

PUBLIC HEARING & WORK SESSION:

HB 3163

TAPES 001, 002 A/B

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**JOINT MEETING OF HOUSE REVENUE COMMITTEE WAYS AND MEANS
TRANSPORTATION SUBCOMMITTEE**

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

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H. REV. MEMBERS Rep. Tom Brian, Chair

PRESENT: Rep. Lee Beyer, Vice-Chair

Rep. Tony Corcoran

Rep. Randall Edwards

Rep. Leslie Lewis X

Rep. Anitra Rasmussen

Rep. Lane Shetterly

Rep. Mark Simmons

Rep. Ken Strobeck

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W&M MEMBERS Sen. John Lim

PRESENT: Sen. Eileen Qutub

Sen. Mae Yih

Rep. Barbara Ross

Rep. Margaret Carter

Rep. Leslie Lewis

Rep. Eldon Johnson X

Rep. John Watt

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MEMBERS EXCUSED:

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WITNESSES PRESENT:

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STAFF PRESENT: Dick Yates, Economist

Barbara Guardino, Committee Assistant

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TAPE 001 SIDE A

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PUBLIC HEARING -- HB 3163

008 Chair Brian Called meeting to order at 8:42 a.m. Joint members will have overview
Refer to overhead presentation (EXHIBIT A)

Page 1:

030 Dick Yates Taxes and Fees

A Primer on Cost Responsibility

Principal: Users should pay in proportion to costs

Page 2:

Travel on Oregon Roads

053 Yates Planned Expenditures (per Year)

Page 3:

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:

Planned Expenditures (per Year)

112 Yates Current System

Vehicles Under 26,000 Pounds

Vehicles Over 26,000 Pounds

Page 5:

Analysis of Whole Tax

137 Yates

Total Tax Per Mile

(Miles driven and number of axles per weight)

Page 6:

Total Tax Per Mile

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

Total Tax Per Mile

(Indicates how axles affect cost per mile)

Page 7:

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:

Registration Fees

227 Yates

Tax Per Mile

(Explains what happens with fixed registration cost)

Page 9:

Tax Per Mile

260 Yates \hat{A}

Fuel Tax Rates: Vehicles Under 26,000 Pounds

Page 10:

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:

Weight-Mile Tax Rate

299 Yates

Cost Responsibility

Highlights

Page 12:

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:

390 Yates

EASL'S: Light vs Heavy

EASL'S: Tractor-Trailer

TAPE 002 SIDE A

Page 14:

041 Yates

Pavement Cost Allocation: Flexible Pavement on Rural Interstate

Graphic

(Describes pavement thickness, road width, vehicle weight)

Page 15:

State Comparisons

082 Yates

Direct Taxes

Total Taxes

State Comparisons: Direct Highway Taxes on Typical Vehicles

Page 16:

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 Staff Measure Summary (EXHIBIT B)

Yates

(EXHIBIT C) "What HB 3163A Does (10 Pages

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Page 2: (Amendments?)

353 Yates Page 2

413 Yates Program Budgeting (section 41)

Page 4:

Distribution: How taxes are distributed

Revenue Source

420 Yates

Transportation Service & Safety Fund

Highway User Fees: Allocation to Accounts

Highway User Fees: Distribution

Page 5?

TAPE 001 SIDE B

Page 6:

Summary of State Highway User Fees by Vehicle Class

Basic Vehicles

035 Yates

Heavy Vehicles

Heavy Vehicle Share

Heavy Vehicle Share at 37.7 %

Page 7: Distribution of Revenue Increase by Agency/Fund

Page 8: Summary of State User Fees by Fund Use by Jurisdiction

Yates

Page 9: Revenue Impact

091 Yates

Page 10:

101 Rep. Shetterly Asked, do -14 amendments relate to ...

113 Sen. Yih Asked for explanation of transportation service and safety fund, is it a tax or a fee?

Sen. Yih If a tax, does it fall under constitutional

127 Yates

134 Sen. Yih So, just another form of tax, not restricted to road use.

161 Sen. Yih Asked, what is 2 % flexible item.

180 Sen. Yih What is amount for transportation safety fund

184 Yates Page 5, exhibit c
 248 Grace Crunican Refer to written testimony (EXHIBIT D)
 284 Rep. Edwards
 Proposal came forward to reflect most recent increases (split)
 286 Crunican
 Supplanting funds: This can be done
 Referred members to
 315 Crunican
 Efficiencies
 The Need
 337 Crunican
 Steady State Scenario 1998-2001 (annual)

TAPE 002 SIDE B

Operation, Maintenance and Preservation

Proposed 97-99 Expenditures from HB 3163 Revenue Increase

015 Crunican Chart: Proposed Additional '97-99 Operation, Maintenance, and
 Preservation Projects

Sen. Yih

074 Chair Watt Will schedule an afternoon meeting to continue discussion.

090 Henry
 Hewitt Urged committees to move forward with these issues and support HB 3163. State's
 transportation needs far exceed funding.

123 Vice Chair
 Beyer Understands projects get on plan from grounds up (cities, commissioners, etc..).
 Will deliver package in STFF Program

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

164 Hewitt Projects come together between ... and "local communities." Those projects are then
 discussed at commission, which prioritizes. This is a list of priority projects. ODOT
 does not have the funding for them all..

193 Rep.
 Shetterly Sent letter, no response

199 Crunican Is drafting a response. Directed members' attention to two lists inside packets. Range
 of projects; projects that have been through process.

220 Vice Chair
 Beyer Public Hearing for HB 3163 will continue

234 Sen. Yih Flexible fund.

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

**NOTE: JOINT MEETING FOR HB 3163-A WILL CONTINUE WEDNESDAY, MAY 21, 1997
IN REGULAR MEETING OF WAYS & MEANS SUBCOMMITTEE, HEARING ROOM F, AT
3:15 P.M.**

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Submitted by, Reviewed by,

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Barbara Guardino Kim James

Committee Assistant Revenue Office Manager

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EXHIBIT SUMMARY:

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A. HB 3163, Yates, Slide Presentation: Taxes and Fees, 16 pp.