanks Mr. Corey for his service on the Oregon Transportation Commission.

430 Corey Thanks the chair for the recognition and comments on the accomplishments of the commission.

TAPE 117, A

005 Sen. Nelson Comments on the Oregon Transportation Commission's work in his district.

010 Corey Acknowledges.

020 Sen. Starr Concurs with Chair Metsger in thanking Mr. Corey for his work with the OTC.

035 Corey Thanks Sen. Starr for the recognition.

050 Dick Yates Legislative Revenue Staff. Offers presentational overview **(EXHIBIT J)** of the Transportation Funding Package:

- Major Provisions
- Overview
 - Bonding
 - Income Tax Sequestering
 - Project Selection and Expediting
 - Fees for Local Governments
 - Other
- Net Proceeds of Bonds
 - Bridge Replacement and Repair
 - Modernization
- Annual Taxes and Fees
 - Light Vehicles
 - Heavy Vehicles
 - Total
- Distribution of New Revenue
 - Highway Fund
 - Parks
 - Possible Wedge Dollars
 - Multnomah County
- Income Tax Capture
 - Identified Revenues
 - Estimate by DAS
 - 2008 Sunset
- Use of Income Tax Revenue

085 Yates

100 Yates

115 Yates

150 Yates

170

		<ul style="list-style-type: none"> ○ Truck Engine Tax Credit
175	Sen. Deckert	Clarifies that the federal government will soon require those who would be receiving the tax credit to buy the engines they are receiving the credit for.
180	Yates	Acknowledges that those engines will soon be required.
185	Sen. Deckert	Clarifies that this means the Truck Engine Tax Credit is a tax credit to follow federal laws.
190	Yates	Acknowledges that technically this is true, without addressing the involved political issues. Continues with testimony: <ul style="list-style-type: none"> ○ Mass Transit Vehicle Replacement ○ Efficient Use of Highway Capacity
210	Yates	<ul style="list-style-type: none"> ● Project Selection <ul style="list-style-type: none"> ○ Public Contracting ○ Freight Mobility Projects ○ Use Revenues to
240	Yates	<ul style="list-style-type: none"> ● Fees for Local Governments <ul style="list-style-type: none"> ○ Fee Increases ○ Distribution
245	Yates	<ul style="list-style-type: none"> ● Other Provisions <ul style="list-style-type: none"> ○ Altered Freight Routes ○ Detours ○ Quarterly Payments (IRP) ○ Advanced Construction (\$200 million) ○ Special County Allocation ○ Peak Load Pricing (Pilot Projects)
280	Yates	<ul style="list-style-type: none"> ● Issues <ul style="list-style-type: none"> ○ Cost Responsibility ○ Flat Fees: Revenue Neutrality
310	Chair Metsger	Thanks Mr. Yates for his work on the issue.
320	Yates	Thanks the chair for the recognition. Continues testimony with reference to submitted charts: <ul style="list-style-type: none"> ● CHART: Personal Income Tax Revenue from Bonded Highway Construction Projects ● CHART: HB 2041-7 (HB2367 Fees) ● CHART: Transportation Plan Goals and Results ● CHART: Vehicles Over 8,000 Pounds
330	Chair Metsger	Thanks Mr. Yates for his work.
390	Pat Egan	Governor's Office. Offers written testimony (EXHIBIT K) in support of HB 2041B. Commends the bipartisan efforts of all those involved.
TAPE 116, B		
020	Edward Johnston	Lincoln County. Offers testimony in opposition to the bill as written. Points out the need for accountability with ODOT. Comments on the effects the fee increases will have on local communities. Offers his personal experiences regarding the effects of fee increases.
070	Mike Salsgiver	Portland Business Alliance. Offers testimony in support of HB 2041B.
110	Ralph Groener	AFSCME. Offers written testimony (EXHIBIT L) in support of

HB 2041B.

175 Chair Metsger Clarifies that Mr. Groener is in support of the bill.
 180 Groener Acknowledges his support for the bill.
 185 Judge Laura Pryor Association of Oregon Counties. Offers written testimony
(EXHIBIT M).
 230 Chair Metsger Concurs with Judge Pryor’s suggestion that this is only the first
 step to a total fix.
 240 Bob Shiprack Executive Secretary, Oregon Building Trades Council. Offers
 testimony in support of HB 2041B.
 280 Andrea Fogue League of Oregon Cities. Submits written testimony **(EXHIBIT
 N)** from Jim Torrey in support of HB 2041B.
 310 Steve O’Toole Executive Director, Oregon Petroleum Marketers Association.
 Offers testimony in support of HB 2041B.
 340 Leslie Lewis Commissioner, Yamhill County. Offers testimony in support of
 HB 2041B.
 440 Darrell Fuller Oregon Highway Users Alliance. Offers written testimony
(EXHIBIT O) in support of HB 2041B.

TAPE 117, B

020 Larry Campbell American Automobile Association. Offers testimony in support
 of HB 2041B.
 045 Bob Russell Oregon Trucking Association. Offers testimony in support of HB
 2041B.
 065 Chair Metsger Closes the public hearing on HB 2041B, and opens a work
 session on HB 2041B.

HB 2041B – WORK SESSION

070 **Sen. Starr** **MOTION: Moves HB 2041B to the floor with a DO PASS
 recommendation and BE REFERRED to the
 committee on Revenue by prior reference.**

075 Sen. Starr States the importance of the Transportation Funding Package,
 and thanks all those who worked on the issue.
 085 Chair Metsger Thanks all those who helped with the process, and on the issue.
 120 **VOTE: 3-0-1**
AYE: In a roll call vote, all members present vote Aye.
EXCUSED: 1 - Deckert
Chair Metsger The motion CARRIES.

125 Chair Metsger Closes the work session on HB 2041B, and adjourns the meeting
 at 2:56 p.m.

EXHIBIT SUMMARY

- A – HB 2041B, Revenue Impact Statement, Staff, 2 pp.
- B – HB 2041B, Fiscal Impact Statement, Staff, 3 pp.
- C – HB 2041B, 2003 Oregon Transportation Investment Act (III), Staff, 1 p.
- D – HB 3041B, sectional overview, Staff, 9 pp.
- E – HB 2041B, Projects of Statewide Significance, Staff, 1 p.
- F – HB 2041B, Multnomah County agreement letter, Staff, 1 p.
- G – HB 2041B, submitted written testimony from Randall Edwards, Staff, 2 pp.
- H – HB 2041B, written testimony, Steven Corey, 2 pp.

- I – HB 2041B, written testimony, Bruce Warner, 4 pp.**
- J – HB 2041B, revenue impact presentation, Dick Yates, 7 pp.**
- K – HB 2041B, written testimony, Pat Egan, 3 pp.**
- L – HB 2041B, written testimony, Ralph Groener, 1 p.**
- M – HB 2041B, written testimony, Judge Laura Pryor, 7 pp.**
- N – HB 2041B, submitted written testimony from Jim Torrey, Andrea Fogue, 1 p.**
- O – HB 2041B, written testimony, Darrell Fuller, 2 pp.**