

SENATE COMMITTEE ON TRANSPORTATION

May 5, 1997 Hearing Room C

1:00 PM Tapes 76 - 77

MEMBERS PRESENT:

Sen. Marylin Shannon, Chair

Sen. Ken Baker, Vice-Chair

Sen. Joan Dukes

Sen. Gary George

Sen. Mae Yih

STAFF PRESENT:

Lin Ludwick, Administrator

Paul Zolezzi, Administrative Support

MEASURE/ISSUES HEARD:

SB 1181 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 76, A		
004	Chair Shannon	Convenes meeting at 1:10 PM and opens public hearing on SB 1181.
<u>SB 1181 PUBLIC HEARING</u>		
018	Russell Pierce	Introduces himself as the Director of the Arizona Motor Vehicles Division (AMVD). Discusses competitive government issues including the need to improve government. States need for cost effectiveness of government programs.
080	Pierce	Discusses growth issues relative to AMVD. States that AMVD has seen a 9 percent increase in transactions a year.
088	Jim	Introduces himself as the Deputy Director of AMVD and explains driver license issuance procedures. Elaborates on program and states

	Douglas	that out of state drivers are automatically issued licenses. Provides examples in support of competitive government.
160	Douglas	Discusses Arizona's transportation revenue sources. Discusses associated taxes including fuel, registration, and weight-distance. Explains and discusses tax structure.
210	Sen. Dukes	Discusses auditing procedures and frequencies of tax programs.
230	Chair Shannon	Asks Douglas to discuss how instituting diesel tax prevented consumers from purchasing diesel in neighboring states.
235	Douglas	Explains diesel tax program. States that a 2 cent credit is given for each gallon of fuel purchased in Arizona and consumed in another state.
286	Sen. Baker	Asks what fuel taxes are in neighboring states compared to Arizona.
288	Douglas	Discusses fuel taxes in Arizona and neighboring states. States that New Mexico is slightly higher, whereas California is much higher.
TAPE 77, A		
001	Douglas	Continues discussing Arizona's fuel tax structure and collection procedures. Contrasts to New Mexico and California.
020	Sen. Baker	Discusses interim study reporting frequencies of fuel tax evasion. Contrasts to reports of weight-mile tax evasion in Oregon.
030	Douglas	Discusses truck auditing programs and procedures in Arizona. States that police pull trucks over to check for weight. Discusses points of entry for fuel haulers and distributors.
086	Sen. Baker	Asks how high registration fees are in Arizona.
090	Douglas	Discusses registration fees for 80,000 GVW. Discusses findings of recent cost of responsibility study.
125	Sen. Baker	Discusses cost of responsibility issues. Asks what the comparisons are between light and heavy vehicles.
127	Douglas	Discusses cost of responsibility for light and heavy vehicles. Compares and contrasts cost of responsibility among Arizona and Oregon vehicles.
148	Pierce	Discusses and explains driver license issuance program. Discusses automation projects and computer upgrades. Discusses the failed AMVD computer system and associated fiscal impacts.
254	Pierce	States that AMVD has seen a 9 percent increase in transactions a year with little increase in cost. Explains alternatives for various transactions including the use of ATM's and telephones.
TAPE 76, B		
001	Pierce	Discusses marketing attempts to promote competitive government in Arizona.
026	Sen. Baker	Discusses Oregon's attempt and failure to privatize license plate issuance program.
030	Pierce	Discusses third party involvement in Arizona programs. Discusses system of checks and balances to monitor independent businesses.

		Discusses licensing and bonding procedures.
112	Sen. Dukes	Asks if third party companies have access to AMVD records.
114	Pierce	Answers "yes" to Sen. Duke's question.
138	Pierce	Discusses cost of services and associated fees. States that fee standards have little regulating statutes. Comments that fees are determined by market forces. States that consumers can choose between AMVD or third party service.
148	Chair Shannon	Asks what the costs are to AMVD for bringing third parties on board and providing training.
150	Pierce	States that third parties bare majority of costs. Discusses associated costs to AMVD.
170	Douglas	Discusses procedures for applying for third party contracts and associated oversight programs.
210	Douglas	Discusses tax costs affiliated with buying a new car.
300	Douglas	Discusses third party operations in Oregon such as commercial driver education and testing programs.
330	Sen. George	Asks who pays when bad checks are passed to third parties.
335	Douglas	States that bad checks are covered by third parties and not by AMVD.
344	Sen. Baker	Asks if Arizona issues farm plates.
348	Douglas	Answers "yes" to Sen. Baker's question. Discusses fee structure of Arizona's transportation department.
366	Sen. Yih	Asks what savings are to AMVD by contracting with third parties.
370	Pierce	Discusses government savings associated with competitive third party involvement.
TAPE 77, B		
008	Douglas	Discusses AMVD revenues derived from third party contracts.
130	Sen. Yih	Asks about employee reduction of AMVD.
135	Douglas	Explains employee structure of AMVD and third party companies. States that many AMVD employees have gone to work for third party companies.
075	Chair Shannon	Discusses need to move ahead with competitive government programs and report back to legislature during interim.
120	Chair Shannon	Asks Douglas to comment on self reporting fuel tax evasion.
125	Douglas	Discusses fuel tax evasion of consumers and contrasts to fuel tax evasion of importers and distributors.
175	Douglas	Explains how he and Pierce came before Oregon legislature.
210	Chair Shannon	Discusses and explains SB 1181.
	Regina	Introduces herself as representing Dealer Title Service and states

242	Covington	support for SB 1181 and SB 547. Explains need for bills.
290	Faye Turner	Introduces herself as a public citizen and submits (EXHIBIT A). States support for bill and discusses need for bill.
320	Chair Shannon	Closes public hearing on SB 1181 and adjourns meeting at 3:00 PM.

Submitted By, Reviewed By,

Paul Zolezzi, Lin Ludwick,

Administrative Support Administrator

EXHIBIT SUMMARY

A - SB 1181 written testimony, Faye Turner, 7 pp.
