

HOUSE COMMITTEE ON TRANSPORTATION

February 14, 2001
9:00 AM

Hearing Room D
Tapes 32, 33, 34

MEMBERS PRESENT: **Rep. Bruce Starr, Chair**
 Rep. Alan Brown, Vice-Chair
 Rep. Jeff Merkley, Vice-Chair
 Rep. Richard Devlin
 Rep. Jeff Kropf
 Rep. Donna Nelson
 Rep. Diane Rosenbaum
 Rep. Joanne Verger
 Rep. Cliff Zauner

STAFF PRESENT: **John Leon, Committee Administrator**
 Kate Campeau, Committee Assistant

MEASURE/ISSUES HEARD: **HB 2136 Public Hearing and Work Session**
 HJR 6 Public Hearing and Work Session
 Cost Allocation Study

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.

<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
<u>TAPE 32 A</u>		
004	Chair Starr	Calls meeting to order at 9:04 am. Announces upcoming field trip for committee. Opens a public hearing on HB 2136.
<u>HB 2136 PUBLIC HEARING</u>		
010	John Leon	Committee Administrator. Reads brief synopsis of HB 2136. Notes that there is no revenue impact.
050	Kelly Taylor	Legislative Liaison, Oregon Department of Transportation (ODOT). Submits written testimony (EXHIBIT A) and gives brief explanation of HB 2136. States that this bill was requested by ODOT and that most of the bill is housekeeping from past legislation and to alleviate redundancy.
060	Rep. Brown	Asks if someone is on a probationary permit, why has this come to pass.
063	Taylor	Answers that probationary permit is used to what is known as a habitual offender.
064	Rep. Brown	Asks how long license is revoked.
065	Taylor	Answers five years.
068	Rep. Zauner	Asks how this is policed.
100	Rep. Taylor	Answers that if caught driving while the license is revoked it could mean jail time.
124	Rep. Verger	Poses concerns about the cost and time to make these changes.
124	Rep. Taylor	Talks about data processing procedures.
139	Chair Starr	Closes the public hearing and opens a work session on HB 2136.
<u>HB 2136 WORK SESSION</u>		
150	Rep. Rosenbaum	MOTION: Moves HB 2136 to the floor with a DO PASS

recommendation.

VOTE: 9-0

(A motion is made later in the meeting to allow Rep. Devlin and Rep. Nelson to cast their AYE vote)

Hearing no objection, declares the motion CARRIED.

REP. MERKLEY will lead discussion on the floor.

Closes the work session on HB 2136 and opens a public hearing on HJR 6.

167 Chair Starr

169 Chair Starr

HJR 6 PUBLIC HEARING

200 Rep. Jeff Kropf

244 Grace Crunican

274 Doug Tindall

340 Rep. Rosenbaum

360 Crunican

394 Rep. Devlin

400 Chair Starr

House District 37. Testifies in support of HJR 6.

Director, Oregon Department of Transportation. Testifies in favor of HJR 6.

Maintenance Engineer, Oregon Department of Transportation. Submits written testimony (**EXHIBIT B**) and provides brief background information about Dennis Edwards. Expresses appreciation for memorial. Gives brief historical background of highway and tunnel.

Talks about public safety announcements. Asks if these announcements have helped in reduction of accident rate.

Answers yes in fatalities.

Thanks Rep. Kropf for initiating this memorial for Dennis Edwards.

Closes the public hearing and opens a work session on HJR 6.

HJR 6 WORK SESSION

452 Rep. Kropf

MOTION: Moves HJR 6 be sent to the floor with a BE ADOPTED recommendation.

421 Rep. Merkley

Point of clarification regarding the actual name of the tunnel.

VOTE: 9-0

(A motion is made later in the meeting to allow Rep. Devlin and Rep. Nelson to cast their AYE vote)

Hearing no objection declares the motion CARRIED.

REP. KROPF will lead discussion on the floor.

Closes the work session on HJR 6.

476 Chair Starr

480 Chair Starr

TAPE 33, A

COST ALLOCATION STUDY

060 Tom Potiowsky

State Economist, Office of Economic Analysis and Economic Services, Department of Administrative Services. Discusses the Highway Cost Allocation Study, which determines cost responsibility for various vehicles that use Oregon highways. Discusses types of finances state has for road user taxation, user fee, fuel tax and weight mile tax.

110 Rep. Merkley

Asks how many states still have the weight mile system. Asks if Oregon originated this strategy and when did the competition start between diesel tax and weight mile tax.

085 Dick Yates

Legislative Revenue Office. Answers that no other state has eliminated the fuel tax and replaced it with the weight mile tax. Answers that five states have weight mile tax of some form or similar tax.

145 Potiowsky

Continues with testimony.

225 Chair Starr

Asks about criteria for selection of consultants to do the cost allocation.

230 Potiowsky

Answers that criteria was to provide impartial expertise.

247 Chair Starr

Asks if that was different criteria than in the past.

249	Potiowsky	Answers no.
250	Rep. Rosenbaum	Asks if the study will be paid for out of the highway fund or General Fund.
255	Potiowsky	Answers it will be paid out of funds from ODOT.
258	Rep. Rosenbaum	Asks how cost compares using an outside consultant versus in-house.
260	Potiowsky	Answers that having the study conducted through ODOT is more cost efficient.
270	Rep. Rosenbaum	Asks if there is a figure attached to this RFP.
280	Potiowsky	Answers that is available.
288	Rep. Kropf	Asks if cost differential could be provided.
290	Potiowsky	Answer that is possible.
295	Chair Starr	Clarifies that last session a bill was passed to move the study from ODOT to DAS.
300	Potiowsky	Explains SB 421 and involvement with cost allocation study. States that what constitutional amendment says is that the committees need to make adjustment to rates if there is a change based on a review of cost responsibility.
323	Rep. Merkley	Asks if study is stating that cost allocation be fair between cars and trucks but not between types of cars or between types of trucks.
271	Potiowsky	Answers yes.
285	Yates	States that historically the division has been between light and heavy vehicles, with an 8,000-pound threshold. Notes that 26,000 pounds begins weight mile tax.
345	Potiowsky	Comments on constitutional requirements of weight designation.
<u>TAPE 32, B</u>		
006	Yates	Continues with testimony. States that highway cost allocation is addressing how roads should be financed and equity in that process. States that tax structure should be economically neutral and tax structure should be cost efficient. States that users should pay in proportion to the cost they impose. Clarifies that the user is the vehicle on the highway. States that the constitution requires that any levy on motor vehicle fuel or any charge for ownership of motor vehicles be dedicated to the operation of the road system. Discusses measurement of equity.
074	Rep. Rosenbaum	Asks how many classes are being looked at, and asks if they are the same prior to the amendment to constitution.
084	Yates	Answers yes. Continues with explanation with list of classes.
096	Rep. Rosenbaum	Asks if there are new classes added.
098	Yates	Answers that the study review team will review how changes like hybrid cars would effect analysis.
100	Rep. Rosenbaum	Asks that if breaking up a class it would be passenger vehicles, but not hybrids.
102	Yates	Answers that if a vehicle is less than 8,000 pounds it is in one class. Continues testimony.
413	Rep. Kropf	Asks for clarification on how the excise tax is paid.
416	Yates	Answers that is paid once.
418	Chair Starr	Asks for clarification that the federal part is not currently included in the cost allocation study.
420	Yates	Answers that is correct.
430	Rep. Zauner	Asks what money figure is on the 12 % excise tax.
440	Yates	Answers that the excise tax is 9% of the total of \$27 billion,

		which amounts to \$2.5 billion.
477	Chair Starr	Asks if cities are included in the cost allocation analysis.
473	Yates	Responds they are not.
<u>TAPE 33, B</u>		
010	Chair Starr	Asks question regarding prospective approach.
041	Yates	Refers to volume 3 of the study.
088	Chair Starr	Asks how subjective is this analysis.
089	Yates	Answers that it depends on control totals.
094	Chair Starr	Asks if assumptions are made when figures are put in matrix.
096	Yates	Responds that assumptions of model are important, but generally speaking assumptions have not been made by SRT and contractors. Continues with detail of National Payment Cost Model. States that the payments costs are largely driven by axle loads, pavement damage is a function of axle loads, allocate it back through axle loads to various classes.
151	Yates	Continues with testimony.
261	Rep. Nelson	Asks why we would want to go away from weight mile tax system.
267	Yates	Answers that the bill defeated by voters raised registration fees dramatically. Notes that there would have been a different distribution of tax burden within those groups. States that the weight mile tax gives freedom in designing tax structure to achieve equity and that there are less degrees of freedom in other structures.
278	Potiowsky	States that the study is separate from tax financing.
300	Rep. Devlin	Comments that one principle that survives is that cost responsibility be put into the constitution.
305	Chair Starr	Counters that the bottom line is that the cost allocation study is necessary.
400	Yates	Continues with testimony.
<u>TAPE 34, A</u>		
062	Chair Starr	States that that cost allocation study will be presented at the next meeting.
066	Rep. Rosenbaum	Asks if these recommendations are going to be presented on Friday and do they require legislation to be implemented.
070	Chair Starr	Reopens the work session on HB 2136.
<u>HB 2136 WORK SESSION (CONTINUED)</u>		
072	Rep. Merkley	MOTION: Requests unanimous consent that the rules be SUSPENDED to allow REP. DEVLIN and REP. NELSON to BE RECORDED as voting AYE on HB 2136.
		VOTE: 9-0
074	Chair Starr	Hearing no objection, declares the motion CARRIED.
075	Chair Starr	Closes the work session on HB 2136 and reopens the work session on HJR 6.
<u>HJR 6 WORK SESSION (CONTINUED)</u>		
077	Rep. Merkley	MOTION: Requests unanimous consent that the rules be SUSPENDED to allow REP. DEVLIN and REP. NELSON to BE RECORDED as voting AYE on HJR 6.
		VOTE: 9-0
079	Chair Starr	Hearing no objection, declares the motion CARRIED.
080	Chair Starr	Closes the work session on HJR 6 and adjourns the committee at

11:00 a.m.

Submitted By,

Reviewed By,

Kate Campeau,
Committee Assistant

John Leon,
Committee Administrator

EXHIBIT SUMMARY

A – HB 2136, written testimony, Kelly Taylor, 2 pp.

B – HJR 6, written testimony, Doug Tindall, 1 p

C – Cost Allocation Study, written material, Tom Potiowsky, 11 pp.