

SENATE COMMITTEE ON TRANSPORTATION

April 12, 1999 Hearing Room C

3:05 p.m. Tapes 55 - 57

MEMBERS PRESENT: Sen. Marylin Shannon, Chair

Sen. Mae Yih, Vice-Chair

Sen. Susan Castillo

Sen. Joan Dukes

Sen. Ted Ferrioli

Sen. Gary George

Sen. Lenn Hannon

MEMBER EXCUSED:

STAFF PRESENT: Megan Palau, Administrator

Gary Roulier, Administrative Support

MEASURE/ISSUES HEARD: SB 655 Public Hearing and Work Session

SB 858 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
TAPE 55, A		
002	Chair Shannon	Opens meeting at 3:13 p.m. and opens a public hearing on SB 655.
<u>SB 655 PUBLIC HEARING</u>		

004	Megan Palau	Administrator. Explains the provisions of SB 655 which modifies the Salem Area Mass Transit District (SAMTD) to conform with the Urban Growth Boundary (UGB).
011	Sen. Gene Derfler	Oregon State Senator, District 16. Presents (EXHIBIT A) and testifies in support of SB 655. Explains that the bill changes the boundaries of the SAMTD. Adds that this will insure that citizens outside the UGB are not paying property taxes for services they are not receiving. Notes that he is not in favor of expanding the SAMTD beyond the UGB.
037	Chair Shannon	Presents (EXHIBIT B) and explains the provisions of the ñ 1 amendments to SB 655.
053	Sen. Derfler	Remarks that since property taxes fund the transit system in Salem, anyone living within the UGB should pay taxes and be afforded the services.
061	Sen. Hannon	Asks if the Salem bus system is funded by property tax and if the tax rate would be reduced if the boundaries were expanded.
068	Sen. Derfler	Notes that the rates would have to be arranged through an intergovernmental agreement.

076	Sen. Hannon	Discusses with Sen. Derfler the historical changes to the Salem UGB.
087	Chair Shannon	Notes that those citizens receiving service would be paying property taxes under the provisions of the amendments.
092	Sen. Dukes	Asks if those living outside the urban growth boundary would lose access to transit.
095	Sen. Derfler	Responds that they would lose service but would not be paying taxes for transit service.
112	Tom Wolfgram	General Manager Pro Tempore, Salem Mass Transit District. Presents (EXHIBIT C) and testifies in support of SB 655. Explains that the current boundaries were established in 1977 and have remained unchanged. Notes that the amendments update the boundaries to the current Salem/Keizer UGB.
153	Wolfgram	Concludes that SB 655 will enhance service to residents of the Salem/Keizer area.
174	Sen. Dukes	Asks if any of the areas being eliminated are receiving transit services.

177	Wolfgram	Responds that none of the areas being eliminated receive transit services.
179	Sen. Dukes	Asks how citizens not receiving service would get transit service.
186	Wolfgram	Responds that requests would go through the ordinance process.
194	Ben Featherston	Legal Counsel, Salem Area Mass Transit. Adds that under the amendment, the SAMTD would change with modifications to the UGB.
217	Sen. Hannon	Asks if the amendments affect other transit districts in the state.
221	Featherston	Responds that the amendments affect only the Salem district.
226	Sen. Dukes	Asks why the language in Section 5(1) is included.
234	Featherston	Answers that the intent is to fix the transit boundaries to the UGB.
237	Chair Shannon	Asks if the language in Section 5(1) would still be needed if lines 9 through 14 of page 1 of the amendments are deleted.
245	Featherston	Responds that the deletion would also require the deletion of lines 2 through 31 on page 2 because no amendment to ORS 267.253 would be necessary.
252	Sen. Hannon	Asks if the removal of the language would affect other mass transit districts.
259	Featherston	Notes that ORS 267.107 refers exclusively to the SAMTD. Adds that the end result of deleting lines 9 through 14 of page 1 would be to fix the boundaries of the transit district to the UGB.
271	Sen. Dukes	Asks if the intent is to remove authority to extend beyond the UGB.
275	Featherston	Responds that the first choice would be to keep lines 9 through 14 and retain authority to expand beyond the UGB.
296	Chair Shannon	Presents (EXHIBIT D), the amendments to SB 655, and explains that the amendments will fix the transit boundaries to the UGB.
333	Sen. Castillo	Asks for an opinion on the amendments.
337	Featherston	Explains that the amendments seem to reestablish the boundaries as they were in 1977. Adds that the bill as originally written did provide for a procedure for the district to change boundaries.
359	Chair Shannon	States that the intent is to replace Section 2 of the bill with lines 4 through 8 of the

ñ1 amendments.

366	Sen. Hannon	Notes that the ñ2 amendment deletes "creating new provisions" which negates the bill.
381	Featherston	Agrees that the bill creates a new provision and should not be deleted.
393	Sen. Hannon	Agrees that the ñ2 amendments would invalidate the bill.

TAPE 56, A

001	Sen. Hannon	Discusses the ñ1 amendments with Featherston.
014	Featherston	Remarks that if the intention is to fix the transit district to the UGB, the ñ1 amendments need to be changed on line 2 to delete the words "and insert "267.263"".
024	Sen. Dukes	Remarks that the rules do not allow a change to the relating clauses.
030	Sen. Hannon	States that amendments to relating clauses are allowed.
041	Chair Shannon	Explains that the intent is to return to the original language of the bill.
053	Sen. Dukes	Notes that the bill seems to move away from local control.
061	Featherston	States concern that the boundaries be set in a technically correct manner so the intent of the bill is satisfied. Suggests the following changes to the ñ1 amendments: delete "(1)" on line 2 of page 1; delete lines 9 through 14 of page 1; change lines 18 and 19 on page 1 to read "Except as otherwise provided in Section 2 of this 1999 Act, [ORS 267.107 (2)(c),] the territorial jurisdiction of the".
099	Featherston	Continues with suggested changes by recommending that line 1 of page 2 be changed to read "Delete lines 26 through 30 and delete page 2 [and insert:]. Suggests that lines 2 through 31 would then be deleted.
104	Sen. Castillo	Asks what the suggested changes accomplish.
105	Featherston	Responds that the suggested changes to the ñ1 amendments would fix the boundaries of the SAMTD to the UGB.
126	Chair Shannon	Closes the public hearing and opens a work session on SB 655.

SB 655 WORK SESSION

134 Sen. Hannon **MOTION: Moves to ADOPT SB 655-1 amendments dated 3/22/99 and that the measure be FURTHER AMENDED on page 1, line 2, by deleting "and insert "267.253"." after ""267.207""; and on page 1, by deleting lines 9 through 14; and on page 1, line 18 by removing "[" before "Except"; and on page 1, line 19 by inserting "Section 2 of this 1999 Act" after "in"; and on page 1, line 19 by inserting "[" before "ORS"; and on page 1, line 19 by changing "The" to "the"; and on page 2, line 1 by deleting "and insert:"; and on page 2 by deleting lines 2 through 31.**

150 Chair Shannon **VOTE: 4-2**

AYE: 4 - Ferrioli, Hannon, Yih, Shannon

NAY: 2 - Castillo, Dukes

EXCUSED: 1 ñ George

 Chair Shannon **The motion CARRIES.**

158 Chair Shannon Closes the work session and opens a public hearing on SB 858.

SB 858 PUBLIC HEARING

162 Palau Explains the provisions of SB 858 which prohibits a city or county from granting an exclusive franchise to for-hire carriers or persons.

170 Mel Zucker Director, Oregon Transportation Institute. Testifies in support of SB 858. Summarizes the changes in transport mode usage among commuters between 1980 and 1990.

218 Sen. Castillo Asks why the presented figures are ten years old.

224 Zucker Answers that the figures are from the last census in 1990. Continues that SB 858 removes monopolies of transit agencies while maintaining the regulation of safety, equipment and insurance.

265 Zucker Summarizes Miami jitney usage from a 1992 study. Emphasizes that the study demonstrated that jitneys provide faster service with fewer stops and are less expensive than traditional transit services.

312 Zucker Notes that in New York City, 5,000 jitneys operate illegally and provide door to door service for \$1 per ride. States that carpools carry 2.5 times as many

passengers as all other modes of transportation combined.

345 Zucker Reviews national transit safety figures.

381 Zucker Continues with accident figures involving buses in New York City.

TAPE 55, B

009 Chair Shannon Comments that the committee has already passed a jitney bill.

012 Zucker Responds that the bill passed out was for the development of an information system, whereas SB 858 increases the transit services available to the community.

034 Sen. Dukes Asks if the bill would take away the right of the community to regulate transport providers.

036 Zucker Responds that it would not.

041 Sen. Dukes Expresses concern over non-licensed personnel providing transit.

051 Zucker Notes that the bill does provide for licensing and background checks. Discusses the experiences of other cities that opened markets for additional taxi service. Explains the differences between shuttle and limousine service.

087 Dick Jones Citizen, Oak Grove, Oregon. Presents (**EXHIBIT E**) and testifies in support of SB 858. Notes that transit needs outside the central cities are not being met.

124 Sen. George Asks about the amount of taxes being paid for transit in the Portland area.

129 Jones Responds that light rail results in higher taxes and increased congestion.

147 Richard Burk Mainstream Liberty Caucus. Testifies that present policy does not allow for alternative forms of transportation and does not relieve congestion. Stresses that it is illegal under present policy to compete against public transit agencies.

201 Burk Presents (**EXHIBIT F**) and states that adoption of SB 858 would give consumers additional transit choices.

223 Dale Potts Citizen, Milwaukie, Oregon. Testifies in support of SB 858. Summarizes jitney operation in Atlantic City since 1916.

286	Dave Barenberg	League of Oregon Cities. Testifies in opposition to SB 858.
306	Dave Kanner	Public Affairs Manager, City of Wilsonville. Presents (EXHIBIT G) and testifies in opposition to SB 858. Notes that SB 858 will either increase cost to local businesses or remove service from transit users. Summarizes the history of transit in Wilsonville.
350	Kanner	Stresses that transit services in Wilsonville are free and the payroll tax is .003.
361	Sen. Castillo	Asks if Wilsonville is limited by the Urban Growth Boundary as to where they can provide services.
377	Cynthia Thompson	Transit Director, City of Wilsonville. Emphasizes that the system is supported by payroll tax and not property tax. Adds that authority to tax does not extend beyond the city limits.

TAPE 56, B

012	Thompson	Discusses the requirements listed under the American Disabilities Act (ADA). Notes that rides to disabled citizens cannot be refused under the provisions of the ADA. States that the only way to ensure 24 hour coverage, 7 days a week, was to grant an exclusive franchise to a cab company.
058	Kanner	Stresses that SB 858 would have a serious effect on Wilsonville's ability to provide transportation services to the disabled and elderly.
070	Barenberg	Adds that ADA requirements apply to a fixed-route transit operator.
077	Chair Shannon	Asks if the witness has proposed amendments or suggestions.
089	Kanner	Responds they will provide a proposed amendment to the committee.
090	Sen. Yih	Asks if there is any source of funding for the transit system.
093	Kanner	Notes that services are free and the cab company is reimbursed for the ADA fares.
101	Sen. Yih	Asks if there are other subsidies.
103	Thompson	Responds that Wilsonville receives \$100,000 in federal funds and some grant money for purchasing replacement vehicles.

110	Kanner	Summarizes the tax base in Wilsonville which allows the city to charge a low payroll tax and still provide free transit services.
114	Sen. Yih	Asks what the payroll tax rate is and the number of employees in Wilsonville.
122	Thompson	Responds that the rate is .003 on approximately 13,000 employees.
130	Jim Wadsworth	Director, Portland Bureau of Licenses. Presents (EXHIBIT H) and testifies in opposition to SB 858. Notes that SB 858 would require Portland to administer safety and service quality programs on an unlimited number of operators.
178	Barenburg	Adds that several cities have attempted deregulation similar to that outlined in SB 858 and have failed. Outlines sections of the bill that remove the ability of local jurisdictions to regulate. Notes that deregulation tends to remove service from unprofitable routes.
219	Sen. Castillo	Agrees that the issue is local control.
223	Ed Trompke	Attorney, Green Transportation Company. Presents (EXHIBIT I) and outlines the history of the company, a jitney operation in Portland.
273	Trompke	Notes that the City of Portland has encouraged the formation of jitney companies and increased competition. Adds that local jurisdictions are effective and does not see the need for state involvement.
302	Trompke	Reviews an attempt by Seattle to deregulate the taxi market.
326	Trompke	Continues a discussion of deregulation efforts in Seattle. Notes that SB 858 would create an uneven competitive market.
372	Trompke	Reviews the federal codes dealing with mass transportation.

TAPE 57, A

011	Craig Flynn	Citizen, Portland. Testifies in support of SB 858. States that increased competition would serve the public.
047	Ed Johnston	Citizen, Lincoln County. Testifies in support of SB 858. Remarks that SB 858 will allow for better service to the disabled and elderly.
070	Bob Behnke	Citizen, Portland. Testifies in support of SB 858. Outlines the trips per capita for use of transit since 1940 to 1990. Emphasizes that the subsidy levels are high for transit and that transit has not relieved congestion.
104	Behnke	Summarizes the Oregon Progress Board's Transportation Report Card for March 1999. Reviews federal definitions of mass and public transportation.

141	Behnke	Summarizes findings of a study of deregulation within the transportation industry. Concludes that SB 858 will increase services.
165	Sen. Yih	Asks about service in rural areas.
168	Behnke	Responds that subsidies may be necessary, particularly for the elderly and disabled.
180	Chair Shannon	Asks about the situation where a provider does not want to serve certain areas of the city or routes.
185	Behnke	Answers that the goal is to get cars with one commuter off the road.
195	Chair Shannon	Asks why any other business would be prohibited from starting a jitney service if Portland was able to allow jitneys without this legislation.
203	Zucker	Responds that Portland only added companies under duress and the new companies are highly regulated.
221	Chair Shannon	Closes the public hearing and adjourns the meeting at 5:16 p.m.

Submitted By, Reviewed By,

Gary Roulier, Megan Palau,
Administrative Support Administrator

EXHIBIT SUMMARY

A ñ SB 655, map, Sen. Gene Derfler, 1 pp

B ñ SB 655, amendments, staff, 3 pp

C ñ SB 655, written testimony, Tom Wolfgram, 2 pp

D ñ SB 655, amendments, staff, 1 pp

E ñ SB 858, written testimony, Dick Jones, 1 pp

F ñ SB 858, newspaper article, Richard Burk, 1 pp

G ñ SB 858, written testimony and letters, Dave Kenner, 6 pp

H ñ SB 858, written testimony, Jim Wadsworth, 5 pp

I ñ SB 858, written testimony, Ed Trompke, 4 pp