

SENATE REVENUE COMMITTEE

January 19, 1999 - 3:00 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Senator Randy Miller, Chair

Senator Thomas Wilde, Vice Chair

Senator Lee Beyer

Senator Tom Hartung

Senator Charles Starr

Staff: Richard Yates, Economist, Legislative Revenue Office

Joan Green, Committee Assistant

TAPE 006, SIDE A

004	Chair Miller	Meeting called to order at 3:05 p.m.
011	Chair Miller	MOTION: INTRODUCTION, AS COMMITTEE BILLS, OF LC 528 (EXHIBIT 3) RELATING TO TAXATION, LC 529 (EXHIBIT 4) RELATING TO TAXATION, LC 530 (EXHIBIT 5) RELATING TO TAXATION, LC 531 (EXHIBIT 6) RELATING TO TAXATION AND LC 1638 (EXHIBIT 7) RELATING TO PROFESSIONAL REAL ESTATE ACTIVITIES. HEARING NO OBJECTION, THE CHAIR SO ORDERED.
030	Richard Yates	Referenced generally the basic tax packet, which is updated each biennium by Legislative Revenue, and specifically the Highway Taxes Research Report #1-99. (Exhibit 2)

067 Discussion and questions interspersed.

082 Yates Discussed in detail an overview of funding of roads in Oregon, where dollars come from and how they are allocated. (Exhibit 1)

Discussion and questions interspersed.

223 Yates Discussed in detail highway fund taxes, inclusive of dedication, distribution and tax rate history, (Page 6 Exhibit 1).

Discussion and questions interspersed.

285 Yates Continued discussion of highway fund taxes, beginning with the chart on tax rate history, (Page 7, Exhibit 1).

340 Yates Discussed how taxes and fees are calculated, (Page 8, Exhibit 1). Oregon is unique in that it compiles data specific to each vehicle (weight and axle configuration) and develops a formula based on that data to distribute taxes equitably.

TAPE 007, SIDE A

009 Yates Continued discussion and relationship to road usage and planned expenditures in Oregon, (Page 9, Exhibit 1).

Discussion and questions interspersed.

135 Yates Discussed at length how the engineering data and judgements are utilized in determining transportation taxes and allocations, (Page 10, Exhibit 1).

267 Yates Discussed the variation that can occur in cost responsibility studies, how it is allocated and planned expenditures, (Page 11, Exhibit 1).

330 Yates Used graphs and charts to illustrate how total per mile taxes is calculated and how the

tax rates are determined, (Pages 12-14, Exhibit 1).

TAPE 006, SIDE B

003 Yates Presented three examples and discussed setting heavy vehicle tax rates, (Page 14, Exhibit 1).

047 Yates Proceeded to an in-depth discussion of the analysis of each of the three taxes: registration fees, fuel tax and weight-mile tax.

Discussion and questions interspersed.

179 Yates Discussed in detail cost responsibility, inclusive of cost allocators and the allocation process, (Page 18, Exhibit 1).

Discussion and questions interspersed.

263 Yates Discussed Equivalent Single Axle Loads (ESAL) and the stress caused to pavement. Compared examples of light vs. heavy vehicles and combinations among heavy vehicles, (Page 22, Exhibit 1). Predicted the new cost responsibility study will move away from the use of ESALs to the method used in 1997 federal highway cost allocation method.

If data is correct stress on pavement increases rapidly as axle loads increase. Substantial difference occurred with 18,000 pounds or more, as to whether a single, double or triple axle is used.

Discussion and questions interspersed.

375 Yates Continued with presentation of ESAL examples, (Page 24, Exhibit 1).

The question is how do you reduce the stress of these vehicles on the road or how important is having more axles under a vehicle.

445 Chair Miller MOTION: MOVED TO WITHDRAW PREVIOUS MOTION TO INTRODUCE, AS COMMITTEE BILLS, LC 528 (EXHIBIT 3) RELATING TO TAXATION, LC 529

(EXHIBIT 4) RELATING TO TAXATION, LC 530 (EXHIBIT 5) RELATING TO TAXATION AND LC 531 (EXHIBIT 6) RELATING TO TAXATION. HEARING NO OBJECTION, THE CHAIR SO ORDERED.

445 Chair Miller Meeting adjourned at 4:27 p.m.

Submitted by, Reviewed by,

Joan Green Kim T. James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. Orientation, Yates, Transportation slides, 28 pages
2. Orientation, Yates, Highway Taxes Research Report #1-99, 3 pages
3. LC 528, Sen. Miller, 8 pages
4. LC 529, Sen. Miller, 2 pages
5. LC 530, Sen. Miller, 9 pages
6. LC 531, Sen. Miller, 3 pages
7. LC 1638, Sen. Miller, 4 pages