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Informational Meeting
Weight Mile Tax Study Briefing

House Committee on
State and School Finance
February 21, 1995 Page

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HOUSE STATE AND SCHOOL FINANCE COMMITTEE

FEBRUARY 21, 1995 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Rep. John Schoon, Chair
Rep. Ron Adams
Rep. Lee Beyer (9:00 am excused late arrival)
Rep. Tim Josi
Rep. Tony Federici, Vice Chair
Rep. Jane Lokan
Rep. Anitra Rasmussen
Rep. Ken Strobeck
Rep. Jim Welsh (8:35 am late arrival)

Members Excused:

Witnesses Present:

Staff: James Scherzinger, Legislative Revenue Officer
Steve Bender, Legislative Revenue Office
Terry Drake, Legislative Revenue Office
Rhonda Wehler, Committee Assistant

TAPE 73 SIDE A

005 Chair Schoon -calls the meeting to order at 8:30 am and conducts
administrative business
025 Jim Scherzinger -refers to Highway Taxes, Exhibit A, sources of highway
revenue

- fuel taxes on gasoline and diesel
- weight mile taxes
- motor vehicle registration fees

066 Scherzinger -don't pay tax at pump, pay instead weight mile tax dependent

upon registered weight of truck and miles traveled
-revenue from three sources funds most of highway maintenance
-log must be kept by trucker of miles traveled
-truck stops check weight, safety inspections, weigh stations record weight

which can be used like an audit, enforced and administered by PUC

130 -refers to page 2, Exhibit A, Motor Vehicle and Fuel Tax Revenues
139 -refers to page 3, Net Highway Fund Revenue

155 Scherzinger -legislature has decided how to split, tax responsibility
study has been done to determine

175 Chair Schoon -breakdown on registration and license fees would be helpful

183 Scherzinger -refers to page 4, Allocation Between Basic and Heavy

Vehicles by Expenditure Item 1994 Update, cost responsibility study, lays
out major structure, allocates the responsibility to different classes of
vehicles, split between basic vehicles and heavy vehicles, helps determine
what money is being spent on , more on maintenance

217 Rep Josi-difference between preservation and maintenance

216 Jim Scherzinger -construction and modernization is considered
preservation

247 -DOT requested to study weight mile tax which is Organization Chart,
page 5, Exhibit A, inter-agency agreement,

-page 6, Exhibit A, issues requested to study, Administrative Costs,
Compliance Costs, (imposed upon taxpayer to keep records and file returns)

Economic Impacts, (OR has high tax burden on truckers) Evasion Estimate
(much diversity in opinion of evasion by not filing return or

underestimating weight of truck) 3 methodologies-audit review of method PUC

uses to implement weight mile tax, independent estimate of miles traveled compared to miles reported, field data collection efforts, randomly observe

trucks in-field

-Weight Mile Advisory Committee consists of 3 legislators-

TAPE 74 SIDE A

009 Scherzinger -refers to page 6, Exhibit A, task reports, evasion part not finished, audits won't be completed until session is over

029 -refers to Non-Compliance Study for ODOT, page 9, Exhibit A

-outline of agenda for Technical Advisory Meeting, Exhibit A, page 10

069 All -questions and discussion

096 -cost responsibility from weight mile

Lloyd Hinyon -cost responsibility method used in OR since 1930 Section to determine fair allocation of highway expenditures to various vehicle classes, light vehicles (under 8,000 pounds) have to build roads to certain depth, width, 50% of cost of roads due to light vehicles, additional costs because of heavier vehicles due to axle weights, shoulders

wider, bridges analysis, interchanges, common costs - 8% snowplowing, sanding, cutting brush, painting bridges, striping, based on vehicle miles

of travel,

124 -studded tires cause damage to asphalt and concrete, when ruts get 3/4"

other damage is caused to road, cost responsibility couple years ago was, studded tires rut rather than rut, escalation in recent years in routing, more vehicles using studded tires (20% compared to 5%) \$42 million is preliminary estimate of annual damage, caution \$11 million was used in cost

responsibility study, think they'll only be using \$11 million, not that damage isn't accumulating all the time

196 Rep. Adams -questions level of confidence

220 Hinyon -biggest asset is credibility, confidence within 1-2%

241 Chair Schoon -basic structure of highway, do all vehicles

247 Hinyon -common cost is assigned to all vehicles, studded tire damage is assigned to light vehicles

253 Chair Schoon -niece can't buy studded tires

251 Hinyon -16 states have outlawed studded tires

-looking into innovative treatment of damage

273 Rep Beyer -resurfacing road

Hinyon -ruts are narrow, ruts caused by heavy axels is wider and smoother

adjourns at 9:20