

PUBLIC HEARING:

HB 3163

TAPES 1001, 1002 A/B

HOUSE REVENUE COMMITTEE

MAY 20, 1997 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

Note: Members of the Ways & Means Subcommittee Transportation joined the House Revenue Committee to hear background information on HB 3163.

H. REV. MEMBERS Rep. Tom Brian, Chair

PRESENT: Rep. Lee Beyer, Vice-Chair

Rep. Tony Corcoran

Rep. Randall Edwards

Rep. Anita Rasmussen

Rep. Lane Shetterly

Rep. Mark Simmons

Rep. Ken Strobeck

MEMBERS EXCUSED: Rep. Leslie Lewis

W&M MEMBERS Sen. John Lim

PRESENT: Sen. Eileen Qutub

Sen. Mae Yih

Rep. Barbara Ross

Rep. Margaret Carter

Rep. Leslie Lewis

Rep. John Watt

MEMBERS EXCUSED: Rep. Eldon Johnson

WITNESSES PRESENT: Grace Crunican, Director, Department of Transportation

Henry Hewitt, Transportation Commission

STAFF PRESENT: Dick Yates, Economist

Barbara Guardino, Committee Assistant

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TAPE 1001 SIDE A

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PUBLIC HEARING -- HB 3163

008 Chair
Brian Called meeting to order at 8:42 a.m.

030 Dick
Yates Presented a Primer on Cost Responsibility and an overview of Current Taxes and Fees including Registration, Fuel, Weight-Mile Taxes, and Combined Taxes and Fees. (Exhibit A)

Page 1, Exhibit A:

Taxes and Fees

A Primer on Cost Responsibility

Principal: Users should pay in proportion to costs

Page 2: Exhibit A:

053 Yates Travel on Oregon Roads

Planned Expenditures (per Year)

Page 3: Exhibit A:

Engineering Data and Judgements

VMT: Common Costs

081 Yates AMt: Costs Related to Axle Crossings

PCE: Costs Imposed by Space Occupied

ESAL's: Costs Added by Heavy Axle Loads

Heavy Vehicle Share of Cost Allocators

Page 4: Exhibit A:

Planned Expenditures (per Year)

112 Yates Current System

Vehicles Under 26,000 Pounds

Vehicles Over 26,000 Pounds

Page 5: Exhibit A:

Analysis of Whole Tax

137 Yates

Total Tax Per Mile

(Miles driven and number of axles per weight)

Page 6: Exhibit A:

Total Tax Per Mile

150 Yates (Indicates what happens when number of miles driven are varied)

Total Tax Per Mile

(Indicates how axles affect cost per mile)

Page 7: Exhibit A:

Setting Heavy Vehicle Tax Rates: Three Examples

8,000 to 10,000 Pound Vehicles

26,000 to 28,000 Pound Vehicles

78,000 to 80,000 Pound Vehicles

180 Yates

Analysis of Each Tax

Registration Fees

Fuel Tax

Weight-Mile Tax

Page 8: Exhibit A:

Registration Fees

227 Yates

Tax Per Mile

Page 9: Exhibit A:

260 Yates

Tax Per Mile

Fuel Tax Rates: Vehicles Under 26,000 Pounds

Page 10: Exhibit A:

Miles Per Gallon

273 Yates

(Indicates rapid drop in MPG as vehicle rate increases)

Tax Per Mile

(Comparison of cost per mile as vehicle size increases)

Page 11: Exhibit A:

Weight-Mile Tax Rate

299 Yates

Cost Responsibility

Highlights

Page 12: Exhibit A:

VMT Over 26,000 Pounds

(Increasing number of axles)

340 Yates

EASL'S and Axle Load

(Indicates how stress is related to weight per axle)

Page 13: Exhibit A:

390 Yates

EASL'S: Light vs. Heavy

EASL'S: Tractor-Trailer

TAPE 1002 SIDE A

Page 14: Exhibit A:

041 Yates

Pavement Cost Allocation: Flexible Pavement on Rural Interstate

Graphic

(Describes pavement thickness, road width, vehicle weight)

Page 15: Exhibit A:

State Comparisons

082 Yates

Direct Taxes

Total Taxes

State Comparisons: Direct Highway Taxes on Typical Vehicles

Page 16: Exhibit A:

110 Yates

State Comparisons: Total Taxes on Typical Vehicles

All Questions and discussion concerning presentation

210 Chair
Brian

Question concerning sales tax

229 Sen. Lim

Asked, what is national trend, to stay on course or moving toward weight mile tax.

242 Yates

No clear trend, some states moving toward WMT, others away from it.

251 Sen. Lim

Trucks more damaging, although highways more used by passenger vehicles. Must consider usage factor in addition to ...

287 Yates

Directed members' attention to HB 3163 A Staff Measure Summary for their reference. (Exhibit B)

311 Yates

Directs members attention to "What HB 3163A Does" (Exhibit C)

353 Yates

Begins reviews HB 3163-A14 , pages 1-4, (Exhibit D)

413 Yates

Discusses Program Budgeting (section 41)

Discusses:

Distribution

Revenue Source

420 Yates

Transportation Service & Safety Fund

Highway User Fees: Allocation to Accounts

Highway User Fees: Distribution

TAPE 1001 SIDE B

Discusses:

Summary of State Highway User Fees by Vehicle Class (page 6)

Basic Vehicles

035 Yates

Heavy Vehicles

Heavy Vehicle Share

Heavy Vehicle Share at 37.7 %

Discusses:

Distribution of Revenue Increase by Agency/Fund (page 7)

060 Yates

Summary of State User Fees by Fund Use by Jurisdiction (page 8)

Revenue Impact (page 9)

091 Yates

Discusses weight/fee table, (page 10)

101 All

Discussion/explanation of fee vs. tax

248 Grace Crunican Gave an overview of written testimony entitled HB 3163A, (EXHIBIT F)

TAPE 1002 SIDE B

0001 Crunican Overview continued

090 Henry Hewitt Urged committees to move forward with transportation issues and support HB 3163.

Vice

123 Chair Beyer Understands projects get on plan from grounds up (cities, commissioners, etc.).

134 Crunican Projects are developed over time, state transportation improvement plan is updated every two years.

164 Hewitt Presented a written table entitled Immediate Strategies - Currents Efforts, Efficiency Gains/partnering Initiative table illustrating projects arrived at between ODOT and "local communities." (Exhibit G) Those projects are then discussed at commission, which prioritizes them. ODOT does not have the funding for them all projects listed..

193 Discussion

241 Vice
Chair Adjourned meeting at 10:18 a.m.
Beyer

**NOTE: CONTINUED DISCUSSION ON HB 3163-A, WEDNESDAY, MAY 21, 1997, 3:15 P.M.,
WAYS & MEANS TRANSPORTATION SUBCOMMITTEE**

Submitted by, Reviewed by,

Barbara Guardino Kim James

Committee Assistant Revenue Office Manager

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EXHIBIT SUMMARY:

A. HB 3163, Yates, Overview Presentation: Taxes and Fees, 5/20/97, 16 pp.

B. HB 3163, Yates, Draft Staff Measure Summary (A), 2 pp.

C. HB 3163, Yates, What HB 3163A Does, 5/18/97, 10 pp.

D. HB 3163, -A14 amendments, 5/9/97, 63pp.

E. HB 3163, Written Reading Material, Tualatin Valley Economic Development Corp, 2pp.

F. HB 3163, Crunican, HB 3163A Info Packet, 5/20/97, 37 pp.

B. HB 3163, Hewitt, Immediate Strategies - Current Efforts, Efficiency Gains;Partnering Initiatives, 33 pp.

C. HB 3163, Written Reading Material, Dillard, 1 pp.