

WORK SESSION:

HB 2354, HJR 71, HB 3556, HB 3163

TAPES 180, 181 A/B

HOUSE REVENUE COMMITTEE

MAY 22, 1997 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

MEMBERS PRESENT: Rep. Tom Brian, Chair (Arrived 8:55 a.m.)

Rep. Lee Beyer, Vice-Chair

Rep. Tony Corcoran

Rep. Randall Edwards (Arrived 9:02 a.m.)

Rep. Leslie Lewis (Arrived 9:00 a.m.)

Rep. Anitra Rasmussen

Rep. Lane Shetterly

Rep. Mark Simmons (Arrived 8:56 a.m.)

Rep. Ken Strobeck

WITNESSES PRESENT: Gary Bauer, Oregon Telecommunications Assn.

Mary Lou Ritter, Oregon Association of Area Agencies on Aging

Elaine Wells, Volunteer Transportation

Dick Feeney, Tri-Met

David Barenberg, League of Oregon Cities

Bill Penhollow, Association of Oregon Counties

Greg McMurdo, Oregon Department of Education

Ed Marges, Oregon Department of Transportation (ODOT)

Grace Crunican, Oregon Department of Transportation (ODOT)

STAFF PRESENT: Steve Meyer, Economist

Dick Yates, Economist

Barbara Guardino, Committee Assistant

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

WORK SESSION --HB 2354

Reviewed HB 2354: Deals with Education Service Districts (ESD's), creating county education bond districts from a county area within a district. ESD board becomes bond district governing body, and would require that the bond district be approved by 2/3 of school districts that make up the ESD.

010 Steve Meyer Those 2/3 districts would have to have majority of students. Bond district boundaries would have to follow school district boundaries, but not exactly the county boundaries.

County education bond district could issue bonds to build, repair, equip or furnish buildings, do asbestos removal, acquire or improve property including school buses and refund debt. Voter approval would be required, then Education Bond District (EBD) would have same authority as ESD in school bonding statutes.

030 Meyer Referred to bill, page 2, line 23: Discussion about what bonds could be used for.

036 Rep. Strobeck **MOTION TO MOVE HB 2354 -A TO FLOOR WITH A DO PASS RECOMMENDATION.**

5 - 0 - 4

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

MEMBERS EXCUSED: REPS. EDWARDS, LEWIS, SIMMONS; VICE CHAIR BRIAN.

041 VOTE

MOTION CARRIED. REP. STROBECK WILL LEAD DISCUSSION ON THE FLOOR.

WORK SESSION -- HJR 71

Reviewed HJR 71 -3 amendments (EXHIBIT B). This replaces the original bill: Only change from last meeting is an election date. This is a constitutional amendment bill that would permit state to guarantee general obligation bonds issued by qualified school districts, ESD's and community college districts. State would guarantee payment if these districts could not make payment.

053 Steve Meyer

Requires legislature to implement HB 3356.

New language, last page of -3: Resolution shall be submitted to voters for approval or rejection November 1998.

075 Rep. Corcoran

Asked, what happens now if a school district defaults on its bonds? Does not understand reason for the bill.

This has never happened, but if it did, bond holders would not receive payment and district would be in default.

080 Meyer

Bill gives state AA rating available to school districts to lower their interest rates.

97 Vice Chair Beyer

MOTION TO ADOPT -3 AMENDMENTS INTO HJR 71. ASKED MEMBERS IF ANY OBJECTIONS. HEARING NO OBJECTIONS, CHAIR SO ORDERED.

102 Rep. Strobeck

MOTION TO MOVE HJR 71 AS AMENDED TO THE FLOOR WITH A DO PASS RECOMMENDATION.

5 - 0 - 4

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

104 VOTE

MEMBERS EXCUSED: REPS. EDWARDS, LEWIS, SIMMONS; CHAIR BRIAN.

MOTION CARRIED. REP. EDWARDS WILL LEAD DISCUSSION ON THE FLOOR.

WORK SESSION -- HB 3556

Reviewed HB 3556, companion bill to HJR 71. Enacts school bond guarantee act, will

111 Steve Meyer only take effect if voters approve HJR 71. Permits state to guarantee obligation bonds issued by school districts, etc. Must be qualified by State Treasurers Office, which would issue certificates to eligible districts, valid for one year. Only applies to bonds effective after act.

138 Meyer Directed members' attention to HB 3556 -3 amendments, which replaces -2 amendments (EXHIBIT D).

144 Rep. Strobeck **MOTION TO ADOPT HB 3556 -3 AMENDMENTS INTO HB 3556.**

146 Vice Chair Beyer **CHAIR ASKED MEMBERS FOR ANY OBJECTIONS TO MOVING HB 3556 -3 INTO HB 3556. HEARING NO OBJECTIONS, CHAIR SO ORDERED.**

148 Rep. Shetterly **MOTION TO MOVE HB 3556 AS AMENDED TO FLOOR WITH DO PASS RECOMMENDATION.**

6 - 0 - 3

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

150 **VOTE MEMBERS EXCUSED: REPS. EDWARDS, LEWIS, SIMMONS.**

MOTION CARRIED. REP. EDWARDS WILL LEAD DISCUSSION ON THE FLOOR.

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WORK SESSION -- HB 3163

163 Chair Brian Opened work session on HB 3163.

168 Gary Bauer Comments relate to proposal to place a fee on telecommunications. This industry does not support placing a fee on its customers to fund transportation. Industry sees no correlation between transportation and telephone companies. Some suggest it is similar to 911 tax. 911 came about after long negotiations. This tax works because people need telephone network to make 911 system work. That is not the case for funding transportation and state police.

222 Mary Lou Ritter Refer to written testimony (EXHIBIT F) "Transportation: What's the Gap?" In Oregon there are 66,000 seniors over age 65 who do not have access to vehicles. They use the roads to go shopping, etc. To transport them once a week to a vital community service is expensive. Many parts of Oregon do not have transportation services.

254 Ritter Under Special Transportation Fund Program, currently there are large number seniors and disabled being served. Since 1993, the program has had to turn down over 1 million riders. Estimated 10 % increase in yearly demand. It would cost \$16 million to meet these needs. All seniors and disabled people use telephone to access this service. There is no other way to access transportation. Dial-a-Ride is a telephone service.

Volunteer Transportation is a network of 25 community-based transportation programs in Washington, Multnomah, and Clackamas counties that provide door-to-door service for seniors and disabled. This fiscal year they will provide 170,000 rides, but will have to turn down 34,000 rides.

287 Elaine Wells Volunteer Transportation is having to make difficult decisions about who to transport. Medical service is high priority. Take groups of people to grocery store rather than individuals.

Demand for this transportation and need to purchase vehicles is high.

361 Rep. Lewis Asked Ritter for a break-down of the people served. How many are also served by public transit?

Can supply some of this information, not all.

371 Ritter

378 Rep. Rasmussen Noted, testimony of Dick Feeney (EXHIBIT G) points out 29,000 senior/disabled citizens in Clackamas County. Are they inside or outside Tri-Met boundary.

384 Dick Feeney Both. In rural area of this district, transportation program has had to cut back on senior rides. Seniors can wait more than 1/2 hour for a bus.

427 Chair Brian Reviewed, HB 3163 -A15 amendments deal with drivers education (Refer to May 21 Exhibit B); -A17 amendments move collection source to telecommunications (Refer to May 21 Exhibit D).

-A16 amendments (Refer to May 21 Exhibit C) is replaced by -A19 amendments (May 22 EXHIBIT H)

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044 Chair Brian Has requested more information on drivers education amendments.

HB 3163 -A19 amendments:

049 Yates Page 1, Section 1: Allows proper allocation of weight mile taxes between Operations, Maintenance & Preservation budget and transportation modernization.

062 Yates Page 2, line 13: This is addition to -16. Concerns modernization money. Allows individual cities to vary in specified distributions as long as they meet distributions in aggregate.

075 Vice Chair Beyer Asked, where is authority for ODOT to implement this?

Testimony about this will come later.

084 Yates HB 3163 -A19 Section 13a, line 20: Adds definition of "light trailer" and registration fee for light trailers of \$30. Increase will be only for passenger cars.

Page 2, line 25: "On page 18 " insert "as an account in the State Highway Fund ..."

- 117 Yates Page 2, line 31: Extends sunset on county registration fees to 2004.
- 127 Yates Page 3: Changes split of fuel taxes between Marine Board and state parks. Amendments transfer 5 cents of first 9 cents to state parks.
- 143 Yates Page 3, line 22: Establishes advisory group to assist ODOT in operation of design-build program.
HB 3163 -19, page 4: Creates new Section 29a (Freight Study)
- 156 Yates Page 5 is a new Section 29b: Places a time limit on initial STIP (Statewide Transportation Improvement Program) study. Initial study shall be completed by Dec. 31, 1998.
- 163 Rep. Simmons Page 5, line 8: Changes "high speed rail" to "intercity and commuter rail."
Objected to changes pertaining to Marine Board, requested staying with language in A-Engrossed version.
HB 3163 -A19 as drafted would take existing 24 cents of gas tax that is shared with cities and counties for road projects of their choice, and allocates it all to maintenance.
- 171 Dave Barenberg Some cities have already developed funding sources for maintenance, and their greatest need is modernization. As bill is drafted, counties could spend monies only for allocated purposes. Asked for flexibility to address individual needs.
- 209 Bill Penhollow Agreed with Barenberg. Priority needs vary. This language would allow differences across the state to be addressed.
- 233 Vice Chair Beyer Percentages are locked in statute. Asked, what is the process to make this flexibility occur.
- 243 Penhollow Association of Oregon Counties has gathered information from all 36 counties on how they would spend their projected funds over the next five years. AOC compiled this information, and has set out a tentative plan based on that information.
- 268 Barenberg League of Oregon Cities has looked at historical data, spending trends, needs. Found a match between needs and expenditure patterns. Cities raise half their transportation dollars locally, so they have local ability to spend money the way it is needed.
- 287 Vice Chair Beyer Asked, would cities and counties object to placing authority with ODOT to make this system work?
- 291 Barenberg Placing responsibility with ODOT would cause a problem. Cities and counties would be willing to work as partners with ODOT.
- 314 Grace Crunican She is comfortable that a partnership will work.
- 351 Penhollow Referred to HB 3163 -A19, page 2, line 31: Agreed with date change from 2003 to 2004. Amendment would say collections of fee would begin in 1999 and end at the end of 2003, providing four counties revenue for five years.
- 371 Vice Chair Beyer Concerning HB 3165-A15, dealing with driver education: Asked about proposal to add \$1 to existing fee on driver license renewal; and shift responsibility for driver education to Education Service Districts.
- Greg Testified concerning HB 3163 -A15 amendments (Refer to May 21, Exhibit B) driver's education fee: Rep. Sowa's amendments. An additional \$1 fee, would bring in \$1.2

McMurdo 390 million per biennium. Current reimbursement is \$119.21 per student; average cost of driver education per student is \$310. 44. Many students cannot participate because can't pay for it.

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- 042 Ed Marges Total cost to train a student is \$350 per student; reimbursement is \$119. Believes any money put back in system would encourage more students to take driver education
Current law authorizes a school district to contract out to private driver training companies for the driving portion of driver education, but not to the classroom portion. A bill was passed to allow both portions to be contracted out. This will lower the cost of driver training programs. Referred to fact sheet handed out May 21: "Totals and Percentages of Reimbursement Figures for DE Programs in Oregon Schools" (Refer to May 21, Exhibit F).
- 052 McMurdo
- 065 Marges Noted, HB 3159 proposes moving development and control of curriculum from Dept. of Education to ODOT.
- 072 McMurdo Dept. of Education supports moving program.
- 075 Marges ODOT uses a model in its motorcycle training program that he believes would work for drivers education. Teenage drivers are 8 % of population and 15 % of fatalities. Believes model could reduce these numbers.
- 101 Vice Chair Beyer Adjourned meeting at 9:42 a.m.

Submitted by, Reviewed by,

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Barbara Guardino Kim James

Committee Assistant Revenue Office Manager

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EXHIBIT SUMMARY:

A. HB 2354, Meyer, Revenue Impact of Proposed Legislation 1 p.

- B. HJR 71, Meyer, Proposed Amendments: HJR 71 -3, 3 pp.
- C. HJR 71, Meyer, Revenue Impact of Proposed Legislation, 1 p.
- D. HB 3556, Meyer, Proposed Amendments: HB 3556 -3, 13 pp.
- E. HB 3556, Meyer, Revenue Impact of Proposed Legislation, 1 p.
- F. HB 3163, Ritter, Oregon Association of Area Agencies on Aging, "Transportation: What's the Gap?" 5 pp.
- G. HB 3163, Ritter, Memorandum from Dick Feeney, Tri-Met, 5 pp.
- H. HB 3163, Yates, Proposed Amendments: HB 3163 -A19, 5 pp.