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PUBLIC HEARINGS: HB 2134A
TAPES 142A

SENATE COMMITTEE ON GOVERNMENT
FINANCE AND TAX POLICY

MAY 30, 1995 - 1:30 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Sen. Paul Phillips, Chair
Sen. Shirley Gold, Vice Chair (arrives at 2:03 pm)
Sen. Cliff Trow

Excused: Sen. Tom Hartung
Sen. Greg Walden

Witnesses: John Merriss, Oregon Dept. of Transportation
Joan Plank, Oregon Dept. of Transportation
David Barenberg, League of Oregon Cities
Bill Penhollow, Association of Oregon Counties
Mike Meredith, Oregon Trucking Associations, Inc.

Staff: James Scherzinger, Legislative Revenue Officer
Richard Yates, Legislative Revenue Office
Janice DeVito, Committee Assistant

TAPE 142 SIDE A

005 Chair Phillips -calls the meeting to order at 1:34 pm as a subcommittee
(Senators Trow & Phillips)
HB 2134A PUBLIC HEARING

013 John Merriss -Oregon Department of Transportation, Transportation
Economist

-explains HB 2134A which implements findings of the latest ODOT cost
responsibility study and modifies motor carrier mileage tax rate table "A"
and axle weight mileage tax rate table "B"

-explains that if no changes are made to existing tax rates, cars would be
paying 61.4% of the total and trucks 38.6% of the total "resulting in a
situation where trucks would be overpaying and the cars underpaying"

030 -states support from ODOT for a reduction in truck tax rates to "get
things back in balance as far as what cars versus trucks should be paying
over the next biennium"

034 -discussion of past trends of auto versus truck usage costs and
studies/estimates regarding cost of road repair from studded tire damage

066 Sen Trow -states that "basically, what you've done then is change your estimates on studded tire usage and damage that they bring to make a change

favorable to trucks, reducing what they pay and increasing what automobiles

pay"

072 -questions and discussions

085 Joan Plank -Oregon Department of Transportation

-states support for measure which "brings cars and trucks into cost responsibility (or the proper allocation in terms of damage and mileage that the vehicles travel)"

-in response to question from Sen. Trow, states that ODOT study estimates for cost responsibility would change if there is an increase in the gas tax

-further discussion on rate changes, weight mile and CPI

120 Dell Isham -Triple A Oregon

-speaks in support of cost responsibility concept whereby each user of the system pays into the fund in an amount commensurate with their actual usage

-expresses concern about the bill because "we don't know if this is the full highway funding package"

-points out that the gas tax increase needs to be tied to HB 2134A in order to meet the goal of cost responsibility and suggests that action on HB 2134A

be delayed until the gas tax increase question is decided

-states Triple A position in support of "2 plus 2 , plus an increase in the

weight-mile tax"

157 -in response to question by Sen. Trow, states strong opposition to elimination of weight-mile tax and substitution of diesel tax

167 David Barenberg -League of Oregon Cities

-states that the League supports cost responsibility and also supports HB 2134A and the gas tax proposal

193 Bill Penhollow -Association of Oregon Counties

-supports cost responsibility (highway cost allocation) bill and supports possibility of "a modest, small, gas tax increase to offset some of this impact"

-suggests interim study of transportation financing

242 Penhollow -in response to a question from Sen. Trow, comments about ODOT study of highway damage caused by unexpected heavier use of studded tires

255 Barenberg -states support for SB 708 regarding lightweight studs which reduce damage to highways by approximately 40%

266 Plank -describes solutions being studied such as a total ban on studded tires, adding a fee to the purchase of studded tires, and the lightweight stud concept

313 Mike Meredith -Oregon Trucking Associations, Inc., President and CEO

-refers to testimony describing freight rates (Exhibit B)

Meredith -states support for legislation and explains position of the trucking industry that a decrease in their taxes has "probably never more important to us"

-comments about effects of deregulation, increase in the number motor carriers, basis of carrier rates, and high trucking tax rates in Oregon

420 -discussion about Oregon trucking industry opposition to federal deregulation

438 Chair Phillips -summarizes testimony received today, all in support of HB 2134A

444 Chair Phillips -adjourns public hearing (still as subcommittee)

-announces that HB 2855B may be rescheduled

-adjourns meeting at 2:07 pm

Janice DeVito
Committee Assistant

Kimberly Taylor James
Office Manager

Exhibits Summary:

- A. HB 2134, Merriss, testimony from Oregon Department of Transportation,
5/26/95
- B. HB 2134, Meredith, documentation regarding freight rates