

PUBLIC HEARING - HB 3163

TAPES 144, 145 A/B

HOUSE REVENUE COMMITTEE

APRIL 25, 1997 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

MEMBERS PRESENT: Rep. Tom Brian, Chair

Rep. Lee Beyer, Vice-Chair

Rep. Tony Corcoran (Left 9:53 a.m.)

Rep. Randall Edwards (Arrived 9:05 a.m.)

Rep. Anitra Rasmussen (Arrived 9:15 a.m.)

Rep. Lane Shetterly

Rep. Mark Simmons

WITNESSES EXCUSED: Rep. Leslie Lewis

Rep. Ken Strobeck

WITNESSES PRESENT: Dell Isham, Oregon Association of Convention & Visitors Bureaus John Charles, Cascade Policy Institutes

Keith Bartholomew, 1000 Friends of Oregon

Ed Lindquist, Clackamas County Commission Lisa Naito, Portland City Council

Roger Martin, Flexible Funding Coalition

Jay Compton, Coalition representing AGC, APAO, and OCAPA

Betty Atteberry, Sunset Corridor Association

Lloyd Clodfelter, Help Our Troopers

Irv Blake, Polk County

Jon Oshel, Tillamook County Public Works

Ollie Snowden, Lane County Engineer

Ed Bergeron, Convention & Visitors Assn. of Lane County

Carrie Novick, Oregon Airport Management Association

Tom Zelenka, Schnitzer Group

STAFF PRESENT: Dick Yates, Economist

Barbara Guardino, Committee Assistant

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007 Chair Brian Called meeting to order at 8:37 a.m.

Testimony in support of HB 3163. Refer to written testimony (EXHIBIT A) "Oregon Association of Convention & Visitors Bureaus" Expressed support for increased funding for transportation, which is important to tourism. Since 1991, Oregon's visitor volume has increased 47 %; tourism employment increased 21 %. No increase in transportation system. State is getting close to point where transportation will be a negative factor in tourist trade.

020 Dell Isham

Been studying issue of cost responsibility and weight mile tax for 20 years. Estimates Oregon has fairest transportation tax system in country, and if it is abandoned, will never return to it. User pay system -- those who put the most stress on system should pay the most.

Oregon is 37th in the nation for taxes for 50,000 pound vehicles.

Refer to written testimony paraphrased (EXHIBIT B) Opposing HB 3163. Bill perpetuates all that is wrong with current system: Central state planning, pork barrel spending, absence of market pricing.

081 John Charles Suggested keeping weight-mile tax, but drop trucking registration fees to same as automobiles.

Alternatives: Authorize use of electronic tolling. Make roads self-sufficient by user fees. This will lower gas tax. Privatize major road facilities. Lower vehicle registration fees to \$9. Legalize competition to public transit agencies.

137 Rep. Corcoran them. Agreed, process of transportation plans is flawed, but leans toward subsidizing public transit. Expressed concern with attack on registration fee increases. Saying owning a vehicle does not impose cost on society. People buy vehicles to drive

160 Charles Concerning electricity tax "pork barrel," do you think senior and disabled transportation subsidies are pork barrel?
Yes, because this defines these people as automatically needing subsidies. Disagreed with subsidies for entire class of people. Would prefer user-based subsidies.

181 Keith Bartholomew Refer to written testimony (EXHIBIT C) In support of bill.
Bill contains three principles that are important to Oregon:

1) Flexibility

2) Preference for preserving and maintaining existing system

3) Re-shifting of decision-making focus to regional level

201 Ed Lindquist Testifying in support of bill. (Refer to EXHIBIT D) "Portland Regional Transportation Funding" (EXHIBIT E) "Metro 1997 Growth Management Survey"

251 Lindquist Transportation safety and service fee is drastically needed. Flexible funding very important. In Clackamas County, road maintenance is falling behind by \$7 million per year. Timber money is disappearing.

Testimony in support of bill. Refer to (EXHIBIT E) "Metro 1997 Growth Management Survey"

286 Lisa Naito Oregon is national model in transportation planning. Gas tax is a pay-as-you-go tax, and is fair. Linkage between transportation planning and growth. Expect 1/2 million new people in Tri-County area in next 40 years. Suburbs already crowded, communities impacted. Must invest in infrastructure. That includes flexible funding. Need funds for

community rail, bicycle, pedestrian, etc.

February 1997 poll (EXHIBIT E) page 3 graph. "Biggest Problem Facing Tri-County Area." School funding is first; traffic congestion is second.

350 Naito Number one issue concerning growth "Population Growth" is traffic congestion; over-use of farm and forest land is second.

People want more light rail, bus service, bike paths, sidewalks.

403 Roger Martin Refer to "Transportation Safety and Service Fee (Alternative Methods of Collection) (EXHIBIT F) When he was a legislator 30 years ago, Oregon had the best transportation system in the U.S.

TAPE 145 SIDE A

Our transportation system is vital. System is overcrowding and deteriorating, in desperate straits. Lawmakers have opportunity for bipartisan approach to get system back on track.

044 Martin Reason Oregon transportation is falling behind: Collections higher in 1995 than in 1996. Gas tax is becoming archaic. Legislature needs to shift to something else. This session, first time emphasis on natural gas fueled vehicles. Natural gas cars should be taxed. Vehicles today are more efficient, burning less gas. Legislature needs to address that. Last three sessions, legislature did nothing. This session, must do it.

Safety and service fee: This legislature in 1980 made constitutional revision that tied gas tax more to highway construction than any other state. Therefore, funding for other vital things is not available. This bill is the best hope for new sources of revenue, despite controversies.

Poll March 1-3 statewide, 600 voters, question on best way to solve Oregon's transportation problem. 50 % favorable, 25 % negative, 25 % had no opinion.

Referred members to exhibit chart, in regard to collection process.

(Collections by Electric Utilities (piggy back onto utility bills)

118 Martin (Collection by Telephone Utilities (piggy back onto utility bills/911 tax)

(Collection by Dept. of Revenue (piggy back on income tax form)

(Collection by Dept. of Revenue (new process)

In support of HB 3163. Refer to written testimony verbatim, "Investing In

Mobility" (EXHIBIT G)

Supports these provisions:

* A 3+3+3 gas tax increase and \$20 annual vehicle registration fee increase

* No raid on the Highway Trust Fund

183 Jay
Compton

* Requiring demonstrated efficiency improvements in maintaining and modernizing

* Retaining a fair balance between cost responsibility of automobile drivers and truck operators.

* Forming regional advisory committees to play a role in deciding what transportation modernization projects to pursue.

Suggestions to improve HB:

* Requiring ODOT to prepare freight mobility plan

* Include language in Section 27 that calls for coordination between ODOT and contractor community on "design-build" pilot projects

215 Compton

Public doesn't understand that, when a road begins to fail, it takes only one to two years. Costs four times as much to reconstruct a road than to repair it. When roads look fine, public does not realize how worn out they are. Oregon pays 27 cents per gallon, Washington pays three times that.

Refer to (EXHIBIT H) "Comparison of Automobile-Related Taxes"

293 Betty
Atteberry

Testimony in favor of bill. Refer to written testimony (EXHIBIT I) "Sunset Corridor Association" Concerned with obtaining additional modernization dollars to fund corridor projects in connection with light rail. Association supports 3 + 3 + 3, vehicle registration increase.

323 Chair
Brian

Asked sense of Sunset Corridor Association members' feeling about access fees.

325 Atteberry

They recognized need, expressed concern about collection process.

336 Lloyd
Clodfelter

Refer to written testimony (EXHIBIT J). Requested that a \$2 access fee be included in bill. 38 % reduction in state troopers since 1980. Increase in number of registered vehicles and trucks. Oregon State Police needs 200 more troopers. Currently, only 4 Oregon State Police offices in entire state are open 24 hours. Police protection should be number one priority of Oregon.

TAPE 144 SIDE B

Opposition to HB 3163. Nothing succeeds in government like failure. If Oregon had such a great transportation system, the decline of roads wouldn't be happening. Inadequate funds is not the problem. It's inadequate administration of existing funds.

- 040 Irv Blake Worst thing lawmakers can do is increase funds. With passage of M47, Marion County conducted survey to determine why voters voted for it. Their chief objection was Dept. of Transportation.
- 078 Chair Corcoran The last thing lawmakers should be doing is "tying your tail to the DOT comet." That would be politically deadly. Pointed out that an OSU professor did analysis of M47, and found direct correlation between lack of knowledge of tax policy and support of M47. Supporting HB 3163. Refer to testimony paraphrased (EXHIBIT K) In support of proposal.
- 094 Jon Oshel Impacts on Tillamook County Road Fund. 17 % decrease in funding. Has caused reduction in services, also increase in efficiency. Problem, just not getting job done with current funding levels.
- 145 Ollie Snowden "We are losing our roads." HB 3163A will generate \$670,000 over three years. With this money, county can back-fill what it has lost. Tillamook County had storm last winter which caused \$5.2 million in damages. County has had to absorb it. Supporting HB 3163. ODOT Board of Commissioners support transportation user fee increases, flexible funding for elderly and handicap transportation, and high speed rail. Will discuss two items: Efficiency, timber receipts

1) Efficiency: Lane County boundaries with ODOT District 5 are similar. Past 10 months, set up ODOT county partnership steering committee (Refer to EXHIBIT L) Performance audit, midway through study: Look at Lane County operations to assure effective use of money; look at combined ODOT Lane County operation for consolidation of operations.

2) Timber receipts: Lane County roads in comparatively good shape due to timber receipts. Formerly, this accounted for 2/3 of revenues, now less than half. Lane County has never been able to fund all its activities out of state highway revenues. If this bill passes, additional revenue will allow Lane County to replace timber receipts.

- Supporting HB 3163. Board of Directors of Convention & Visitors Assn. of Lane County unanimously support bill. This 4.5 billion industry needs roads and highways. Regarding transportation safety and services funds: Concern that shortage of state troopers represents a ticking time bomb for industry.
- 214 Ed Bergeron Since 1989, improvements in passenger rail has increased access for tourists. Designation of Eugene-Springfield as southern terminus of proposed high speed rail corridor represents tremendous opportunity for entire state.
- Elderly and disabled transportation services: Provides access to schools, jobs --many jobs are in hospitality industry.

- 282 Carrie Novick Testified proposed raise on excise tax on jet fuel by _ cent per gallon. Revenue increase would be allocated at 75 % to Port of Portland Airport, 15 % to other commercial service airports, 10 % to general aviation needs. As president of Oregon Airport Managers Association, she is aware airport system is connected. In light of M47, most small aviation services will suffer. Gave example of interdependence of Redmond with Portland airport. 90 % of Redmond passengers arrived and departed through Portland International Airport. Including five other commercial airports, contribution made to PDX is substantial. Without contribution of smaller airports, Portland Airport would not be as well off as it is.
- Gave comparison with PDX between aviation systems in Idaho (Boise Airport. In favor of jet fuel tax but not breakdown.
- 376 Novick Recommend looking at total amount state collects, what FAA gives to airports, figure a fair percentage. Refer to (EXHIBIT M) "New York gives general aviation airports financial-planning help"
- 419 Rep. Edwards Asked, how much does this package leverage federal money for roads.
- 427 Novick Does not know about roads, but as far as aviation goes, for eligible projects, cities pay 10 % and FAA pays 90 %.

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- 030 Tom Zelenka Expressed concern about issue of freight mobility. Endorsed balanced system. Asked committee to look at whether there is a mechanism in place to allocate and earmark projects that will move freight. This is critical.
- Concerning gridlock, when trucks are stuck in traffic jams they can't get goods to market, can't be competitive. Trucks moving material every month that depends on getting materials to destination in timely manner.
- 040 Zelenka Today, many companies are competing in global market. When they can shave 4 hours off of ocean transportation, that can influence which West Coast port will be used. Urged committee to prioritize projects.
- 095 Zelenka Access to I-5 corridor is critical to competitiveness of businesses. Recommended state zone appropriately, for industrial activity.
- 133 Chair Brian Adjourned meeting at 10:07 a.m.

Submitted by, Reviewed by,

Barbara Guardino Kim James

Committee Assistant Revenue Office Manager

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EXHIBIT SUMMARY:

A. HB 3163, Isham, Oregon Association of Convention & Visitors Bureaus: Testimony on House Bill 3163 Relating to Transportation, 3 pp.

B. HB 3163, Charles, Cascade Policy Institute: Testimony Before the House Revenue Committee Regarding HB 3163, 4 pp.

E. HB 3163, Bartholomew, Why 1000 Friends Supports HB 3163, 2 pp.

G. HB 3163, Lindquist, Portland Regional Transportation Funding '97 Legislative Session, 2 pp.

I. HB 3163, Lindquist, House Revenue Committee Public Hearing: HB 3163, 9 pp.

K. HB 3163, Martin, Transportation Safety and Service Fee (Alternative Methods of Collection), 1 p.

G. HB 3163, Compton, Investing In Mobility: Preserving Oregon's Roads and Bridges, 2 pp.

O. HB 3163, Compton, Comparison of Automobile-Related Taxes, 1 p.

I. HB 3163, Atteberry, Testimony by The Sunset Corridor Association Before the House Revenue Committee on HB 3163, Transportation Funding, 2 pp.

J. HB 3163, Clodfelter, Testimony Before the House Revenue Committee on HB 3163, 3 pp.

K. HB 3163, Oshel, HB 3163 Transportation Finance: Testimony by Jon A. Oshel, Tillamook County Director of Public Works, 2 pp.

L. HB 3163, Snowden, Oregon Department of Transportation: Partnership Talks Begin, 5 pp.

M. HB 3163, Novick, New York gives general aviation airports financial-planning help, 1 p.

N. HB 3163, Hagerbaumer, Memorandum RE: HB 3163 - Sections 30-40: Transportation Safety and Service Fund, 2 pp.