

HOUSE COMMITTEE ON TRANSPORTATION
MEETING JOINTLY WITH THE
HOUSE SCHOOL FUNDING AND TAX FAIRNESS/REVENUE COMMITTEE

June 05, 2001
10:00 a.m.

Hearing Room 50
Tapes 133 - 134

MEMBERS PRESENT: **Rep. Bruce Starr, Chair**
 Rep. Jeff Merkley, Vice-Chair
 Rep. Donna Nelson
 Rep. Jeff Kropf
 Rep. Diane Rosenbaum
 Rep. Joanne Verger
 Rep. Cliff Zauner
Rep. Lane Shetterly
Rep. Janet Carlson
 Rep. Max Williams
 Rep. Alan Bates
 Rep. Mark Hass

MEMBERS EXCUSED: **Rep. Alan Brown, Vice-Chair**
 Rep. Richard Devlin
 Rep. Deborah Kafoury
 Rep. Chris Beck
 Rep. Bill Witt

STAFF PRESENT: **John Leon, Committee Administrator**
 Jennifer Simmons, Committee Assistant

MEASURE/ISSUES HEARD: **Flat Fee 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.

TAPE/#	Speaker	Comments
TAPE 133, A		
002	Chair Starr	Begins the joint meeting with the House School Funding and Tax Fairness/Revenue Committee at 10:15 a.m. Explains the purpose of the meeting is to explore the flat fees and not the weight mile tax. Addresses the committee to stay on the topic of flat fees only. Opens the informational meeting regarding the Flat Fee Study.
<u>INFORMATIONAL MEETING – FLAT FEE STUDY</u>		
030	Mike Marsh	Oregon Department of Transportation. Reads from written testimony (EXHIBIT A). Speaks about the intent of the flat fee.
118	Rep. Shetterly	Asks if the Legislature has enough information based on the study to make a conclusive decision. Suggest getting more information before making a determination.
130	Marsh	Answers that it is important to look at trending over time.
141	Chair Starr	Asks Mr. Marsh if he is confident that through working with the industry he will be able to get more accurate numbers.
144	Marsh	Answers that flat fees make it difficult to get an accurate report. Says that they will work with the industry to educate drivers on

		the correct way to report information.
158	Rep. Shetterly	Asks if it will be more accurate.
165	Marsh	Answers yes. Speaks about past discussions between the industry and ODOT.
175	Chair Starr	States the importance of having better data going into further discussions.
177	Rep. Rosenbaum	Asks how it can be concluded that there is no discrepancy between the flat fee tax and the mileage tax when our data is so incomplete.
182	Marsh	Answers that there is no available data to conclude that there is a significant discrepancy.
199	Rep. Rosenbaum	Asks if we are to conclude that there is no discrepancy simply because there is no data to show there is one.
202	Marsh	Responds that they don't have enough information.
212	Rep. Shetterly	States that whether or not there is a discrepancy, they need to have more information to find out.
217	Marsh	Says that this is the best outcome possible for now.
223	Rep. Nelson	Asks if this process is like other states.
226	Marsh	Answers that we are unique because we have a weight mile tax
238	Rep. Nelson	Asks if the procedure is the same in any other states.
240	Marsh	Answers that we are the only state with a flat fee tax.
243	Rep. Nelson	Asks if the differences in fees have been tracked since the flat fee was implemented in 1969.
254	Marsh	Responds that they could probably look back into those records but he does not believe that it would supply the kind of data needed.
261	Rep. Nelson	Says that she is looking for trends.
265	Marsh	States that the difficulty is inaccurate reporting by drivers due to confusion over forms.
276	Rep. Merkley	Asks why we do not have the study for this meeting.
279	Marsh	Answers that they can supply that and it has been submitted to the committee previously.
284	Rep. Merkley	Asks if we are under legislative mandate to make a finding of some sort.
285	Marsh	Answers that lack of action would suggest a decision of non-adjustment.
297	Chair Starr	Clarifies that they are not required to make any adjustments.
308	Rep. Verger	Asks for specific weaknesses of the reporting system.
315	Marsh	Responds that there is confusion as to how the reporting forms are filled out and the information that is included.
363	Rep. Bates	Asks how off road and on road use is reported other than the form.
367	Marsh	Answers that the form is the only method used. Says that the information comes from the trucker.
388	Rep. Nelson	Asks if ODOT worked with the industry on the formula.
392	Marsh	Answers that they have worked with the industry on occasion. States that it is important for the industry to concur with reporting process.
412	Rep. Nelson	Asks who came up with the flat fee originally.
423	Marsh	Says that in 1949 it was brought forward to deal with the mileage tax paperwork by the trucking industry.
439	Rep. Nelson	Asks why it hasn't been noticed that there were problems with the flat fee.

008	Marsh	Responds that it is appropriate to allow the flat fee option. States that proper reporting would make the flat fee more accurate.
060	Dee Bridges	Oregon Forest Products Transportation Association. Reads from written testimony and submits written materials (EXHIBIT B).
186	Kathryn Thomas	Siletz Trucking. Speaks about her company's choice to use the flat fee and then changing to mileage tax fees. Addresses the confusion regarding reporting forms.
222	Barry Mammono	Truck Driver. Says that he pays the flat fee tax because the mileage tax form is too difficult. Says that he has unknowingly been reporting inaccurately.
258	Wilbur Vanderbeck	Truck Driver. Says that they also use the flat fees due to easier paperwork. Says that due to confusion regarding the forms, he too has been reporting incorrectly.
303	Rep. Nelson	Asks if the errors can be corrected and rebates issued.
315	Bridges	Answers that he does not believe that there is any way to get a rebate.
322	Rep. Nelson	Asks if the private road miles have not been deducted why can't they receive a rebate.
329	Bridges	Answers that it is because the flat fee is the same even if they drive one load in a month.
354	Rep. Shetterly	Says that the most important point that is being conveyed is that ODOT is not getting enough information to evaluate the appropriate fees.
381	Bridges	Says that they try not to blame ODOT for the problems. Says that the industry is also at fault. Speaks about the need for an educational process.
399	Chair Starr	Closes the informational meeting at 11:06 a.m.
Submitted By,		Reviewed By,

Jennifer Simmons,
Committee Assistant

John Leon,
Committee Administrator

EXHIBIT SUMMARY

A – written testimony, Mike Marsh, ODOT, 1 p.

B – written testimony & materials, Dee Bridges, OFPTA, 9 pp.