

HOUSE COMMITTEE ON GENERAL GOVERNMENT Sub on Transportation

January 25, 1993 Hearing Room 357 8:30 a.m. Tapes 3 - 6

MEMBERS PRESENT: Rep. Chuck Norris, Chair Rep. Ken Baker Rep. Carl Hosticka Rep. Lonnie Roberts

STAFF PRESENT: Janet Adkins, Committee Administrator Kimberly Burt, Committee Assistant

MEASURES CONSIDERED: HB 2199 HB 2335 HB 2334 HB 2339 HB 2185 HB 2200

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These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes. [--- Unable To Translate Graphic ---]

TAPE 3, SIDE A

CHAIR NORRIS: Calls meeting to order. (8:35 a.m.) Members present: Baker, Hosticka, Norris, Roberts.

WORK SESSION ON 2199

011 JANET ADKINS, COMMITTEE ADMINISTRATOR: Describes HB 2199; submits amendments, (EXHIBIT A).

030 REP. ROBERTS: What is maintenance of way?

CHAIR NORRIS: Basically the major right of way, the tracks and road beds.

036 MOTION: REP. HOSTICKA MOVES THAT HB 2199 BE AMENDED TO INCLUDE THE (-1) AMENDMENTS.

040 VOTE: IN A ROLL CALL VOTE THE MOTION CARRIES UNANIMOUSLY.

043 MOTION: REP. HOSTICKA MOVES THAT HB 2199, AS AMENDED, BE SENT TO THE FULL COMMITTEE WITH A DO PASS RECOMMENDATION.

046 VOTE: IN A ROLL CALL VOTE THE MOTION CARRIES UNANIMOUSLY.

PUBLIC HEARING ON HB 2335 Witness: Mike Unger, Motor Vehicles Division, (DMV) 070 MIKE UNGER, MOTOR VEHICLES DIVISION, (DMV): Submits and summarizes written testimony in support of HB 2335, (EXHIBIT B).

110 REP. ROBERTS: Does someone coming from out of state have to surrender their license when getting an Oregon drivers license?

UNGER: Yes.

CHAIR NORRIS: Is this going to take care of the problem?

UNGER: There will be more proposals by the task force.

WORK SESSION ON HB 2335

143 MOTION: REP. ROBERTS MOVES THAT HB 2335 EB SENT TO THE FULL COMMITTEE WITH A DO PASS RECOMMENDATION.

148 VOTE: IN A ROLL CALL VOTE THE MOTION CARRIES UNANIMOUSLY.

PUBLIC HEARING ON HB 2334 Witnesses: Wanda Wahus, Executive Director, Oregon Independent Auto Dealers Association Mr. Terry, Legislative Chairman, Oregon Independent Auto Dealers

Association Dennis Koho, Motor Vehicles Division, (DMV)

165 WANDA WAHUS, EXECUTIVE DIRECTOR, OREGON INDEPENDENT AUTO DEALERS ASSOCIATION: Submits and summarizes written testimony, see (EXHIBIT C).

191 REP. ROBERTS: What is unlawful display?

WAHUS: When you aren't a licensed dealer and you put a vehicle out for sale, but it's not your own personal vehicle.

CHAIR NORRIS: Are we dealing mostly with used vehicles?

WAHUS: There are fines levied against new car dealers who don't abide by the law.

212 REP. HOSTICKA: Suppose I want to sell my car and I'm going to be out of town, so I give it to a friend to sell and they park it in their

driveway with a for sale sign on it; is that an unlawful display under this law?

224 MR. TERRY, LEGISLATIVE CHAIRMAN, OREGON INDEPENDENT AUTO DEALERS ASSOCIATION: Current Oregon law says that a dealer doesn't have to have garage liability insurance if they don't have ownership, control or

possession of a vehicle.

_ We can't think of a situation where this would occur; we would like to see the consumer additionally protected by requiring all licensed car dealers to have garage liability coverage.

241 JANET ADKINS, COMMITTEE ADMINISTRATOR: Part of their amendments restore that exemption on page two, lines ten and eleven.

TERRY: Under present Oregon law a dealer can't consign one of their own vehicles to another licensed car dealer without transferring the title into the dealers name; we would like to clean up the statute by not requiring that.

262 REP. ROBERTS: Why was this put in law in the first place?

TERRY: I don't know why.

WAHUS: I was involved and it was just an oversight, there was no intent as far as I know.

315 TERRY: We offer the following amendment, page two, line ten and eleven, restore deleted material; on page two, line 27 delete "30" and insert

"10"; on page two, line 25 after "consignor", add "the agreement shall include a provision stating that if the terms of the agreement aren't met, the consumer may file a compliant in writing with the Motor Vehicles Division in Salem".

330 REP. ROBERTS: Are the dealers bonded and licensed?

TERRY: Yes.

REP. ROBERTS: If they were to take a vehicle on consignment and sold it within ten days but they didn't pay the individual, could the individual attach the bond?

TERRY: Yes; it would involve a few more steps, but yes, they could.

_ This has been going on for years; the public does put trust in certain vendors of all types and there are people who don't abide by the law.

360 REP. ROBERTS: Do you have a suggested list of people that people should deal with?

WAHUS: We wouldn't, but would suggest that they deal with a member of our association.

REP. BAKER: What is the time limit for the insurance company to respond?

404 WAHUS: One bonding company is ten days; that is their way of doing it; the bonding companies don't want to pay so they get on the dealer as

quickly as possible.

REP. BAKER: Does anything prohibit the bonding company from taking sixty or ninety days to respond?

WAHUS: No, but it would be unusual if they did; bonds are for \$15,000.

420 REP. BAKER: Is there any guarantee that dealerships of consignment cars have the titles on hand?

WAHUS: Probably not at the time because the owner keeps the title, but

the dealer has to give the title to the new owner within 30 days.

REP. BAKER: What would it take so that the title could be given immediately?

TERRY: The consumer would have to satisfy that lien with the holder, get the title and give it to the car dealer.

REP. BAKER: If you know where the title is you have some recourse because you could require the dealership to satisfy the liens; the way this is, you may not even be aware of where the title is.

TERRY: That would eliminate the need to any consignment period because then the dealer would be just buying the vehicle.

465 CHAIR NORRIS: This requires proof of ownership; does the transferring dealer have to have proof of ownership?

TERRY: When a vehicle is acquired by a dealer, a form 165 is filed with the State of Oregon notifying the state that the vehicle is now in the dealers inventory.

TAPE 4, SIDE A

038 CHAIR NORRIS: What about the registered dealer who transfers a title to another dealer; what proof is there that the car was in legal ownership of the dealer transferring?

WAHUS: DMV would have to make rules to settle that if this bill passes; the form 165 isn't an ownership document by law.

060 DENNIS KOHO, MOTOR VEHICLES DIVISION, (DMV): Submits and summarizes written testimony, (EXHIBIT D).

CHAIR NORRIS: If I go to a used car lot and see a car; is there liability insurance on that car?

KOHO: The dealer has coverage as they have possession and control.

WORK SESSION ON HB 2334

122 MOTION: REP. ROBERTS MOVES THE PROPOSED AMENDMENTS TO HB 2334.

VOTE: HEARING NO OBJECTION THE MOTION CARRIES.

PUBLIC HEARING ON HB 2339 Witnesses: Representative Liz Vanleeuwen, House District 37 Don Schellenberg, Oregon Farm Bureau Norman A. Meyers, Administrator, Economic Regulation Division,

Public Utility Commission, PUC Michael Merideth, Oregon Trucking Associations Sharon Shrink, Straw Farmer, Junction City, Oregon Donald

R. Ast, President, Ast Hay Company Walter Eichler, Farmer Lee
Reddington, Klamath Falls Greg Smith, Transportation Safety, Oregon
Public Utility

Commission

139 JANET ADKINS, COMMITTEE ADMINISTRATOR: Describes HB 2339,
submits fiscal impact statement, (EXHIBIT E).

CHAIR NORRIS: Describes history, background of HB 2339.

205 LIZ VANLEEUEWEN, HOUSE DISTRICT 37: Testifies in support of HB
2339.

_ In subsection five(a) I think we take care of the situation of
allowing one farmer to exchange labor or goods for the use of equipment;
this should allow the farmer who has the right to a farm plate to, for
exchanged labor, haul for another farmer, to a seed warehouse or other
place.

252 REP. VANLEEUEWEN: Do you see the problem covered without subsection
two, which refers specifically to straw?

ADKINS: Our conclusion was that section two, relating to straw, is
broader and would allow more than the changes on page one would.

REP. VANLEEUEWEN: I don't know that there is justification for requiring
that both farmers produce straw; one could produce vegetables.

276 REP. BAKER: This is to allow co-ops or joint ventures between
farmers to make their operations more viable?

REP. VANLEEUEWEN: Yes.

_ As far as common carriers are concerned, they are usually not
available or don't want to haul the kinds of loads we have.

310 REP. ROBERTS: I received a call against the bill and claims that
these folks aren't playing by the rules.

REP. VANLEEUEWEN: I have no sympathy for someone not playing by the
rules.

REP. ROBERTS: It is getting touchy now, especially with the six year
plan coming up; if everyone does share some will be hit hard.

REP. VANLEEUEWEN: If we are doing only what I am envisioning, this will
be a short season and very little actual road miles, however, for those
road miles, we should be paying that tax.

CHAIR NORRIS: Would you object if this was narrowed to the point of

trading transportation for transportation?

353 REP. VANLEEUEWEN: Yes. CHAIR NORRIS: There is abuse and we need to minimize that.

435 DON SCHELLENBERG, OREGON FARM BUREAU: Submits and summarizes written testimony, (EXHIBIT F).

TAPE 3, SIDE B

055 REP. ROBERTS: Why the sunset?

SCHELLENBERG: I don't know, we are suggesting that section be deleted.

CHAIR NORRIS: "Directly related to that farm", does that cover transportation to a point other than the farm?

SCHELLENBERG: Yes.

ADKINS: Is your intent in subsection five to be able to haul from storage to market?

SCHELLENBERG: Our intent wasn't to address that; it could be interpreted that way; we are looking at harvest to storage.

105 ADKINS: Rep. Vanleeuwen did seem to want to include transport from storage to processing in the exemption, allowing use of the farm plate

for that as well.

SCHELLENBERG: This language could be interpreted to include that.

124 ADKINS: For your purposes, if this was clarified in subsection five that it was to or from the farm, it would satisfy your intent, but not

Rep. Vanleeuwen's intent.

SCHELLENBERG: Perhaps.

136 NORMAN A MEYERS, PUBLIC UTILITY COMMISSION, (PUC): Submits and summarizes written testimony in opposition to HB 2339, (EXHIBIT G).

170 REP. ROBERTS: It may not even be the other farmers straw?

MEYERS: It is hard for PUC to trace who the service is for.

190 CHAIR NORRIS: You are suggesting that this could be used for business not related to the operation?

MEYERS: Yes; the straw farmer that initially received that transportation service could pay back the other farmer by hauling products that have nothing to do with that farm operation.

CHAIR NORRIS: What if section two were deleted?

MEYERS: The PUC doesn't want to see the farm license broadened.

229 REP. HOSTICKA: Is there a definition of "product"?

MEYERS: No; it is an agricultural product raised on the farm.

REP. HOSTICKA: People "raise" grass seed and then straw is left over.

MEYERS: We are having a problem determining what a straw farmer is; you raise a product, grass seed, then there is straw left over and someone else comes and collects it and calls themselves a straw farmer.

_ There are relationships between the two, but they are calling themselves farmers and I'm not sure if they are or not.

REP. HOSTICKA: We don't know if they are straw farmers or garbage haulers.

273 MICHAEL MERIDETH, OREGON TRUCKING ASSOCIATIONS: Testifies in opposition to HB 2339.

_ We believe all truck operations should be subject to the same regulations and we also realize that PUC is having difficulty enforcing these regulations.

328 MERIDETH: We are most concerned with large eighteen wheelers.

REP. ROBERTS: Under 26,000 pounds you wouldn't object?

MERIDETH: No.

CHAIR NORRIS: How big is that?

REP. ROBERTS: The truck would weigh about 10,000 pounds, so it would be about eight tons.

352 REP. BAKER: What is a typical three axle truck?

MERIDETH: Those are what we call state trucks, flat beds; it is a truck as opposed to a tractor.

380 SHARON SHRINK, STRAW FARMER, JUNCTION CITY: There are some grasses that are grown for the forage product only.

400 REP. ROBERTS: I've received complaints from those who pay taxes against those who don't.

SHRINK: As a farmer with the co-ops, in order for us to get fuel without tax, we have to sign a statement that this is for off-road use only; it is an issue of integrity.

REP. ROBERTS: These farmers have their own tanks on their farms and

there is nothing to stop them from using it in their cars.

453 SHRINK: Hauling from storage to processing; until it is processed, it is an agricultural product.

CHAIR NORRIS: Is there off farm storage?

SHRINK: Usually it is on farm.

TAPE 4, SIDE B

045 SHRINK: I would think these concerns could be addressed; grass or straw has such a low value, adding even thirty cents a mile to haul the

product would raise the value and make profitability inviable.

061 DONALD R. AST, PRESIDENT, AST HAY COMPANY: Testifies in support of HB 2339; the issue is the growing industry of disposing of straw and with

new laws against burning, farmers have to find a way.

_ At the same time, there has been an effort to open a market for this straw.

_ This industry is new, it is growing and is the only viable outlet we have to solve a real problem within this state; state agencies, farmers and exporters should work together to promote this market.

133 AST: Because the industry has grown so fast, farmers have been unable to build barns quickly, so they are leasing commercial space; lenders

are reluctant to support the industry as it is new, the farmers have had a difficult time finding financing to build storage.

CHAIR NORRIS: Is straw bailed in the field?

AST: It is bailed behind the combine; describes export procedures.

197 REP. HOSTICKA: What percentage is not involved in export?

AST: Up to 80% of some varieties, 0% of some varieties; annual rye grass is planted and shredded under.

REP. HOSTICKA: Is grass seed growing profitable?

AST: Yes.

REP. HOSTICKA: This may be contributing more to the profits of the grass seed industry.

295 WALTER EICHLER, FARMER: I have five trucks and bail 5,000 to 6,000 acres of straw; I own some barns and rent some barns and have

lease

agreements with some farmers; I believe that this should apply from the farm to the storage barns in the Summer and Fall and then hauling to market throughout the Winter and Spring.

_ We pay road taxes on our fuel, we've been audited; we've been allowed to use the speedometer, the milage and we pay according to that; I've heard that some people disconnect speedometers, but I don't and I'd like to urge the passage of this bill.

425 LEE REDDINGTON, KLAMATH FALLS: Submits and summarizes written testimony, a letter from a neigHB or and a reply from Rep. Denny Jones,

(EXHIBIT H).

_ In our area there are numerous farm plated trucks; one farmer operates twenty six farm plated trucks.

TAPE 5, SIDE A

062 REDDINGTON: Even on a voluntary basis the weigh master won't inspect a farm plated truck.

REP. ROBERTS: The weigh master won't do a safety check on a farm plated vehicle?

REDDINGTON: No; I've been trying since July to get my truck inspected; they do it when they want to.

105 REDDINGTON: There has to be some kind of limit; originally this farm plate was for a small farmer, but this bill doesn't restrict this to

straw, it is farm commodity deregulation.

_ This biggest percent of these people who bail straw are custom operators; they don't grow the product and they don't own land; they are a separate commercial business.

150 CHAIR NORRIS: Are you opposed to the bill in any form?

REDDINGTON: I'm opposed to any further deregulation of the trucking industry.

170 REP. ROBERTS: I'd like clarification from the PUC.

_ Under the farm exemption, is it possible that we could have an eighteen year old out there driving a 105,000 pound gross truck?

180 GREG SMITH, TRANSPORTATION SAFETY, OREGON PUBLIC UTILITY COMMISSION: With intra-state transportation that is correct, yes.

_ For Inter-state transportation the federal jurisdiction requires the driver to be twenty one years of age.

206 REDDINGTON: PUC doesn't really have the authority, the farmers aren't required to keep records of their trucking deals separate; from what I

understand DMV doesn't have one full time investigator policing these farm plates, there is one man, on an on-call basis.

_ These farm trucks should be limited in size.

235 CHAIR NORRIS: I am going to ask that an informal work group get together, Don Schellenberg and Mr. Merideth; we need a compromise here.

PUBLIC HEARING ON HB 2185 Witnesses: Douglas C. Gyllenskog, Chief Weighmaster, Oregon Department of Transportation

JANET ADKINS, COMMITTEE ADMINISTRATOR: Describes HB 2185.

304 DOUGLAS C. GYLLENSKOG, CHIEF WEIGHMASTER, OREGON DEPARTMENT OF TRANSPORTATION: Submits and summarizes written testimony in support,

(EXHIBIT J).

370 REP. ROBERTS: Are these secured?

GYLLENSKOG: Yes.

400 REP. BAKER: Is there a limit to the length?

GYLLENSKOG: Yes; 75 feet.

WORK SESSION ON HB 2185

411 MOTION: REP. ROBERTS MOVES HB 2185 BE SENT TO THE FULL COMMITTEE WITH A DO PASS RECOMMENDATION.

417 VOTE: IN A ROLL CALL VOTE THE MOTION CARRIES UNANIMOUSLY. MEMBERS PRESENT: REP. BAKER, HOSTICKA, NORRIS, ROBERTS

PUBLIC HEARING ON HB 2200 Witnesses: Greg Smith, Technical Coordinator, Transportation Safety, Public Utility Commission, (PUC)

425 JANET ADKINS, COMMITTEE ADMINISTRATOR: Summarizes HB 2200.

CHAIR NORRIS: I would like a definition of "motor carriers".

464 GREG SMITH, TECHNICAL COORDINATOR, TRANSPORTATION SAFETY, PUBLIC UTILITY COMMISSION: The term, for purposes of regulation, are those entities,

either persons, partnerships or entities, which are subject to safety or economic regulation of the PUC.

487 REP. ROBERTS: This doesn't have anything to do with the ones

operating in the state, but the new entries?

SMITH: That is correct.

REP. ROBERTS: So the worry is the new operators coming in, not knowing the rules and perhaps not being here often?

TAPE 6, SIDE A

033 SMITH: Yes, that is correct.

_ Submits and summarizes written testimony, (EXHIBIT L).

057 REP. ROBERTS: Is notification by certified mail? SMITH: No, these are served first class mail.

CHAIR NORRIS: The statute refers to "the commission", is that the PUC?

SMITH: Yes.

CHAIR NORRIS: Where are these classes located?

096 SUSAN KELLEY, TRANSPORTATION SAFETY DIVISION, PUBLIC UTILITY COMMISSION, (PUC): The classes are offered around the state; there are numerous

opportunities for people to attend.

110 MIKE MERIDETH, OREGON TRUCKING ASSOCIATIONS: Testifies in support of the requirement for motor carriers to have this education; if the PUC

feels it is necessary to go through administrative procedures we also support that.

_ Unless the PUC has the authority to suspend a motor carriers operating authority, then the value of this program would be questionable.

WORK SESSION ON HB 2200

143 MOTION: REP. ROBERTS MOVES THAT HB 2200 BE SENT TO THE FULL COMMITTEE WITH A DO PASS RECOMMENDATION.

147 VOTE: IN A ROLL CALL VOTE THE MOTION CARRIES UNANIMOUSLY.

153 CHAIR NORRIS: Being no further business to come before the Subcommittee, we are adjourned.

Submitted by, Reviewed by,

Kimberly Burt Janet Adkins Committee Assistant Committee Administrator

EXHIBIT SUMMARY:

A - HB 2199: Proposed amendments submitted by staff, pp 1 B - HB 2335: Written testimony submitted by Unger, pp 2 C - HB 2334: Written testimony submitted by Wahus, pp 4 D - HB 2334: Written testimony

submitted by Koho, pp 1 E - HB 2334: Fiscal impact statement submitted
for the record by staff, pp 1 F - HB 2339: Written testimony submitted
by Schellenberg, pp 3 G - HB 2339: Written testimony submitted by
Meyers, pp 2 H - HB 2339: Written testimony submitted by Reddington, pp
10 I - HB 2339: Revenue analysis submitted by staff, pp 1 J - HB 2185:
Written testimony and informative material submitted by
Gyllenskog, pp 3 K - HB 2200: Written testimony submitted by Smith, pp
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