

## **HOUSE COMMITTEE ON TRANSPORTATION**

**April 14, 1999 Hearing Room D**

**8:00 a.m. Tapes 72 - 73**

**MEMBERS PRESENT: Rep. Bob Montgomery, Chair**

**Rep. Mike Lehman, Vice-Chair**

**Rep. Richard Devlin**

**Rep. Jim Hill**

**Rep. Jeff Kropf**

**Rep. Jane Lokan**

**Rep. Jackie Taylor**

**Rep. Vicki Walker**

**Rep. Larry Wells**

**MEMBERS EXCUSED: Rep. Jerry Krummel**

**STAFF PRESENT: Janet Adkins, Administrator**

**Brad Daniels, Administrative Support**

**MEASURE/ISSUES HEARD: HJR 1 Public Hearing**

**HJR 59 Public Hearing**

**HB 2777 Public Hearing**

**HJR 24 Public Hearing**

**HB 3090 Public Hearing**

**HB 3511 Public Hearing**

**HB 2656 Public Hearing**

**HB 2644 Public Hearing**

**HB 3156 Public Hearing**

**HB 2359 Public Hearing**

**HB 2928 Public Hearing**

**HB 2569 Public Hearing**

**HB 3294 Work Session**

**HB 2440 Work Session**

**HB 3344 Public Hearing**

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
<b>TAPE 72, A</b>		
004	Chair Montgomery	Opens the meeting at 8:00 a.m. Opens the public hearing on HJR 1.
<b><u>HJR 1 PUBLIC HEARING</u></b>		
006	Janet Adkins	Committee Administrator. Explains HJR 1.
012	Chair Montgomery	Closes the public hearing on HJR 1. Opens the public hearing on HJR 59.
<b><u>HJR 59 PUBLIC HEARING</u></b>		
013	Adkins	Explains HJR 59.
018	Chair Montgomery	Closes the public hearing on HJR 59. Opens the public hearing on HB 2777.
<b><u>HB 2777 PUBLIC HEARING</u></b>		
019	Adkins	Explains HB 2777.
023	Chair Montgomery	Closes the public hearing on HB 2777. Opens the public hearing on HJR 24.
<b><u>HJR 24 PUBLIC HEARING</u></b>		
025	Adkins	Explains HJR 24.

027	Chair Montgomery	Closes the public hearing on HJR 24. Opens the public hearing on HB 3090.
<b><u>HB 3090 PUBLIC HEARING</u></b>		
029	Adkins	Explains HB 3090.
033	Chair Montgomery	Closes the public hearing on HB 3090. Opens the public hearing on HB 3511.
<b><u>HB 3511 PUBLIC HEARING</u></b>		
034	Adkins	Explains HB 3511.
036	Chair Montgomery	Closes the public hearing on HB 3511. Opens the public hearing on HB 2656
<b><u>HB 2656 PUBLIC HEARING</u></b>		
038	Adkins	Explains HB 2656.
041	Chair Montgomery	Closes the public hearing on HB 2656. Opens the public hearing on HB 2644.
<b><u>HB 2644 PUBLIC HEARING</u></b>		
042	Adkins	Explains HB 2644.
044	Chair Montgomery	Closes the public hearing on HB 2644. Opens the public hearing on HB 3156.
<b><u>HB 3156 PUBLIC HEARING</u></b>		
045	Adkins	Explains HB 3156.
047	Chair Montgomery	Closes the public hearing on HB 3156. Opens the public hearing on HB 2359.
<b><u>HB 2359 PUBLIC HEARING</u></b>		
048	Adkins	Explains HB 2359.
050	Chair Montgomery	Closes the public hearing on HB 2359. Opens the public hearing on HB 2928.
<b><u>HB 2928 PUBLIC HEARING</u></b>		

	Adkins	Explains HB 2928.
054	Chair Montgomery	Closes the public hearing on HB 2928. Opens the public hearing on HB 2569.
<b><u>HB 2569 PUBLIC HEARING</u></b>		
055	Adkins	Explains HB 2569.
057	Chair Montgomery	Closes the public hearing on HB 2569. Opens the work session on HB 3294.
<b><u>HB 3294 WORK SESSION</u></b>		
066	Adkins	Explains HB 3294, which would increase restrictions on skydiving and parachuting facilities.
074	Rep. Montgomery	<b>MOTION: Moves HB 3294 WITHOUT RECOMMENDATION as to passage and BE REFERRED to the committee on Agriculture and Forestry.</b>
		<b>VOTE: 7-0</b> <b>EXCUSED: 3 ñ Devlin, Krummel, Kropf</b>
Chair Montgomery		<b>Hearing no objection, declares the motion CARRIED.</b>
082	Chair Montgomery	Closes the work session on HB 3294. Opens the work session on HB 2440.
<b><u>HB 2440 WORK SESSION</u></b>		
085	Adkins	Explains HB 2440, which would impose a graduated license program on teen drivers. Describes the ñ2 amendments, which would eliminate the school attendance requirement, exempt out-of-state licensees from certain requirements, and change the supervised driving time requirements ( <b>EXHIBIT A</b> ).
144	Chair Montgomery	Supports an exception to the driverís training requirement if the teen driver undergoes 100 hours of supervised driving time.
151	Rep. Walker	Asks if the 100 hour requirement would include the 50 hours previously

		specified.
153	Adkins	Replies that the amendment is written so that the 100 hours is inclusive.
159	Rep. Hill	Questions the purpose of Section 8 and the effective date. Argues that the provisions should affect all 16 year olds, not only those who obtain their licenses after a specific date.
188	Rep. Wells	Expresses skepticism about the bill being retroactive.
192	Rep. Hill	Notes that a 16 year old getting his/her license on February 29 <sup>th</sup> will not be restricted.
202	Rep. Wells	Expresses discomfort with Rep. Hill's suggestion and its effects: applying the bill retroactively and complicating the enforcement.
215	Rep. Hill	Replies that, currently, it solely depends on when the person got his/her license. Emphasizes that the bill will exempt one class of 16 year olds.
227	Rep. Wells	Reiterates his discomfort with the retroactivity.
232	Rep. Hill	Urges that the same restrictions should apply to all 16 year olds.
239	Rep. Walker	Notes that only the nighttime restrictions could apply to all 16 year olds.
249	Rep. Hill	Cites Section 3, noting that the requirements of this section would not apply to a 16 year old who got his/her license on February 29 <sup>th</sup> .
255	Adkins	Explains that it would be advisable not to eliminate Section 8 entirely in order to achieve Rep. Hill's goal.
262	Rep. Randall Edwards	Agrees with Rep. Hill. Argues that the bill should apply to all 16 year olds.
271	Adkins	Explains that a public information effort may be necessary if the law is going to apply to currently licensed 16 year olds who were not told of the law when they received their provisional licenses.
275	Rep. Hill	States that the level of public knowledge does not affect their obligation to follow the law.
279	Rep. Devlin	Expresses two opinions: 1) An average police officer will see the date of issue and know the effective date of the law 2) The bill needs to move out of committee soon.

290	Rep. Hill	Reiterates his position and the importance of saving lives.
297	Rep. Wells	Supports the bill as written.
305	Adkins	Clarifies the remaining issues addressed in the ñ2 amendments.
318	Rep. Wells	Discusses the remaining amendments, their effects on the curfew restrictions and possible conflicts in language. Suggests not considering the ñ3 amendments.
344	Rep. Edwards	Introduces the ñ3 amendments ( <b>EXHIBIT B</b> ).
<b>353</b>	<b>Rep. hill</b>	<b>MOTION: Moves to ADOPT HB 2440-2 amendments dated 04/13/99 and that the measure be FURTHER AMENDED on page 1, line 23, by deleting "150" and inserting "50".</b>
355	Rep. Lehman	Indicates that statistical data point to a higher number of 17 year olds who are involved in accidents. States that he may vote against 2440 and explains his reasons.
<b>385</b>		<b>VOTE: 8-0</b> <b>EXCUSED: 2 - Krummel, Kropf</b>
	<b>Chair Montgomery</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
<b>395</b>	<b>Rep. Hill</b>	<b>MOTION: Moves to ADOPT HB 2440-1 amendments dated 04/13/99.</b>
400	Chair Montgomery	Reads the ñ1 amendments.
404	Rep. Wells	Relates the complexity of the dealing with passengers in pick-ups. Opposes the ñ1 amendments
426	Rep. Walker	Opposes ñ1 amendments
430	Rep. Hill	Withdraws his motion.
<b>TAPE 73, A</b>		

007	Rep. Edwards	Describes the ñ3 amendments, which change the driving curfew requirements for 17 year olds.
014	Rep. Lehman	Opposes the nighttime restrictions as repetitive of the current curfew law.
020	Rep. Wells	States that the ñ3 amendments do not fit in with the current language of the bill.
025	Rep. Edwards	Discusses the ñ4 amendments, which add additional restrictions concerning seatbelts ( <b>EXHIBIT C</b> ).
032	Rep. Hill	Asks if the restrictions apply to the first offense or to multiple offenses.
033	Rep. Edwards	Replies that it applies to the first offense.
<b>036</b>	<b>Rep. Hill</b>	<b>MOTION: Moves to ADOPT HB 2440-4 amendments dated 04/14/99.</b>
037	Rep. Wells	Opposes the ñ4 amendments.
043	Rep. Edwards	Clarifies that the third violation, not the first, would result in losing a license.
<b>050</b>		<b>VOTE: 7-1</b> <b>AYE: 7 - Devlin, Hill, Lehman, Lokan, Taylor, Walker, Montgomery</b> <b>NAY: 1 - Wells</b> <b>EXCUSED: 2 - Kropf, Krummel</b>
	<b>Chair Montgomery</b>	<b>The motion CARRIES.</b>
<b>059</b>	<b>Chair Montgomery</b>	<b>MOTION: Moves HB 2440 to the floor with a DO PASS AS AMENDED recommendation.</b>
060	Adkins	Explains that any violations of the passenger and nighttime driving restrictions in HB 2440 would be classified as operating without driving privileges and will be Class C traffic infractions. Notes that this is not explicitly written in the bill.
078	Kelly Taylor	Division of Driver and Motor Vehicle Services, Oregon Department of

		Transportation (ODOT). Notes that, if a person is driving outside of restrictions on his/her license, he/she will be driving without a valid license.
087	Rep. Hill	Asks about the penalty for a Class C infraction.
089	Adkins	Replies that the uniform bail schedule is \$170.
102		<b>VOTE: 7-1</b> <b>AYE: 7 - Devlin, Hill, Lokan, Taylor, Walker, Wells, Montgomery</b> <b>NAY: 1 - Lehman</b> <b>EXCUSED: 2 - Kropf, Krummel</b>
	<b>Chair Montgomery</b>	<b>The motion CARRIES.</b>  <b>REP. MONTGOMERY will lead discussion on the floor.</b>
106	Chair Montgomery	Closes the work session on HB 2440. Opens the public hearing on HB 3344.
<b><u>HB 3344 PUBLIC HEARING</u></b>		
112	Larry Campbell	Triple A Oregon/Idaho. Notes that, in his letter to the Oregon Trucking Association (OTA), Governor Kitzhaber put conditions on signing HB 3344, specifically achieving cost responsibility and revenue neutrality. Urges that HB 3344 not be moved out of committee if the OTA proposal will not achieve cost responsibility or cause cost shifts among classes of trucks or cars and trucks ( <b>EXHIBIT D</b> ).
144	Craig Campbell	Triple A Oregon/Idaho. States that HB 3344 is not cost responsible, as opposed to the current weight-mile tax. Discusses the OTA proposal's dependence on registration fees and the inequity resulting from this system, specifically the cost shift from interstate to intrastate companies ( <b>EXHIBIT D</b> ).
199	C. Campbell	Explains the effect of prorating registration fees on interstate and intrastate companies. Notes that a diesel tax is based on fuel efficiency, not road use. Cites specific examples of companies that will benefit and will be hurt by HB 3344.
249	C. Campbell	Notes that the large, interstate companies will receive a tax break under 3344 while the impact will be born by small, intrastate companies. Cites the

		conclusions of Professors Hibbard and Negri: the most common, heavy class of trucks will pay about \$44 million less under the OTA proposal.
300	L. Campbell	States that HB 3344 is not revenue neutral, questioning how the \$44 million shift from heavier trucks will be paid. Notes that, due to the expansion of specific exemptions, a greater revenue shortfall will result if the ñ1 amendments are adopted. Adds that the bill does not take into account the incentive to register trucks at lower weights.
348	L. Campbell	Notes that HB 3344 does not address the most important issue of evasion: erroneously reporting the number of miles traveled in other states. States that HB 3344 fails to provide for a corresponding increase to truck taxes when the gas tax is raised, causing further movement away from cost responsibility.
395	L. Campbell	Discusses possible measures that would have to be enacted to maintain cost responsibility, including increasing the diesel tax and registration fees.
<b>TAPE 72, B</b>		
005	Rep. Taylor	Asks Campbell to explain the reference to "14.24 fold".
009	L. Campbell	Responds that it is the registration fee multiplier that would be required to match the increase in the gas tax. Notes that HB 3344 provides substantial tax reductions to certain trucking companies. Indicates that small companies are not aware of the negative effects of HB 3344. Reports that the shift toward cars increases every time the gas tax is increased.
043	C. Campbell	Addresses previous testimony that focused on the reduction of administrative costs. Indicates that high numbers of configuration changes, which need to be reported, are the exception rather than the norm. Contests the assumption that all trucking companies will save significantly on administrative costs. States that the debate should focus on streamlining administration and not eliminating an entire tax structure. Discusses the effect of deregulation on the trucking industry.
090	C. Campbell	Notes that HB 3344 returns the competitive advantage to large trucking companies.
103	L. Campbell	Refers to Garth Dullís testimony and the negative effect of weight-mile elimination in Nevada on cost responsibility. Underlines that neither Garth Dull nor Triple A represents the railroads. Reiterates his opposition to HB 3344. Notes that the AOI survey, referred to by OTA, was not scientific and represented only the perceptions of trucking companies. Adds that OTA sent two communications during the survey urging their members to respond favorably ( <b>EXHIBIT D</b> ).
160	L. Campbell	Cites the results of a Triple A survey of owners of 26,000-58,000 pound trucks, underlining the large number of respondents who will pay more under HB 3344. Quotes the comments of small truckers in opposition to a higher

		diesel tax and registration fee. Cites a third poll in which an overwhelming number of voters preferred that trucks continue paying for their road use.
215	L. Campbell	Stresses that the Oregon motoring public opposes HB 3344.
226	Rep. Kropf	Asks if the \$44 million cost shift did not occur, would the proposal be revenue neutral.
233	L. Campbell	Replies no.
241	C. Campbell	States that there are two different \$44 million figures and explains the differences between them.
249	Rep. Kropf	Asks if Triple A also influenced the results of their poll by targeting a specific class of trucks and using inflammatory language in the survey.
266	L. Campbell	Stresses that the OTA communications did influence the AOI survey. Replies that Triple A did skew the results of their survey because they were looking for people who would be adversely affected by the bill.
287	C. Campbell	Adds that the intentions of each poll were different.
297	Rep. Kropf	Asks how the motoring public will know that trucking companies are not paying their fair share.
309	L. Campbell	Cites the response of motorists in Nevada and the large number of Triple A members in Oregon.
315	Rep. Kropf	Asks if the OTA proposal will reduce evasion by collecting a diesel tax at the rack.
325	C. Campbell	Concedes that collecting a tax at the rack is better than at the pump; however, acknowledges that evasion can still result.
340	Rep. Hill	Asks if the polls would be better described as questionnaires.
344	L. Campbell	Replies that first two were surveys and the third was a scientific poll.
346	Rep. Taylor	Asks if the evasion of a diesel tax is beyond what has been already presented.
350	C. Campbell	Explains possible evasion techniques and methods of combating evasion, namely costly administrative inspections.

375	Rep. Lehman	Notes that the committee is stuck with a policy decision between an expensive, cost-accountable system and another system. Asks if some of the cost of collection could be taken out of what the truckers have to pay.
388	L. Campbell	Acknowledges that a better administrative system should be investigated, such as transponders and Global Positioning Systems. Notes that a diesel tax also requires auditing.
407	Rep. Lehman	Asks if it should be a policy decision to pass some of the administrative cost to the entire public rather than just to truckers.
420	C. Campbell	Replies that this shift would affect cost responsibility.
<b>TAPE 73, B</b>		
004	L. Campbell	Notes that they are not opposed to giving the trucking industry a tax break as long as it does not jeopardize the current tax structure.
008	Rep. Lehman	Asks if there is any evidence that Oregon industries are disadvantaged due to the weight-mile system.
014	C. Campbell	Answers that he has not heard of this type of disadvantage.
025	L. Campbell	Indicates that Oregon has the fourth highest tax in the nation for only 1.4% of trucks.
031	C. Campbell	Adds that another study indicates that Oregon does have the highest tax rate for one class of trucks traveling a certain number of miles. States that one could argue that Oregon has the highest taxes or that Oregon has the 36 <sup>th</sup> highest taxes depending on the truck and its use.
036	Rep. Lehman	Asks about possible changes in registrations and use as a response to the OTA proposal.
044	C. Campbell	Replies that they have no idea what the impact on behavior will be. Adds that an 11-fold increase in fees will probably result in behavioral changes.
057	Rep. Kropf	Asks about the effects of increasing the diesel tax.
069	C. Campbell	Replies that raising the diesel tax will result in two impacts: further shift the burden to lighter trucks and force Oregon to wait to get money back from International Fuel Tax Agreement (IFTA).
081	Rep. Kropf	Asks if the weight-mile tax keeps some trucks out of the state and hurts

		businesses.
089	C. Campbell	Replies that the total percentage of operating costs represented by administration is very low. Adds that the information necessary to comply with the weight-mile tax is already being collected. Doubts that the weight-mile tax is keeping trucks out of Oregon.
104	Rep. Hill	Asks how the committee can sort through the conflicting information.
115	C. Campbell	Replies that the companies who have an administrative burden are those with a high number of configurations, which do not represent a majority of trucking companies. States that the decision to operate in Oregon is probably based on other factors.
127	L. Campbell	Notes that a good deal of the paperwork is already required to comply with IFTA and International Registration Program (IRP).
144	Rep. Hill	Cites Section 3 of <b>EXHIBIT D</b> . Asks if the real reason for HB 3344 is to cut taxes for large trucking companies.
155	C. Campbell	Replies that the impetus is probably the tax savings more than the administrative savings.
157	Chair Montgomery	Closes the public hearing on HB 3344.
180	Rep. Hill	Asks if amendments will be forthcoming.
183	Chair Montgomery	States that there will be ñ1 and ñ2 amendments to HB 3344 ( <b>EXHIBIT E</b> ).
200	Adkins	Explains the ñ1 amendments, which change fuel collection and licensing agreements
222	Rep. Lehman	States that the ñ2 amendments extend revenue neutrality by increasing the diesel tax by four cents in the second biennium.
240	Adkins	Continues to explain the ñ1 amendments and the changes made, including the increased exemptions, provisions for adjustment in the tax and changes in registration fees.
286	Rep. Hill	Asks if co-ops currently pay.
288	Adkins	Replies that there has been discussion between the trucking industry and rural electric co-ops.

Submitted By, Reviewed By,

Brad Daniels, Janet Adkins,

Administrative Support Administrator

**EXHIBIT SUMMARY**

**A ñHB 2440, -2 amendments, staff, 3 pp.**

**B ñHB 2440, -3 amendments, staff, 1 p.**

**C ñHB 2440, -4 amendments, staff, 1 p.**

**D ñHB 3344, written testimony, Larry and Craig Campbell,**

**E ñHB 3344, -2 amendments, staff, 1 p.**