

SENATE COMMITTEE ON TRANSPORTATION

April 16, 1999 Hearing Room C

3:05 p.m. Tapes 60 - 63

MEMBERS PRESENT: Sen. Marylin Shannon, Chair

Sen. Mae Yih, Vice-Chair

Sen. Susan Castillo

Sen. Joan Dukes

Sen. Gary George

Sen. Lenn Hannon

MEMBER EXCUSED: Sen. Ted Ferrioli

STAFF PRESENT: Megan Palau, Administrator

Gary Roulier, Administrative Support

MEASURE/ISSUES HEARD: SJR 11 Public Hearing

SB 908 Public Hearing and Work Session

SB 1228 Public Hearing and Work Session

SB 860 Public Hearing

SB 757 Public Hearing

SB 652 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 60, A		

001	Chair Shannon	Opens meeting at 3:12 p.m. and opens a public hearing on SJR 11.
<u>SJR 11 PUBLIC HEARING</u>		
002	Megan Palau	Administrator. Explains the provisions of SJR 11 which proposes an amendment to the Oregon Constitution to allow revenues from motor vehicle and motor vehicle fuel taxes and fees to be used for policing highways.
014	Sen. Hannon	Explains the background of SJR 11 which increases funds for the state police. States a concern with using the highway fund to finance state police and recommends that the chair appoint a working group to study the bill and make necessary changes.
062	Sen. Hannon	Suggests members for a work group and sets up a meeting for April 20 at 3:00 p.m.
097	Chair Shannon	Closes the public hearing and opens a public hearing on SB 908.

SB 908 PUBLIC HEARING

098	Palau	Explains the provisions of SB 908 which requires signage at gas stations to show what percentage of the retail price is tax. Presents (EXHIBIT A) and explains the provisions of the amendments.
109	Sen. Mae Yih	Senate District 19. Presents (EXHIBIT B) and testifies in support of SB 908. Notes that SB 908 is a truth-in-taxation bill.
137	Mike Sherlock	Oregon Gasoline Dealers Association. Presents (EXHIBIT C) and testifies in opposition to SB 908. Notes that this bill adds another burden to an already over-regulated industry.
154	Brian Boe	Oregon Petroleum Marketers Association. Testifies in opposition to SB 908. Adds that the Oregon Department of Transportation (ODOT) should explore other methods for disclosing gas tax information to the consumer.
194	Sen. George	Comments that informing the consumer about the large percentage of taxes would relieve the retailer from consumer anger over high gas prices. Asks if the concern with the signage would be alleviated if there were a choice of signs.
211	Sherlock	Responds that the sizes of the stickers mandated in SB 908 would be unworkable on the new gas pumps.

234	Sen. Hannon	Inquires about price fluctuation and how ODOT would keep information on the pumps up-to-date.
247	Sherlock	Answers that the concern is with the expense involved.
253	Boe	Adds that there is concern that the public perceives the difference between the retail price and the amount of tax as the profit to the dealer.
270	Sen. George	Asks if the association would change their position if taxes went up and raised the prices even further.
281	Sen. Hannon	Comments that the gas stations will simply pass the increased costs on to the consumer.
324	Boe	Restates that the major objection is to additional regulation.
333	Sen. Castillo	Notes that requiring the percentage of gas tax on the sign only tells part of the story. Adds that it does not inform the consumer how the funds are utilized.
373	Sen. Yih	Responds that SB 908 requires that the signage include information on agencies that can be contacted for further information.
377	Chair Shannon	Closes the public hearing and opens a work session on SB 908.

SB 908 WORK SESSION

405	Sen. Hannon	MOTION: Moves to ADOPT SB 908-1 amendments dated 4/1/99 (EXHIBIT A) and that the measure be FURTHER AMENDED on page 1, line 7, by deleting "and gas pump" after "register".
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Chair Shannon	Hearing no objection, declares the motion CARRIED.
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TAPE 61, A

011	Sen. Castillo	Comments that there is a significant fiscal impact for ODOT.
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034	Sen. Hannon	MOTION: Moves SB 908 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means.
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VOTE: 5-0

AYE: In a roll call vote, all members present vote Aye.

EXCUSED: 2 - Dukes, Ferrioli

Chair Shannon

The motion CARRIES.

036 Chair Shannon Closes the work session and opens a public hearing on SB 1228.

SB 1228 PUBLIC HEARING

038 Palau Explains the provisions of SB 1228 which requires additional hull identification for small watercraft.

041 Paul Donheffner Director, Oregon Marine Board. Presents (**EXHIBIT D**) and testifies in support of SB 1228.

059 John Raichl Sheriff, Clatsop County. Testifies in support of SB 1228. Explains that SB 1228 brings Oregon into compliance with federal regulations dealing with boat identification numbers.

SB 1228 WORK SESSION

078 Sen. Hannon **MOTION: Moves SB 1228 to the floor with a DO PASS recommendation.**

VOTE: 5-0

AYE: In a roll call vote, all members present vote Aye.

EXCUSED: 2 - Dukes, Ferrioli

Chair Shannon

The motion CARRIES.

SEN. DUKES will lead discussion on the floor.

090 Chair Shannon Closes the work session and opens a public hearing on SB 860.

SB 860 PUBLIC HEARING

092 Al Elkins Executive Director, Oregon Tow Truck Association. Presents (**EXHIBIT E**) and testifies in support of SB 860. Presents (**EXHIBIT F**) and explains the provisions of the amendments. Notes that the tow truck industry is being asked to do increased accident scene clean up as public budgets are reduced.

151 Chair Shannon Asks if state or city agencies would be responsible for the clean up of hazardous materials, to include needles and other materials left in vehicles, under the provisions of SB 860.

164	Elkins	Responds that is correct.
168	Curt Curtis	Sergeant, Oregon State Police, Patrol Services Division. Presents (EXHIBIT G) and testifies that the State Police are neutral on SB 860. Explains that the possible fiscal impact for the State Police is \$175-200 thousand per year (page 2 of the exhibit).
214	Chair Shannon	Asks about volunteer fire departments responding to spills in rural areas.
221	Curtis	Notes that some accidents do not require police notification and no authorities are alerted.
232	Sen. Hannon	Asks if toxic substances at crash sites are more typically found in urban areas.
235	Curtis	Responds that the fluids could be battery acid, transmission fluids, gasoline, oil, and accident debris.
241	Sen. Hannon	Expresses concern about tow companies being required to clean up toxic materials.
248	Curtis	Answers that the materials need to be cleaned up and agrees that the concern is valid.
261	Sen. Hannon	Asks why a towing company would need to clean up toxic materials when they are neither trained nor equipped to handle such materials.
271	Curtis	Agrees and adds that trained and equipped personnel are not available in every community.
280	Sen. Castillo	Comments on the need for clean up, but states that the issue is complicated.
291	Chair Shannon	Closes the public hearing on SB 860 and opens a public hearing on SB 757.

SB 757 PUBLIC HEARING

307	Palau	Explains the provisions of SB 757 which specifies permissible uses of federal transportation moneys. Adds that SB 757 stabilizes the Highway Construction Fund and specifies uses for moneys in the fund.
316	Chair Shannon	Closes the public hearing on SB 757 and opens a public hearing on SB 652.

SB 652 PUBLIC HEARING

337	Palau	Explains the provisions of SB 652 which authorizes wreckers to tow abandoned vehicles.
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342 Chair Shannon Closes the public hearing and opens a public hearing on SB 757.

SB 757 PUBLIC HEARING

361 Sen. Gary George Senate District 2. Testifies in support of SB 757 and summarizes the increase in road congestion in Oregon.

TAPE 60, B

006 Dave Haugeberg Chair, Yamhill County Transportation Committee. Testifies in support of SB 757. Summarizes the intent of SB 757 which is to commit funds for new construction and meet the needs of Oregon residents.

052 Haugeberg Relates attempts to solve transportation problems in Yamhill County.

071 George Lewis City Administrator, Dundee, Oregon. Testifies in support of SB 757 and comments on the congestion problems in Dundee caused by traffic on Highway 99W. Notes that Section 3(2) dedicates money to projects defined within the Statewide Transportation Improvement Program (STIP).

108 Chair Shannon Agrees that it would be a good idea to dedicate federal funds for new highway construction to the STIP.

123 Ann Pesola Executive Director, Newberg Area Chamber of Commerce. Testifies in support of SB 757 and recommends that page 1, line 11 be changed to read "that will" rather than "may." Adds that SB 757 would allow accountability of federal funds for highway construction.

160 Sen. Castillo Asks about communities that decide to use federal funds for other projects.

166 Lewis Responds that the STIP process is utilized to determine which projects will be funded.

185 Sen. Castillo Comments that SB 757 would restrict the use of the federal funds.

189 Haugeberg Answers that SB 757 addresses funds that are not earmarked for specific projects.

202 Chair Shannon Clarifies that the use of STIP funds for transit would not be affected under SB 757.

220 Sen. George Responds that \$414 million within the STIP is earmarked for transit.

224	Robert Behnke	Transportation Systems Consultant. Presents (EXHIBIT H) and testifies in support of SB 757. Summarizes the Transportation Report Card for March 1999 by the Oregon Progress Board.
268	Behnke	Summarizes a report from Metro on transportation funding (page 3 of the exhibit).
305	Behnke	Comments that the University of North Carolina ranks Oregon fourth in the nation with relation to quality of pavement and bridges.
355	Behnke	States that much of the funding is for inappropriate uses.
372	Chair Shannon	Asks about the funds listed on page 3 of the exhibit and whether the funds are federal.
381	Behnke	Responds that all of the funds listed are federal. Notes that studies show that road congestion can only be reduced by new road construction.

TAPE 61, B

002	Chair Shannon	Closes the public hearing on SB 757 and opens a public hearing on SB 652.
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SB 652 PUBLIC HEARING

029	Curtis	Testifies in support of SB 652. Presents (EXHIBIT I) and explains the provisions of the amendments.
039	Elkins	Testifies in support of SB 652.
041	Chair Shannon	Closes the public hearing and opens a work session on SB 652.

SB 652 WORK SESSION

042	Sen. Castillo	MOTION: Moves to ADOPT SB 652-1 amendments dated 4/16/99 (EXHIBIT I).
	Chair Shannon	Hearing no objection, declares the motion CARRIED.
048	Sen. Castillo	MOTION: Moves SB 652 to the floor with a DO PASS AS AMENDED recommendation.

VOTE: 4-0

AYE: In a roll call vote, all members present vote Aye.

EXCUSED: 3 - Dukes, Ferrioli, Hannon

Chair Shannon

The motion CARRIES.

SEN. FISHER will lead discussion on the floor.

056 Chair Shannon Closes the work session on SB 652 and opens a public hearing on SB 757.

SB 757 PUBIC HEARING

062 Sen. George Testifies in support of SB 757. Summarizes uses of ODOT funds.

092 Sen. Yih Comments that SB 757 has a subsequent referral to the Ways and Means Committee.

114 Sen. George Continues with a summary of the ODOT construction budget.

156 Chris Hagerbaumer Air and Transportation Program Director, Oregon Environmental Council. Presents (**EXHIBIT J**) and testifies in opposition to SB 757.

192 Hagerbaumer Comments that fiscal responsibility demands that Oregon fix crumbling roads and bridges before spending money on new capacity. Adds that SB 757 would take all flexible dollars and use them to build new roads.

223 Roger Martin Executive Director, Oregon Transit Association. Presents (**EXHIBIT K**) and testifies in opposition to SB 757. Remarks that some of the flexible federal funds are allocated to elderly and disabled transportation.

247 Sen. George Comments that SB 757 would have little impact on funding for transit.

268 Martin Responds that SB 757 provides that all federal dollars would be dedicated to new highway construction.

285 Chair Shannon Restates that SB 757 refers to moneys made available by the federal government for transportation purposes that "may" be used for highway construction.

304 Martin States that there are flexible funds that could be used for construction or for transit and SB 757 states that the flexible funds could only be used for highways.

344 Sen. George Asks if Martin supports the part of SB 757 which states that a portion of the funds go into a new construction account.

349 Martin Responds that he would find that acceptable and adds that transit also includes transit delivery for the elderly and disabled.

362 Lynn Peterson Transportation Advocate, 1,000 Friends of Oregon. Presents **(EXHIBIT L)** and testifies in opposition to SB 757. Notes that SB 757 earmarks modernization funds and does not increase benefits to Oregon citizens.

TAPE 62, A

004 Peterson States that SB 757 limits transportation options and bypasses the democratic process (page 2 of the exhibit).

036 Sen. George Asks about a letter from 1,000 Friends of Oregon which advocates overturning the constitutional amendment for new road construction.

047 Peterson Responds that recent surveys showed that most Oregonians do not want the majority of highway dollars spent for new road construction.

050 Doug Tindall Maintenance Engineer, Oregon Department of Transportation. Presents **(EXHIBIT M)** and testifies in opposition to SB 757. Notes that SB 757 would not allow federal funds to be used to develop projects, do engineering design work, buy right-of-way or oversee construction projects (page 1 of the exhibit).

070 Sen. George Disputes that SB 757 would not allow for the design and development work.

075 Tindall Reiterates that funds would be taken from preservation and maintenance projects to do the design work on new highway construction projects.

087 Bill Penhollow Association of Oregon Counties. Testifies in opposition to SB 757. States concerns with Section 2 which mandates that flexible funds be used for new highway construction. Explains that counties receive approximately \$7 million a year in federal funds for reconstruction of county roads. Notes that Section 3 mandates that projects will be selected by the Oregon Transportation Commission which will reduce flexibility.

118 Sen. George Asks about the \$7 million as it relates to the total highway fund of \$2.3 billion.

121 Penhollow Answers that the flexible federal funds also include funds for bridges.

128 David Barenberg League of Oregon Cities. Testifies in opposition to SB 757. Notes that the funds received by cities are often used for reconstruction, preservation, and maintenance projects, and SB 757 would mandate new construction.

160	Chair Shannon	Asks about the statement that SB 757 would redirect \$120 million to new modernization and whether this is the total amount of flexible funds (page 1 of the exhibit).
176	Tindall	Responds that the \$120 million is the amount of funds that would be redirected from preservation and maintenance projects.
180	Sen. George	Asks about the \$661 million in new federal funds and how much of that amount would be redirected under the provisions of SB 757.
187	Tindall	Answers that \$564 million of the \$661 goes to highways. Adds that the remainder would go to other dedicated programs.
200	Sen. George	Asks if concerns would be alleviated if SB 757 were amended to dedicate only the remaining funds.
201	Tindall	Responds that there would still be a concern about the flexible funds. Discusses with Sen. George how federal funds are directed to the maintenance of bridges.
227	Sen. George	Discusses the original \$2.825 billion budget submitted by ODOT.
240	Tindall	Answers that he is not familiar with the specific numbers in the budget.
244	Mel Zucker	Citizen, Portland, Oregon. Testifies in support of SB 757. Notes that federal funds are only flexible within certain categories.
298	Zucker	Notes that transit outside the Portland Metropolitan Area is 100 percent on the roads.
351	Zucker	States that increased safety depends on new road construction.
381	Sen. George	Asks how many dollars actually come into the new construction account.
390	Zucker	Responds that the federal transportation agencies have a web site where the information is available.
409	Chair Shannon	Asks how much additional right-of-way is necessary.

TAPE 63, A

001	Tindall	Responds that it would depend on the situation. Adds that additional right-of-way would be necessary in some sections but ODOT has sold right-of-way in other sections.
011	Sen. George	Asks about the total cost for the improvements in Salem and total cost for the

right-of-way.

017	Tindall	Answers that the total cost was \$172 million and is not aware of the percentage for right-of-way.
025	Sen. Yih	Asks about ODOT sales of right-of-way.
027	Tindall	Responds that ODOT has sold right-of-way at the direction of the legislature.
033	Sen. Yih	Asks about planning for projects and why a sale of right-of-way would occur.
036	Tindall	Answers that the sale of right-of-way has occurred because of a desire for specific property for development.
046	Sen. Yih	Asks for specific instances and discusses the sale of right-of-way on the Mt. Hood Freeway project.
059	Sen. George	Asks about taking one-sixth of the flexible federal funds and matching those funds with toll revenue for new highway construction.
063	Tindall	Responds that SB 757 calls to question the priorities for preservation, modernization, and safety.
073	Chair Shannon	Comments that the intent is simply to finish the STIP.
078	Sen. Dukes	Adds that the problem is that the legislature does not agree with ODOT priorities. Asks if the Astoria Bypass project is in some stage of planning.
092	Tindall	Responds that there are no "completed" plans and specifications for the Astoria Bypass project. Adds that there are plans that would need to be updated before they can be put through the bid process.
133	Sen. Dukes	Comments that costs increase when projects are delayed for whatever reason.
153	Sen. George	Asks if there are any projects within the STIP that are not state projects.
158	Tindall	Responds that local projects are included within the STIP because of federal regulations.
166	Chair Shannon	Closes the public hearing and adjourns the meeting at 5:39 p.m.

Submitted By, Reviewed By,

Gary Roulier, Megan Palau,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ SB 908, amendments, staff, 1 p

B ñ SB 908, written testimony, Sen. Mae Yih, 1 p

C ñ SB 908, written testimony, Mike Sherlock, 1 p

D ñ SB 1228, written testimony, Paul Donheffner, 3 pp

E ñ SB 860, written testimony, Al Elkins, 1 p

F ñ SB 860, amendments, staff, 1 p

G ñ SB 860, written testimony, Curt Curtis, 4 pp

H ñ SB 757, written testimony, Bob Behnke, 3 pp

I ñ SB 652, amendments, staff, 1 p

J ñ SB 757, written testimony, Chris Hagerbaumer, 2 pp

K ñ SB 757, written testimony, Roger Martin, 7 pp

L ñ SB 757, written testimony, Lynn Peterson, 2 pp

M ñ SB 757, written testimony, Doug Tindall, 3 pp