

PUBLIC HEARING & WORK SESSION: SB 757

WORK SESSION: HB 3163

TAPES 178, 179 A/B

HOUSE REVENUE COMMITTEE

MAY 21, 1997 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

MEMBERS PRESENT: Rep. Tom Brian, Chair

Rep. Lee Beyer, Vice-Chair

Rep. Tony Corcoran

Rep. Randall Edwards

Rep. Leslie Lewis (Arrived 9:15 a.m.)

Rep. Anitra Rasmussen

Rep. Lane Shetterly

Rep. Mark Simmons

Rep. Ken Strobeck

WITNESSES PRESENT: Mary Tobias, Tualatin Valley Economic Development Corp. Bob Hall,
Portland General Electric Company (PGE)

Rep. Larry Sowa, District 26

Sandy Flicker, Oregon Rural Electric Cooperative Assn.

Tom Berry, Northwest Natural Gas Co.

Sgt. Curt Curtis, Oregon State Police

Gary Conkling, Associated General Contractors

Bill Penhollow, Association of Oregon Counties

Victor Dodier, Oregon Department of Transportation (ODOT)

STAFF PRESENT: Dick Yates, Economist

Barbara Guardino, Committee Assistant

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TAPE 178 SIDE A

007 Vice Chair Beyer Called meeting to order at 8:52 a.m.

WORK SESSION (INVITED TESTIMONY) - HB 3163

Tualatin Valley Economic Development Corp. (TVEDC) supports HB 3163, but urged members to be more aggressive in transportation funding. Roads and bridges in Oregon are the only state government service used by every Oregonian every day. User fees pay for roads and bridges. Refer to Position Statement, May 20 written testimony (EXHIBIT E)

013 Mary
Tobias

Urged members to:

* Move gas tax to 5-by-5, creating strong enough funding to make significant difference by end of 1997-99 biennium.

(Raise vehicle registration fee to \$100 per year.

069 Tobias

TVEDC drew these conclusions because they want to be competitive world-wide. Every day roads get worse, constituents believe government is not doing its job. If state does not make road repairs now, in two years the problem will be back before the legislature.

Refer to written testimony (EXHIBIT A). Testified against shifting from weight mile tax to diesel tax. It shifts cost responsibility from high-use, heavy vehicles to low-use light-weight vehicles.

PGE urged committee not to make any changes in current taxing system until virtual certainty that highway fund will remain whole, and road systems can be rebuilt.

112 Bob Hall Concerning safety and service fee (\$2 per month on utility bills): PGE supports broadening of base of transportation funding. It wants to supply a list of its customers to Dept. of Revenue each year to collect highway funds.

215 Vice Chair Beyer PGE recognizes that an increase in gas tax means an increase in weight mile tax. All must pay fair share, and PGE supports bill. The only fair funding system is cost responsibility. Clarified, flexible funding: PGE does not see a connection between utility and transportation.

220 Hall Explained, PGE doesn't believe it should be collecting tax unless it is associated with utility business. The safety and service fee is not a utility related tax. "Everybody uses the state's highways," so funding should be spread across the state.

255 Rep. Larry Sowa HB 3163 -A15 amendments (EXHIBIT B). SB 296 broadens who could give driver education to students. Included ESD's (Educational Service Districts) Program is good, but is under-funded, and students sometimes precluded from driver education because it costs too much money. HB 3163 -A15 amendments raise surcharge for driver education from \$2 to \$3, to provide driver education. Also, House Transportation Committee is looking at amendments to HB 3159 to transfer program from Dept. of Education to Dept. of Transportation.

304 Rep. Sowa This year, state provides \$119 per student for driver education. Charge for students from parents is about \$101.

306 Vice Chair Beyer Asked whether bill will broaden availability of driver education to school districts that do not have it now.

309 Rep. Sowa SB 296 will do this.

325 Sandy Flicker Testified that the 17 electric cooperatives of the Oregon Rural Electric Cooperative Association support the transportation access fee, or the service and safety fund. Rural Oregon is in need of more state police, and elderly and handicapped transportation. These cooperatives oppose being the collection agents for this fund. The utilities are willing to provide lists of their customers. Each of the utilities has a different method of collection.

367 Chair Brian Recessed work session on HB 3163, opened public hearing on SB 757.

PUBLIC HEARING -- SB 757

381 Tom Berry Testified in support of SB 757. Deals with claims for refunds of fuel taxes paid. Currently, dealing with these claims is cumbersome. Need original invoices. Bill says, when utilities request a refund accompanied by an original invoice, want to add facsimiles, or approved by the Department of Transportation. Truckers have the option to file once a year.

447 Chair Beyer Closed public hearing on SB 757; opened work session on SB 757.

TAPE 179 SIDE A

Vice
034 Chair
Beyer

MOTION TO MOVE SB 757 TO THE FLOOR WITH A DO PASS RECOMMENDATION.

8 - 0 - 1

038 VOTE

IN A ROLL CALL VOTE, MEMBERS VOTING AYE: REPS. CORCORAN, EDWARDS, LEWIS, RASMUSSEN, SHETTERLY, STROBECK; VICE CHAIR BEYER, CHAIR BRIAN.

MEMBERS EXCUSED: REP. SIMMONS.

044 Chair
Brian

MOTION CARRIED. VICE CHAIR BEYER WILL LEAD DISCUSSION ON THE FLOOR.

CONTINUED WORK SESSION -- HB 3163

Directed members' attention to HB 3163 -A16 amendments (EXHIBIT C); and HB 3163 -A17 (EXHIBIT D)

Will begin discussion with -A16 amendments:

055 Dick Yates

Page 1 Section 1: Allocates all revenues between Operations, Maintenance and Preservation; and between modernization. Insert word "equivalent." Wording makes the effect of this section consistent with what money is needed in those funds and the way weight mile taxes are set.

Page 2, line 12: Registration fee increases in bill includes light trailers; this takes them out.

Questions and discussion

116 Yates

Page 2, Line 19: Amends page 18 of bill. Concerns money from state highway fund being transferred to account. Concern was whether this was before distribution, what account monies come from. This clarifies that it comes out before distribution, so equally with respect to what would be going to state, counties and cities, etc..

Questions and discussion on trailer weight.

147 Curt Curtis

If gross weight of a trailer is under 1,800 pounds, it does not need to be registered. Police depend largely upon observation, whether a non-registered vehicle is overweight.

Continued discussion on HB 3163 -A16 amendments:

Page 2, line 25: Amends page 21, line of bill. Changes distribution for new gasoline

- taxes Parks and Marine Board, increasing Marine Board's share.
- 187 Yates Questions and discussion
- Page 3 of -A16 amendments:
- 228 Yates Line 15: Amends page 22 of bill. Deals with design-build contract pilot program.
- 261 Vice Chair Beyer Smaller contractors are concerned they may be locked out of design-build program. Asked Grace Crunican to address this.
- 268 Grace Crunican ODOT's intent is to prevent this. This language was developed with Associated General Contractors (AGC). Program would not be successful without all parties' interests addressed. ODOT views this program as an opportunity to speed projects up.
- 325 Rep. Rasmussen Asked, does ODOT have in-house expertise in managing design-build?
- 334 Crunican ODOT is taking preparatory steps to implement it. Included in project management will be small and large contractors, architects and designers, minority communities, cities and counties, etc..
- 372 Rep. Ramussen Recommended that someone on this advisory committee be experienced in design-build process.
- 385 Crunican ODOT expects to get this expertise on the committee.
- 425 Gary Conkling Complimented Director Crunican and staff for working with AGC. A number of AGC members work in other states and do have experience in design-build. Bill language involves partnership consultation process. It is not intended to be an obstruction for pilot projects, but rather to tap expertise in community to identify problems and challenges. Some AGC members like this process, others do not. AGC is comfortable with language of amendments and ODOT's cooperation in working out this language with AGC.

TAPE 178 SIDE B

- 045 Bill Penhollow Association of Oregon Counties (AOC) believes there are existing public contracting statutes, the ability to go through an exemption process to do a design-build contract. This legislation is different in that it says "ODOT shall" do these pilot projects. AOC supports approach as long as it doesn't require all counties and cities to use process. Prefers "may".
- 072 Crunican Corrected an error she made May 20 that has to do with supplanting money - when state gas tax dollars go out, can local jurisdictions back out local revenues. She said they could do it on highway money but not on transit money. That is correct, but there is a provision where, if special transportation money is allocated out, it cannot be used to supplant. ODOT can waiver this.
- Continued discussion on HB 3163 -A16 amendments. Page 4, line 1: Adds a section to "Modernization Projects" section of bill that requires a study to identify problems in

moving freight and what can be done.

- 089 Yates Amendments, line 24, Subsection 3: "Results of the analysis shall be given consideration..."
- 109 Rep. Lewis Page 4, line 26: Delete "high speed rail" and insert "inter-city and commuter rail."
Noted - Section 29 (a): ODOT will do a freight mobility study, and take results into consideration. Asked, what is the time frame, how long should it take?
- 120 Crunican Only way could get into next STIP (Statewide Transportation Improvement Program) is to complete study by December 1998.
- 152 Chair Brian Concerning page 24 of bill with regard to Transportation Safety and Service Fund (elderly and disabled), how is money distributed?
- 168 Crunican Directed members' attention to ODOT packet (EXHIBIT E) page marked "DRAFT: Transportation Services for Seniors and Disabled People" Distribution of existing fund, and proposed funds.
Monies from special transportation fund (2 cents of state cigarette tax) is distributed 75 % on per capita formula of total population. 25 % is held in discretionary account for Transportation Commission to make grants. Minimum grants and administrative money come out of this.
- 178 Victor Dodier In jurisdictions where a transit district exists, transit districts receive these funds. (i.e. Lane Transit District, etc.)
- Asked for clarification concerning -A16 amendment that changes definition of high speed rail by adding "intercity and commuter rail."
- 214 Vice Chair Beyer 7 % was tied to amount necessary to continue high speed rail; 2 % was for flexible funding.
- 224 Crunican Concerning intended application of 2 %: When proposal began, there was \$25 million for flexible funding to be allocated for local priorities. After bill came out of House Transportation Committee, that \$25 million was down to \$.8 million. The 2 % and 7 % could be blended, 7 % is supposed to be for high speed needs.
- 314 Crunican Noted, if Ways and Means Committee does not come up with some general fund money, the high speed rail will shut down June 30, 1997.
- 321 Rep. Simmons Referred to Crunican's packet (Exhibit E) section entitled "Transportation Safety and Service Fund" concerning a statement that one in five Oregonians is disabled. Asked, what is definition of disabled?
Crunican She disagrees with this number, but staff says it is right. Will provide committee with definition of disabled.
- 358 Rep. Simmons Supports providing senior and disabled transportation services, but wants to see justification of amount of money requested.
Despite increase in senior population, transportation has to accommodate more

365 Crunican disabled rides by squeezing out disabled rides. The need is incredible and the demand is great. Oregon Transportation Initiative stated elderly and disabled service must be provided, and reliable services are needed.

Percent of federal funding varies. Will get that information.

425 Rep. Simmons Requested further information on how amounts are justified.

TAPE 179 SIDE B

034 Rep. Lewis Asked, are their strings attached to money that goes to transit districts to ensure it will be used for disabled services.

055 Crunican Yes, ODOT has procedures in place.

061 Chair Brian Recessed meeting at 10:45 a.m. Committee will continue in a joint meeting May 21 at 3:15 p.m. in Hearing Room F.

Submitted by, Reviewed by,

Barbara Guardino Kim James

Committee Assistant Revenue Office Manager

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EXHIBIT SUMMARY:

A. HB 3163, Hall, Portland General Electric Company: Testimony HB 3163, Robert E. Hall, 3 pp.

B. HB 3163, Sowa, Proposed Amendments: HB 3163 -A15, 3 pp.

C. HB 3163, Yates, Proposed Amendments: HB 3163 -A16, 4 pp.

D. HB 3163, Yates, Proposed Amendments: HB 3163 -A17, 2 pp.

E. HB 3163, Crunican, Oregon Department of Transportation: Subject: HB 3163 A, 38 pp.

F. SB 757, Berry, Total and Percentages of Reimbursement Figures for DE Programs in Oregon Schools, 10 pp.

G. SB 757, Yates, Revenue Impact of Proposed Legislation, 1 p.

H. SB 757, Yates, Staff Measure Summary, 1 p.

I. SB 757, Yates, No Fiscal Impact statement, 1 p.