

HOUSE COMMITTEE ON TRANSPORTATION

March 22, 1999 Hearing Room D

8:30 a.m. Tapes 53 - 54

MEMBERS PRESENT: Rep. Bob Montgomery, Chair

Rep. Mike Rep. Lehman, Vice-Chair

Rep. Richard Rep. Devlin

Rep. Jim Rep. Hill

Rep. Jeff Rep. Kropf

Rep. Jerry Rep. Krummel

Rep. Jane Rep. Lokan

Rep. Jackie Rep. Taylor

Rep. Vicki Rep. Walker

Rep. Larry Rep. Wells

STAFF PRESENT: Janet Adkins, Administrator

Brad Daniels, Administrative Support

MEASURE/ISSUES HEARD: HB 2082 Work Session

HB 3531 Public Hearing and Work Session

HJR 25 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 53, A		

004	Chair Montgomery	Opens the meeting at 8:36 a.m. Opens the work session on HB 2082.
<u>HB 2082 WORK SESSION</u>		
012	Ralph Groener	American Federation of State, County and Municipal Employees (AFSCME)/Oregon State Building Trades. States that labor will work to help pass the gas tax. Opposes a sunset on the gas tax. Supports a six-cent increase over a four-cent increase, but will support both. Recognizes the need for funding for emergency situations. Emphasizes the dire straits in Tillamook County. Favors abolishing the weight-mile tax.
054	Rep. Hill	Asks if he will continue to favor abolishing the weight-mile tax if it results in lay offs.
058	Rich Peppers	Oregon Public Employees Union (OPEU). Answers that they do not represent the people that may be laid off as a result of weight-mile tax elimination. Urges a revenue-neutral approach to truck taxation.
068	Rep. Hill	Asks, for clarification, if they would still support the elimination of the weight-mile tax if it resulted in lay offs.
074	Peppers	Replies that the OPEU position may differ from the overall labor position on this point. States that, rather than favor the elimination, they have no position on the issue.
082	Rep. Hill	Asks if AFSCME supports elimination of the weight-mile tax.
084	Groener	Replies yes.
093	Rep. Lehman	States that a ñ4 amendment is forthcoming. Notes the tax structure proposed in the ñ4 amendments and amount of revenue it may raise.
105	Rep. Hill	Asks if someone will explain the ñ2 amendments.
109	Janet Adkins	Committee Administrator. Introduces the ñ2 amendments, which would raise the gas tax by four cents per gallon (EXHIBIT A).
121	Rep. Wells	Asks for discussion concerning the sunset in the ñ2 amendments.
127	Adkins	Explains the ñ2 amendments. Reviews the increase in diesel taxes and registration fees, the exclusion of certain vehicles from the registration fee increase, and the effect on the weight-mile taxes.
148	Chair Montgomery	States that the bill will go to the Revenue Committee.

152	Adkins	Describes the approximate increase in the weight-mile tax tables and the effects on different types of trucks. Discusses the flat-fee option for taxing trucks. Reviews the change in the distribution formula and the incentives for automated truck reporting.
203	Rep. Hill	Asks for further explanation of the increase and savings for automated reporting in terms of cents.
206	Adkins	Reports the increase and the savings. Notes the possibility of moving from monthly to quarterly reporting. Discusses the differences between HB 2082's tax tables, axle incentives and ESAL taxes and the ñ2 amendments.
244	Chair Montgomery	States that the weight-mile tax will be discussed next Monday. Suggests that Section 24 should come out of the ñ2 amendments and be addressed at that time.
259	Rep. Wells	Acknowledges that earlier testimony highlighted the problems with the sunset clauses. Suggests that the sunset clauses should be taken out of the ñ2 amendments.
272	Rep. Krummel	Agrees with Rep. Wells. Suggests that the sunset should be eliminated.
279	Rep. Lokan	Expresses concern about the ñ1 amendments. Asks if the ñ2 and the ñ1 amendments can both be adopted.
282	Chair Montgomery	Responds that the ñ1 amendments will be addressed in another bill.
290	Rep. Lokan	Supports the discussion regarding the sunset clauses. Indicates her support for passing HB 2082 out of committee, but expects specific information about where the money will be going in terms of projects.
313	Rep. Lehman	Asks if the list of specific projects would come from the Oregon Department of Transportation (ODOT) or cities and counties.
318	Rep. Lokan	Responds that she would like to have a list from all entities.
321	Rep. Lehman	Comments that a problem with the ñ2 amendments is that most of the increase goes to cities and counties.
331	Rep. Lokan	Replies that her concerns extend to the entire budget.
338	Rep. Hill	Supports removing the sunset. Supports the six-cent increase, although he will not be able to vote for it for political reasons. Expresses interest in discussing an increase in the auto registration fee.

370	Rep. Taylor	Opposes the ñ2 amendments and the sunset clause. States that she has not heard convincing testimony in support of a four-cent increase. States that the original bill or Rep. Lehmanís amendments would serve Oregon better in the long run.
402	Rep. Kropf	States that the same axle incentives should be included in the ñ2 amendments.
415	Adkins	States that both the original bill and the ñ2 amendments maintain the current axle incentives. Asks if the question is if the incentives should be extended to trucks in the 26,000-80,000 pound range.
426	Rep. Kropf	Replies yes.
428	Rep. Devlin	Opposes the ñ2 amendments and the sunset clause. Supports a gas tax increase.
TAPE 54, A		
009	Rep. Walker	States that there is overwhelming support for the six-cent increase. Opposes the sunset clause. Supports axle incentives. Opposes the ñ2 amendments.
020	Rep. Hill	MOTION: Moves to AMEND the ñ2 amendments by removing all the sunset clauses.
		VOTE: 10-0 AYE: In a roll call vote, all members present vote Aye.
Chair Montgomery		The motion CARRIES.
031	Rep. Kropf	MOTION: Moves to AMEND the ñ2 amendments by adding HB 2082, Section 9 (new axle incentives) to the - 2 amendments.
035	Rep. Hill	Asks if trucks with more axles would get a discount even if those axles were not bearing significant weight.
049	Gregg Dal Ponte	Deputy Director, Motor Carrier Division, ODOT. States that the applicable tax rate follows the vehicle characteristics. Adds that the tax rate is dependent upon the declared weight of the vehicle and the number of axles it has.

059	Rep. Wells	Asks about the purpose of Sections 9 and 11.
065	Adkins	States the purpose of both sections.
067	Rep. Hill	Asks if a revenue impact will result from increasing the axle incentives.
070	Adkins	States that the tables would be devised to be revenue neutral.
072	Rep. Hill	Asks how the additional increase in axles would affect revenue collections and road damage.
081	Rep. Kropf	Notes that it is good policy for any large truck to have more axles on the ground.
087	Rep. Hill	Asks if a vehicle can be retrofitted with extra axles.
093	Dal Ponte	States that the incentives would apply to new and existing vehicles. Notes that motor carriers will have to determine the economic benefit of adding axles. Indicates that extra axles reduce road wear and no net loss in revenue should result.
114	Adkins	Reports that the incentive to add axles will decrease with decreased weight.
123	Chair Montgomery	Asks if the current discussion should occur during the consideration of HB 3344.
126	Adkins	Replies that the discussion would be moot if HB 3344 passes.
127	Rep. Kropf	Supports axle incentives in either version of HB 2082.
133	Rep. Krummel	Clarifies that the motion is to add the incentives for more axles to the ñ2 amendments
137	Rep. Hill	Inquires if the incentives will be sufficient to change truck configurations.
144	Bob Russell	Oregon Trucking Association. States that the current axle incentives do not work. Notes that the incentives do not provide the incentive to add additional axles. Adds that additional axles complicate the weight-mile tax.
163	Adkins	Repeats the motion on the floor.
170		VOTE: 9-1

		<p>AYE: 9 - Devlin, Hill, Kropf, Krummel, Lehman, Lokan, Walker, Wells, Montgomery</p> <p>NAY: 1 - Taylor</p>
	Chair Montgomery	The motion CARRIES.
178	Rep. Lehman	Suggests that the entire amount of additional revenue should go to cities and counties. Relates the reasons why this change should be enacted.
206	Rep. Lehman	<p>MOTION: Moves to AMEND Section 6 (2) of the 2012 amendments of HB 2082 to apportion the entire increase in revenues from the gas tax as follows: 70% to counties and 30% to cities.</p>
203	Rep. Wells	Asks if the motion shifts all revenue to cities and counties. Asks what percentage of the revenue is currently going to the state.
211	Adkins	Lists the various distributions.
222	Rep. Wells	Notes that 32% of the increase enacted by the 2012 amendments in their current form will go to ODOT.
228	Rep. Hill	Asks who would have responsibility for state highways if Rep. Lehman's motion was enacted.
233	Rep. Lehman	Responds that ODOT does better on the TEA 21 money. Notes the universal recognition that the gas tax increase is a stop gap measure. Underscores that the gas tax increase creates pressure on ODOT to make substantive changes without providing them with the funds to do so.
249	Rep. Wells	States that \$50 million goes to ODOT from TEA 21 that is not earmarked.
256	Rep. Devlin	Opposes Rep. Lehman's motion due to the immediate pressing needs of state highways.
265		<p>VOTE: 5-5</p> <p>AYE: 5 - Kropf, Lehman, Taylor, Walker, Wells</p> <p>NAY: 5 - Devlin, Hill, Krummel, Lokan, Montgomery</p>

	Chair Montgomery	The motion FAILS.
288	Rep. Krummel	Asks for clarification on the sunsets and the position on the ñ1 amendments.
297	Chair Montgomery	Replies that the ñ1 amendments will be taken up later.
300	Rep. Krummel	Expresses support for the six-cent increase.
303	Rep. Krummel	MOTION: Moves to AMEND the -2 amendments to raise the gas tax by six cents a gallon instead of four.
305	Rep. Krummel	Asks if the original bill has the changes in Section 6 and the lower axle incentives. Explains his motion.
333	Rep. Hill	Suggests a better way to change the ñ2 amendments to sustain the intent of Rep. Krummel's suggestion.
358		VOTE: 5-5 AYE: 5 - Devlin, Krummel, Lehman, Taylor, Walker NAY: 5 - Hill, Kropf, Lokan, Wells, Montgomery
	Chair Montgomery	The motion FAILS.
374	Rep. Hill	Asks if Section 15 should be removed.
378	Adkins	Explains the current status of the ñ2 amendments.
395	Rep. Lehman	Notes that the axle incentives only make a difference if the weight-mile tax is maintained.
405	Rep. Hill	Observes that it would be appropriate to discuss the transponder issue under HB 2082.
TAPE 53, B		
008	Adkins	States that another bill dealing with streamlining the weight-mile tax is in

		committee and may be used to address the transponder issue.
012	Rep. Hill	Asks if Section 15 of the ñ2 amendments still exists.
016	Adkins	Replies that there has been no vote on that issue.
020	Rep. Hill	MOTION: Moves to AMEND the -2 amendments by removing Section 15 of the amendments (Section 24 of the original bill) addressing transponder discounts.
		VOTE: 10-0
	Chair Montgomery	Hearing no objection, declares the motion CARRIED.
030	Adkins	Notes that other streamlining features are in the ñ2 amendments.
036	Rep. Hill	MOTION: Moves to ADOPT HB 2082-2 amendments dated 03/12/99.
042	Rep. Lokan	Asks for a summary of the amendments.
045	Adkins	Explains the current form of the ñ2 amendments.
059	Rep. Krummel	Expresses concern about the level of funding in the ñ2 amendments, but willingness to vote for the amendments if they are the only funding package that will pass.
071	Rep. Lehman	Indicates that HB 2082 probably does not have the required three- fifths majority on the House floor.
076	Rep. Devlin	Supports the ñ2 amendments, but indicates that he will not vote for the bill as a whole.
085		VOTE: 7-3 AYE: 7 - Devlin, Hill, Kropf, Krummel, Lokan, Wells, Montgomery NAY: 3 - Lehman, Taylor, Walker

	Chair Montgomery	The motion CARRIES.
095	Rep. Hill	MOTION: Moves HB 2082 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Revenue by prior reference.
098	Rep. Lehman	Criticizes HB 2082 as amended as "intellectual dishonesty." Describes its probable effects on voters' impressions of ODOT and the road system.
112	Chair Montgomery	Explains that a six-cent increase can be criticized in the same way.
116	Rep. Walker	Agrees with Rep. Lehman. Urges a vote for a six-cent increase.
130		VOTE: 6-4 AYE: 6 - Hill, Kropf, Krummel, Lokan, Wells, Montgomery NAY: 4 - Devlin, Lehman, Taylor, Walker
	Chair Montgomery	The motion CARRIES.
134	Chair Montgomery	Closes the work session on HB 2082. Opens the public hearing on HB 3531.
<u>HB 3531 PUBLIC HEARING</u>		
136	Adkins	Explains HB 3531, which changes the power of appointment of ODOT's Director from Oregon Transportation Commission (OTC) to the governor and establishes an appeals process for access decisions. Introduces the ñ1 amendments (EXHIBIT B).
172	Chair Montgomery	Asks who proposed the ñ1 amendments.
173	Adkins	Replies that the amendments are Rep. Lehman's.
176	Rep. Wells	Asks why the staff measure summary includes information on access decisions.
182	Adkins	Cites Section 4 of the bill and the change in the appeals process.

183	Rep. Lehman	Explains HB 3531 section by section.
203	Chair Montgomery	Asks for an explanation of the ñ1 amendments.
208	Rep. Lehman	Reports that they retain the OTC's role as policy director.
209	Rep. Taylor	Asks for an explanation of the purpose of the bill.
212	Rep. Lehman	Expresses uncertainty, but indicates that the previous director expressed concern on the governor's part about lack of control in the appointment process. Acknowledges the political aspects of the bill.
229	Chair Montgomery	States that HB 3531 has nothing to do with the current transportation funding package.
237	Rep. Lokan	Asks what other large agency directors are not appointed by the governor.
241	Adkins	Lists the directors in this category.
246	Rep. Lokan	Supports moving the director closer to the governor and legislature.
250	Gary Conkling	Associated General Contractors. Expresses concern with Section 3 of HB 3531. Expresses neutrality toward the bill as a whole. Opposes the policies imposed by Section 3. States that the primary responsibility for the policy direction should rest with the OTC. Supports the ñ1 amendments (EXHIBIT C).
293	Chair Montgomery	Closes the public hearing on HB 3531. Opens the work session on HB 3531.
<u>HB 3531 PUBLIC HEARING</u>		
300	Rep. Hill	MOTION: Moves to ADOPT HB 3531-1 amendments dated 03/19/99.
302	Rep. Devlin	Asks if the director will serve at the pleasure of the governor.
305	Chair Montgomery	Responds yes
310		VOTE: 10-0

	Chair Montgomery	Hearing no objection, declares the motion CARRIED.
313	Chair Montgomery	Expresses his intent that the enacted changes should not be retroactive and require the current director to go through the appointing process.
318	Adkins	Expresses uncertainty, but indicates that language can be added to make the intention specific.
326	Rep. Hill	Inquires if language should be placed in HB 3531 stating that the current director should not have to go through the appointment process.
342	Dale Horman	Assistant Attorney General Counsel, ODOT. Reports that their interpretation of HB 3531 is that it would not change the current appointment status of the director, though she would begin serving at the pleasure of the governor.
357	Rep. Hill	Expresses a preference for more explicit language in the bill.
364	Chair Montgomery	Asks if this additional language is needed to ensure that the current director will not be required to go through the appointment process.
367	Horman	Replies no.
380	Rep. Krummel	Agrees with Rep. Hill. Notes that the bill would have to return for concurrence if it was amended in the Senate.
403	Rep. Hill	MOTION: Moves HB 3531 to the floor with a DO PASS AS AMENDED recommendation.
405		VOTE: 10-0 AYE: In a roll call vote, all members present vote Aye.
	Chair Montgomery	The motion CARRIES. REP. LEHMAN will lead discussion on the floor.
413	Chair Montgomery	Closes the work session on HB 3531. Opens the public hearing on HJR 25.

HJR 25 PUBLIC HEARING

416	Adkins	Explains the bill, which would create a joint interim Transportation Committee.
TAPE 54, B		
011	Rep. Lehman	Explains the intent of the bill, which is to avoid two committees going in two different directions.
027	Rep. Wells	Discusses the logic of melding policy and appropriations power. Notes the evolution of a system in Oregon that requires a legislator to "major" in a particular issue, but allows that person no authority over funding. Reviews the inefficiency of the way the Oregon Legislature is structured.
070	Rep. Hill	Describes the limitations on an interim committee in doing oversight. States that there should be some consistency in the committee structure from session to interim.
090	Rep. Lokan	Supports a joint committee.
104	Rep. Taylor	Asks about the authority referred to in HJR 25.
110	Adkins	Explains the relevant statutes.
122	Chair Montgomery	Agrees with Rep. Wells' points. Closes the public hearing on HJR 25. Opens the work session on HJR 25.
<u>HJR 25 WORK SESSION</u>		
135	Rep. Lehman	MOTION: Moves to ADOPT HJR 25-1 amendments dated 03/16/99.
		VOTE: 10-0
		Hearing no objection, declares the motion CARRIED.
139	Rep. Lehman	MOTION: Moves HJR 25 to the floor with a BE ADOPTED AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means by

		prior reference.
		VOTE: 10-0
	Chair Montgomery	Hearing no objection, declares the motion CARRIED.
145	Chair Montgomery	Adjourns the meeting at 10:15 a.m.

Submitted By, Reviewed By,

Brad Daniels, Janet Adkins,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñHB 2082, -2 amendments, staff, 25 pp.

B ñHB 3531, -1 amendments, staff, 1 p.

C ñHB 3531, written testimony, Gary Conkling, 2 pp.