

HOUSE COMMITTEE ON TRANSPORTATION

April 2, 1997 Hearing Room D

08:30 AM Tapes 65 - 66

MEMBERS PRESENT:

Rep. Bob Montgomery, Chair

Rep. Mike Lehman, Vice-Chair

Rep. Tim Josi

Rep. Jane Lokan

Rep. Bill Markham

Rep. Lonnie Roberts

Rep. Larry Wells

MEMBER EXCUSED:

STAFF PRESENT:

Janet Adkins, Policy Analyst

Erik Deitz, Administrative Support

MEASURE/ISSUES HEARD:

HB 3163 Public Hearing

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 65, A		
003	Chair Montgomery	Calls meeting to order at 08:37 am opens public hearing on HB 3163.
<u>HB 3163 PUBLIC HEARING</u>		
019	Bob Luce	Executive Director of Multi -State Highway Transportation Agreement, (MHTA) describes his organization and recent activities. (EXHIBIT B, C)

067	Rep. Roberts	Asks about labeling trucks with hazardous materials signs.
077	Luce	Testifies about a concerted effort among many states to try to make safer travel on highways. Testifies about the hazardous materials movement. Makes reference to his exhibit. Explains about the Federal Intermodal Surface Transportation Efficiency Act (ISTEA) bill that was passed in 1991.
125	Luce	Testifies about federal fuel tax and where the tax dollars go. Testifies that a small part of the fuel tax goes into public transportation.
150	Luce	Continues testimony.
200	Luce	Continues testimony
230	Rep. Roberts	Asks about Arizona law and if they just changed from a weight-mile tax to a new method.
239	Luce	Testifies that Arizona did change.
250	Charles Vars	Portland State University, gives credentials and his background. Testifies about HB 3163.
271	Tony Rufolo	Portland State University, gives credentials and background. (EXHIBIT A) Testifies about HB 3163.
294	Vars	Testifies about cost responsibility studies that are performed in Oregon on a regular basis. Explains that they determine the fair share of road wear in each vehicle class and what they should pay for highway maintenance. Testifies about the amount of tax each vehicle's weight class must pay.
330	Rep. Roberts	Asks about the lack of axles causing more damage.
350	Vars	Responds that there is less damage per mile for vehicles with more axles.
<u>TAPE 66, A</u>		
025	Vars	Testifies about the allocation of funds for the next biennium by each vehicle's weight class.
034	Rufolo	Testifies about cost responsibility and how it is determined. Explains that Oregon's transportation system is about as close to an economically efficient system as there is. Testifies about fuel tax, explains that the problem with fuel tax is that it does not put any more responsibility on any one vehicle class. Explains that the tax is the same for heavy vehicles as lighter vehicles such as cars. Explains with a higher tax for heavy vehicles companies will be forced to be more efficient. Companies will need to look at other methods to transport goods, such as trains or waterways.
067	Rufolo	Continues testimony.
070	Rep. Lehman	Asks about two different types of cost responsibility: * cars vs. heavy trucks * trucks vs. different types of trucks
		Responds that most of the road damage is from larger vehicles and that it

078	Rufolo	is their responsibility to pay more taxes. Explains that cars cause a relatively small amount of damage. Talks about fuel taxes versus weight-mile taxes.
110	Rufolo	Testifies about alternative methods of transportation like carpools, mass transit, etc.
137	Rep. Roberts	Testifies about cost responsibility, whatever damage each vehicle type does, they need to be responsible. Asks about cost responsibility in Oregon being seven to eight percent higher than other states.
150	Rufolo	Responds heavy trucks in other states are under taxed.
157	Rep. Roberts	Asks if it might be a subsidy.
162	Rufolo	Responds it may be a subsidy, but that in other states the incentive is to use heavily loaded axles.
168	Rep. Roberts	Explains his responsibility as a legislator is to be fair. Asks why Oregon is one of the few states using weight- mile tax.
169	Rufolo	Responds that Rep. Roberts question is outside the realm of economics but more of a political question.
171	Rep. Roberts	Testifies that weight-mile is a cumbersome, time consuming method.
172	Vars	Testifies about cost responsibility. Talks about Oregon Department of Transportation (ODOT) dollar allocation in the next biennium for big trucks.
205	Rep. Roberts	Asks about heavy trucks here in Oregon being able to compete on national level.
216	Chair Montgomery	Asks if a minority report has been filed.
225	Vars	Responds that he does not have a minority report.
226	Rep. Lehman	Asks about studies on cost responsibility, and how we compare to other states.
228	Rufolo	Responds that ODOT has done a national study. Explains cost responsibility and the cost allocation formula.
244	Chair Montgomery	Explains that he has a copy of minority report.
255	Rep. Markham	Asks if he looked into the administration of ODOT.
260	Vars	Responds that he did not look into ODOT.
264	Rufolo	Testifies that if Oregon taxes are higher than other states, it will force different methods of transportation of goods, such as waterways or railroads.
281	Chair Montgomery	Testifies that if we raise taxes, that might entice businesses to move to adjacent states.
290	Rep. Josi	Asks about jobs that will exported to other states because of the equity factor.
		Testifies he can't really answer that question. Explains that changing the

295	Vars	financing of the road system changes so many things. Refers to ODOT and other local governments taking care of the roadways. Explains that heavy trucks do more damage than light trucks.
301	Larry Campbell	Victory Group representing American Automobile Association (AAA), testifies about AAA and why he is here. Explains that AAA takes positions that directly effect the roadways. AAA does a lot of polling to find out what their members want.
383	Roger Graybeal	President of AAA Oregon - Idaho, testifies about roadways and their condition, and the need for highway funding. Says there needs to be a tax increase for highway repair for small vehicles and large trucks as well
433	Graybeal	Presents a poll of registered voters (EXHIBIT D) in reference to gas taxes. Explains that he has support of registered voters for a three cent gas tax increase to use for highway repair.
TAPE 65, B		
047	Rep. Josi	Asks about his survey of registered voters.
058	Graybeal	Responds. Continues testimony about his exhibit. Explains the need for weight-mile tax increase and vehicle registration increase.
098	Rep. Lehman	Asks about all the price increases: * studded tire tax * gas tax * vehicle registration
112	Graybeal	Responds about the need for money for Oregon's highway repairs. Explains that small bites are what we need and large increases have been historically turned down.
130	Chair Montgomery	Explains that a two cent gas tax increase was turned down. Asks what a "small bite" is.
138	Campbell	Testifies about many disagreements within the legislature concerning the tax increases. Testifies about whether or not ODOT can spend the money effectively.
148	Rep. Lehman	Agrees with Campbell States that ODOT needs to be accountable for their actions.
156	Campbell	Testifies about the evaluation of the condition of Oregon highways.
164	Chair Montgomery	Explains about gas tax increase on the ballot and that they have not passed. Asks Campbell what he and AAA will support. Asks what Graybeal is willing to support and what he is going to do as far as AAA members are concerned.
183	Graybeal	Responds that an AAA member poll resulted in support of a gas tax increase.
190	Rep. Lehman	Asks about "small bites" and when the next small bite should be taken.

210	Graybeal	Responds that another small bite would be requested next session.
215	Rep. Markham	Asks Graybeal about indexing.
220	Graybeal	Responds that in his poll indexing was 62 percent favored 36 percent opposed.
230	Campbell	Testifies about the tax increase and whether they would support it or not. Explains about his exhibit and how it addresses the questions that the committee has. Testifies that he agrees that more money is needed to improve Oregon's highways.
250	Rep. Roberts	Testifies about how federal funding was jeopardized because Oregon failed to match the federal money. Explains if we do not match again that federal funding could be lost again.
265	Campbell	Testifies about his support of tax increase and adjustments that need to be made.
275	Rep. Roberts	Asks Campbell about if other states are under taxing heavy trucks.
284	Campbell	Responds about subsidies that are helping truckers. Explains that taxes in other states don't even apply in Oregon.
311	Rep. Lokan	Asks about money being spent by ODOT. Explains that the people need to know how the money will be spent.
334	Campbell	Responds that ODOT needs to be asked how they are going to spend the money.
349	Craig Campbell	AAA, testifies that AAA has a strong support of cost responsibility.
363	Wend Mortensen	Representing commercial farmers in Washington County, (EXHIBIT F) testifies that farmers in Washington County are struggling because of unprecedented growth and traffic. Testifies that rural roads are low priority for improvements. Explains that half of the roads are gravel and that paved roads are being converted to gravel because of the lack of funding for maintenance.
413	Mortensen	Funding is needed to provide speed and traffic management. Money is needed to educate commuters about the dangers of rural road driving.
TAPE 66, B		
030	Mortensen	Continues testimony.
035	Rep. Markham	Explains that county roads get thirty percent of the gas weight-mile tax, and that maybe she should talk to her local court.
043	Mortensen	Responds that the problem is that the rural roads have very little priority. Testifies that she will lose her economic base if farms do not have a transportation system.
047	Rep. Markham	Explains that the county court makes the decision where the money is spent.
055	Chair Montgomery	States that he will not dictate how local governments spend their money.

050	Rep. Robert	States that he sympathizes with Mortensen, and maybe a budgetary note could be sent to Washington County.
060	Mortensen	Testifies that her concern is not so much for the residents but the rural economic base.
062	Chair Montgomery	Explains to her that she needs to talk to her local government.
070	Mortensen	Asks about the state formula for un-incorporated counties.
080	Chair Montgomery	Responds that he sympathizes with Mortensen but she needs to talk to land use people.
090	Del Isham	Oregon Association of Convention & Visitors Bureaus, (OACVB), submits and presents written testimony in favor of HB 3163 (EXHIBIT G). Testifies that OACVB supports the 5 cent gas tax increase in each of the next two years. Explains that OACVB does not have a position on the studded tire, registration increase, and indexing etc. Testifies about the tax dollars needed for the tourism industry and to help with the visitors in Oregon.
128	Rep. Roberts	Asks about tourism and exactly where the dollars are needed.
137	Isham	Responds about states transportation plan and the two sub plans: * transportation safety * the impact of tourism on the system and accommodations
139	Rep. Roberts	Ask about money that is put into the system to serve the tourists
143	Isham	Responds that Rep. Roberts is correct. Testifies that the transportation system is on the decline, and that tourism has increased but there has been little change in lane miles on Oregon state highways. Explains about cost responsibility and tourism.
190	Isham	Continues testimony
192	Rep. Markham	Ask about tax comparison between Oregon, California, and Washington.
194	Isham	Responds that Oregon ranks 32nd, Washington and California have the first and second highest taxes for tour vehicles.
202	Rep. Markham	Explains that we have an advantage that we would like to keep.
203	Isham	Testifies that we are seeing the number of tourists on our highways increase.
214	Jay Compton	President of J. C. Compton Company, representing a coalition consisting of Associated General Contractors (AGC), Asphalt, Paving Association of Oregon (APAO) and Oregon Concrete Aggregate Producers Association (OCAPA), submits and presents written testimony in favor of HB 3163 (EXHIBIT H). Testifies that transportation needs in Oregon have grown.
250	Compton	Testifies that his coalition is willing to pay their fair share to roads and

		bridge, in good condition.
275	Staff	Submits additional written testimony regarding HB 3163 (EXHIBIT E).
278	Chair Montgomery	Adjourns meeting at 10:18 am.

Submitted By, Reviewed By,

Erik Deitz, Janet Adkins,

Administrative Support Policy Analyst

EXHIBIT SUMMARY

A - HB 3163, written materials, T. Rufolo, 1p

B - HB 3163, written materials, Bob Luce, 2pp

C - HB 3163, news article, Bob Luce, 1p

D - HB 3163, written materials, Campbell, 20 pp

E - HB 3163, written materials, Oregon Truckers Association, 4 pp

F - HB 3163, written testimony, Wend Mortensen, 1p

G - HB 3163, written materials, Del Isham, 4 pp

H - HB 3163, written materials, Jay Compton, 2pp