

HOUSE COMMITTEE ON GENERAL GOVERNMENT Subcommittee on Transportation

April 12, 1993 Hearing Room 357 8:30 a.m. Tapes 36 - 39

MEMBERS PRESENT: Rep. Chuck Norris, Chair Rep. Ken Baker Rep. Carl Hosticka Rep. Lonnie Roberts Rep. Cedric Hayden, Ex-Officio

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

MEASURES CONSIDERED: HB 2187 HB 2207 HB 3287 HB 3520 HB 3470  
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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 36, SIDE A

CHAIR NORRIS: Calls meeting to order. (8:35 a.m.)

PUBLIC HEARING ON HB 2187

077 JANET ADKINS, COMMITTEE ADMINISTRATOR: Describes HB 2187; submits (-3) amendments that entirely replace the original bill, (EXHIBIT A).

107 REP. ROBERTS: Would this raise the mobile home property taxes?

ADKINS: They would have to do one or the other; they won't have register as a vehicle and pay the vehicle registration fees.

PUBLIC HEARING ON HB 3470 Witnesses: Rep. Lee Beyer, House District 42 Ken Cerotsky, Springfield Utility Board Marian Rhodes, Springfield Utility Board Burton Weast, Special Districts Association Allen Fletcher, President, Tri County Water Districts Association BJ Smith, League of Oregon Cities

125 JANET ADKINS, COMMITTEE ADMINISTRATOR: describes HB 3470; submits (-1) amendments, (EXHIBIT B).

145 REP. LEE BEYER, HOUSE DISTRICT 42: HB 3470 was introduced on behalf of the Springfield utility board. - Throughout the state we now allow primarily municipalities and utilities to establish systems development charges to assist in building that structure that is not directly connected to the development but has an impact on it. - We are trying to make it so that the utility extending the service gets the fee. - Introduces constituents.

165 KEN CEROTSKY, SPRINGFIELD UTILITY BOARD: Testifies in support of HB 3470, submits written testimony, (EXHIBIT C).

235 MARIAN RHODES, SPRINGFIELD UTILITY BOARD: Testifies in support of HB 3470.

260 REP. ROBERTS: How would this affect the PUD?

CEROTSKY: HB 3470 is specifically written for water districts.

REP. ROBERTS: There are times when a city won't annex an area until it is developed; doesn't that seem unfair?

CEROTSKY: We restricted this issue to two years or less; we are asking that when the fees are collected by the original service provider and they know they won't be providing service, the money should come across with the annexation. If they spend the money on facilities and the majority of those facility costs were contributed by those people coming across, then those facilities ought to come. If those two things don't work then there should some agreement between the water service provider and the original service provider on how those funds will be spent. Any one of those three things will work.

REP. BAKER: Couldn't they do that by interagency agreement now?

CEROTSKY: Yes, but it isn't required. So if there is difficulty agreeing, the people that hold the money control the situation.

390 REP. BEYER: Under existing state law, when you have a municipal utility and there is an annexation, the utility is required to take them in.

415 REP. HOSTICKA: Could you tell us why you brought this bill and what the problem is?

REP. BEYER: We are dealing with one water district; it is a situation that has evolved out of bad public policy where we've allowed large urban areas to grow up outside of cities and set up duplicating systems. - There is pressure when the city expands as all of a sudden there is a water district getting less and less.

TAPE 37, SIDE A

030 REP. BEYER: If the improvements are going to be made and the improvements and customers are going to move to the municipal utility, this proposes the process in statute by which that will be undertaken.

036 REP. HOSTICKA: A lot of this could be solved if we have a new construction in the tax base provision rather than this having to construct and then annex to get into tax base. The other thing is that it isn't fair for those who pay the charges and don't receive the benefits, it seems the citizens that didn't pay the systems development charge who are in the old district are getting the benefits.

045 CHAIR NORRIS: The statutes talk in terms of capital improvement; do you feel this should be broader than this water district?

REP. BEYER: The intent was to add water to the existing systems development statute; this was specific to this water district.

060 BURTON WEAST, SPECIAL DISTRICTS ASSOCIATION: Testifies in opposition to HB 3470. - The bill isn't needed; this is a local dispute and there are several processes available to solve that dispute.

122 ALLEN FLETCHER, PRESIDENT, TRI COUNTY WATER DISTRICTS ASSOCIATION: Testifies in opposition to HB 3470.

155 REP. BAKER: There are several districts along the Clackamas River and there are agreements there; when you change agreements, it affects those plans.

FLETCHER: With the SDC statute there are specifics for how you account for those funds; they're dedicated moneys, they have to be accounted for separately.

178 REP. HOSTICKA: How do you address the issue of double taxation and fairness?

WEAST: I would suggest the city ought to annex it before the district bills of services.

REP. HOSTICKA: Yes, but when that hasn't happened, the people that pay for the charges don't receive the benefits.

WEAST: Often the infrastructure developed is shared. 210 WEAST: The problem is that the bill mandates a solution that may be appropriate here, but not appropriate for the rest of the state.

220 BJ SMITH, LEAGUE OF OREGON CITIES: I believe that the (-1) amendments are better than the original bill that only contained one solution. - There is also an issue of financing and the transfer of financing. - Explains process for system development charges.

250 SMITH: Sub three gives the opportunity for flexibility; there needs to be room for local agreements; this is dealing with only one type of systems development charge, which is a charge for projects to be built in the future.

275 REP. ROBERTS: The entities can already enter into agreements.

SMITH: The issue is the willingness of the parties to do so.

CHAIR NORRIS: Do you see this as a state wide concern?

SMITH: This is the first issue that has surfaced under the new SDC and the SDC act was put in place in 1991.

CHAIR NORRIS: Where does this leave the other 49%?

SMITH: There is an equity issue. Rather than 49% or 51%, it is an equity of what the funds were collected for, what projects were anticipated to be constructed, what service was anticipated to be provided and where the burden was anticipated to be born for paying for those facilities.

333 CHAIR NORRIS: Does the league support this bill?

SMITH: We have not taken a position on this bill.

340 CHAIR NORRIS: If the witnesses could get together and work out a compromise we will go further with the bill.

PUBLIC HEARING ON HB 2187 Witnesses: Joan Plank, Oregon Department of Transportation, (ODOT) Joanne Peterson, Oregon Department of Transportation, (ODOT) Don Miner, Oregon Manufactured Housing Association Don Schellenburg, Oregon Farm Bureau Ray Gribling,

Recreational Vehicle Industry Association

390 JOAN PLANK, OREGON DEPARTMENT OF TRANSPORTATION: Testifies in support of HB 2187; submits written testimony including amendments, (EXHIBIT D).

415 JOANNE PETERSON, OREGON DEPARTMENT OF TRANSPORTATION: Testifies in support of HB 2187; describes amendments.

CHAIR NORRIS: Sub c under section 3, does that include 12 foot park trailers?

PETERSON: It doesn't change how it is regulated, but we will call it a recreational vehicle; currently it is called a mobile home.

TAPE 36, SIDE B

045 JANET ADKINS, COMMITTEE ADMINISTRATOR: What is "relocatable"?

PETERSON: That only applies to those designed to be moved; those that aren't designed to be moved aren't affected.

060 REP. BAKER: When those pre-fab units are put together they would never be licensed with DMV, is that correct?

PETERSON: Those aren't ever regulated by DMV. They go through...the transporter moves them to the location and then they go on real property.

070 CHAIR NORRIS: Would relocatable pre-fabs be subject to DMV regulation?

PETERSON: What happens under current law and will not change under this bill, they are put on tax rolls, we issue title to them, all movements are by DMV trip permit and we maintain a centralized system of tracking for the county taxation.

088 REP. ROBERTS: Is there something on pre 1976 models involved in this bill?

PETERSON: If you make a pre 1976 a permanent real property, under existing law it has to be classed as a mobile home and this opens that up to let people apply to have it become real property.

098 ADKINS: Submits letter from Mr. Anderson (EXHIBIT E). - Clarifying what's included; in section 15 you change how the fees are paid for mobile homes, does that have any dollar affect?

PETERSON: There is nothing in the bill that affects that.

120 DON MINER, OREGON MANUFACTURED HOUSING ASSOCIATION: Testifies in support of amendments; this will synchronize definition across the building codes and motor vehicle codes. - This also takes care of "park models"; removing the requirement of .... makes sense.

140 DON SCHELLENBURG, OREGON FARM BUREAU: We have conceptual amendments dealing with section 4 on page 28, lines 21 - 25, (EXHIBIT F). - Describes situation; this allows farmers to go from one farm to

another; this changes the language to "a farm operation" rather than "the operation".

ADKINS: What are their restrictions for travel?

SCHELLENBURG: SMV, slow moving vehicle sign.

190 RAY GRIBLING, RECREATIONAL VEHICLE INDUSTRY ASSOCIATION:  
Testifies in support of DMV amendments.

WORK SESSION ON HB 2187

204 MOTION: REP. ROBERTS MOVES THAT THE CONCEPTUAL  
AMENDMENTS BE INCLUDED IN THE (-3) AMENDMENTS.

VOTE: HEARING NO OBJECTION THE MOTION CARRIES.

216 MOTION: REP. ROBERTS MOVES THE (-3) AMENDMENTS BE  
ADOPTED.

VOTE: HEARING NO OBJECTION THE MOTION CARRIES.

221 MOTION: REP. ROBERTS MOVES THAT HB 2187, AS AMENDED, BE SENT  
TO THE FULL COMMITTEE WITH A DO PASS RECOMMENDATION.

227 VOTE: IN A ROLL CALL VOTE THE MOTION CARRIES. HAYDEN  
EXCUSED.

PUBLIC HEARING ON HB 2207 Witnesses: Bob Russell, Public Utility  
Commission John Merriss, Oregon Department of Transportation Mike  
Meredith, Oregon Trucking Associations

240 JANET ADKINS, COMMITTEE ADMINISTRATOR: Describes HB 2207; submits  
cost study, (EXHIBIT G).

303 BOB RUSSELL, PUC: Testifies in support of HB 2207; submits written  
testimony , (EXHIBIT H).

REP. ROBERTS: Did the trucking industry have an input?

RUSSELL: Yes.

REP. BAKER: Who were the legislative members on the task force RUSSEL:  
SEN. HOUCK, SEN. CEASE, REP. WHITTY AND REP. NORRIS.

370 JOHN MERRISS, TRANSPORTATION ECONOMIST, OREGON DEPARTMENT OF  
TRANSPORTATION, (ODOT): Testifies in support of HB 2207; submits  
written testimony, (EXHIBIT I). - Refers to Exhibit G, regarding weight  
mile tax reductions.

TAPE 37, SIDE B

025 MERRISS: This bill promises three benefits; 1. It  
simplifies the current system, 2. we believe it would increase the  
equity of the current system and 3. this would encourage the use of  
additional axles by the vehicles between 26,001 and 80,000 pounds and  
we see that as paying dividends in the long run in terms of lower road  
cost, lower required pavement maintenance and rehabilitation cost.

045 CHAIR NORRIS: Does this assume a certain number or size of tires?

MERRISS: No; this bill doesn't do anything about that. - The practice of singling out, using two tires instead of four on an axle.

060 REP. HOSTICKA: Is there a connection between that and the cost responsibility; could we do the axle weight stuff and have a table which did not update cost responsibility?

MERRISS: I guess we could.

REP. HOSTICKA: Is there a balance between the revenue decrease and the projected reduction in damage to the road?

MERRISS: There is a relationship; this new system that applies to those over 80,000 has been in effect since January of 1990, but we need about five years to make that kind of a relationship.

083 REP. HOSTICKA: If we adopt this table and then revenue ups the gas tax, what will the impact be?

MERRISS: Traditionally a one cent increase has brought in roughly \$14 million per year.

103 RUSSELL: We would request an effective date of January 1, 1994.

115 MIKE MEREDITH, OREGON TRUCKING ASSOCIATIONS: Testifies in support of HB 2207; the bill realizes the commitment the trucking industry made in 1987 and secondly the system that was imposed as a result of the study makes sense, encouraging the number of axles and it should be applied to other weights. - It makes sense to apply the system to all weights.

WORK SESSION ON HB 2207

163 REP. HOSTICKA: We should insert the numbers to reflect the policy decision that we are interested in both axle weight and the cost responsibility aspects of it. The issue for revenue would be to proportionately raise those numbers if they raise the gasoline tax at all.

180 MOTION: REP. HOSTICKA MOVES THAT HB 2207 BE AMENDED BY INSERTING THE TABLE OF NUMBERS PROVIDED BY ODOT.

VOTE: HEARING NO OBJECTION THE MOTION CARRIES.

187 MOTION: REP. ROBERTS MOVES THAT HB 2207 BE AMENDED TO ADD AN EFFECTIVE DATE JAN 1 1994.

VOTE: HEARING NO OBJECTION THE MOTION CARRIES.

193 MOTION: REP. HOSTICKA MOVES THAT HB 2207 AS AMENDED, BE SENT TO THE FULL COMMITTEE WITH A DO PASS RECOMMENDATION AND A REFERRAL TO REVENUE.

VOTE: IN A ROLL CALL VOTE THE MOTION CARRIES. REP. HAYDEN EXCUSED.

PUBLIC HEARING ON 3287 Witnesses: Rep. Jim Whitty, House District 47  
Douglas Hutchinson Greg Norton, Staff, Confederated Tribes

215 JANET ADKINS, COMMITTEE ADMINISTRATOR: Describes HB 3287.

237 REP. JIM WHITTY, HOUSE DISTRICT 47: Testifies in support of HB 3287. - Indian tribes are non profit organizations; this bill would solve a problem in my district and then sunset. - The cemetery would be maintained if transferred to the tribes; at this point that isn't happening.

270 REP. BAKER: Why doesn't the state waive the liens?

REP. WHITTY: I'm not sure if they can. I think there was an attempt to do that.

285 ADKINS: It isn't the money the tribes are worried about; BIA won't accept the transfer to them unless there are no liens attached to them. As to the issue of whether the city can waive them or not, our legislative council didn't know why the city couldn't waive them, but there may be something they aren't aware of here.

REP. WHITTY: The city would like to see the transfer.

300 DOUGLAS HUTCHINSON: This goes back to the problems the Coos' have had; they are from the Coos Bay area, they were displaced in 1855. - In the Federal Western Oregon Indian Termination Act the indians lost their land; it was purchased in 1981 and held to 1986, but taxes weren't paid.

390 CHAIR NORRIS: Is there a defined reservation area for the confederated tribes?

HUTCHINSON: There is not. They lost all of their lands. They own about seven or eight parcels of land now; not more than about seven acres. - The city gave the land to the tribe in 1990; submits deed, (EXHIBIT J). - The confederated tribes, in order to put the land in federal trust, needs to have the liens waived. - The city doesn't have the resources to maintain or protect the land and there is a certain aura around having a sign saying trespassing is a federal crime. - Would not affect the other reservations or tribes in the state.

464 REP. ROBERTS: The county had this first, then the city; should the bill say city and county?

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035 HUTCHINSON: I would presume so. I really hadn't done a lot of background on this; but it would seem reasonable that this relates to county and city interests. - The deed says at such time (presently under the deed) if this land were to be used for any purpose other than for the cemetery these waived taxes would become due and owing again.

050 REP. BAKER: In the doctrine of legal merger, when the county took the property back that their debt merged with their ownership issue and the county at that point extinguished the debt. - I don't know the legality of the legislature effectively coming back and cancelling a tax; I don't know if we have the ability to do that.

066 GREG NORTON, STAFF, CONFEDERATED TRIBES: The tribe and tribal council would appreciate this bill being passed.

CHAIR NORRIS: Can you enlighten us as to the extent of the encumbrance now; how much, what the nature of it is? This note says it is a bancroft bond lien.

NORTON: As of November 15, 1991 the amount \$8,631. With interest it is estimated to be between \$9,600 and \$10,000 as of today.

CHAIR NORRIS: Was this unpaid property tax; was it this LID bancroft bond lien; what is the nature of the lien that is against it now?

NORTON: I don't think either one of us have that information.

080 REP. BAKER: The bill says liens and encumbrances. Are you going to present us with a title report on this property showing what those are? How do we know that there is not another secondary mortgage on this property?

NORTON: There are no other liens.

REP. BAKER: Effectively, if we are going to encumber the state and liability here it would be nice if we had something to fall back on.

HUTCHINSON: Unfortunately, at this point, we do not have such documentation, but I'm sure that we could get it for you to accompany the bill.

094 CHAIR NORRIS: I'd like to see a preliminary title report; I think we are all in favor, but want to be sure of where we are stepping.

PUBLIC HEARING ON 3520 Witnesses: Burton Weast, Special Districts Association. Dale Jutala, Clackamas Water District. Alan Fletcher, Clairmont Water District. Duane Robinson, Rockwood Peoples Utility District (PUD). John Vogel, Commissioner. Gene Seible, Administrator, Tualatin Valley Water District

110 JANET ADKINS, COMMITTEE ADMINISTRATOR: Describes HB 3520.

140 BURTON WEAST, SPECIAL DISTRICTS ASSOCIATION: Describes history of water authorities, established in 1987.

- This will allow the combination of the water and sanitary authority.

REP. ROBERTS: Asks for clarification between a water district and water authority.

WEAST: The water authority is voluntary.

178 REP ROBERTS: Can a water authority be brought in by a vote of the people?

WEAST: Yes. There are two ways to create the authority; 1. by a vote of the people and 2. in boundary commission areas the commission can approve it subject to 100 voters.

190 CHAIR NORRIS: But an authority and a district are not the same thing.

WEAST: No. The differences between an authority and district is that the water authority has the power to move its intakes or combine water



intakes on a river or a well system without having to have the approval of water resources for the movement. Water resources has to give them a permit for the locations, but they don't lose any of their water rights or any of their certificates or permits by moving an intake. - Only a water authority can absorb water rights; on a water authority or sanitary authority, the city or district can't remove the customers of that authority or service.

222 REP. ROBERTS: How does a water PUD fit in this bill?

WEAST: It would be prohibited from annexing in; the PUD is protected, you can annex into a water PUD, but can't remove the infrastructure.

255 CHAIR NORRIS: Could any water district become a water authority if they wanted to merge?

263 DALE JUTALA, CLACKAMAS WATER DISTRICT: We have been contemplating the formation of a water authority. - We think this HB 3520 will clear up remaining questions; the question of joint water and sanitary is important, but more important to us is the mechanics of the water authority.

- It is important to make it clear what will be provided; there is some flexibility as to five or seven members and most broadly, it removes the term "supply" as in "water supply authority" and we propose it be called a "water authority".

335 ADKINS: The dissolution of districts occurs when authorities are created?

JUTALA: For those who agree it can be dissolved; the bill doesn't force that.

WEAST: It isn't likely that participants will agree if one district was holding out. - HB 3520 gives the flexibility to organize; it does say that once the decision is made, it is done.

404 ALAN FLETCHER, CLAIRMONT WATER DISTRICT: Testifies in support of HB 3520; we are interested in forming a basin kind of authority. - This bill allows flexibility; this is a win/win situation for cities, counties and districts alike.

460 CHAIR NORRIS: Should we think about irrigation districts?

WEAST: You added Port Districts in 1989; we haven't had interest from the irrigation districts.

TAPE 39, SIDE A

045 ADKINS: Refers to Section 2; why not consolidate at once, why create the water authority then combine it with the sanitary authority?

WEAST: That didn't occur to us; I think a joint authority would be good.

JUTALA: Through section 11, we could amend it to have "joint".

WEAST: We would support the language added to make it clear you could start right out with one authority; that was the intent.

092 ADKINS: Elections provisions aren't spelled out; have you checked with the elections people?

WEAST: The parts on elections that are in here are okay. Parts of this are also contained in SB 59 and that bill has moved to the floor.

103 DUANE ROBINSON, ROCKWOOD PEOPLES UTILITY DISTRICT, (PUD): Testifies in support of HB 3520. - We believe that we will be able to enjoy lower water rates for our rate payers if this bill is passed; we believe it will be an advantage to bring together expertise and resources.

137 JOHN VOGEL, COMMISSIONER: Testifies in support; the requirements of the safe drinking water act and other regulations make it difficult for us. - HB 3520 will provide the economy of scale we need and also retain the local control the customers want. 165 CHAIR NORRIS: What will happen if this bill passes?

ROBINSON: This bill would not, in any way, hamper a PUD or put a stumbling block in it's way.

CHAIR NORRIS: Do you envision the PUD becoming part of the authority?

ROBINSON: Yes; as we continue to improve our relations with our surrounding jurisdictions, we believe that perhaps being a water authority would be the better entity for our customers.

CHAIR NORRIS: Is there a sanitary district to merge with?

ROBINSON: Yes, that is a possibility. The city of Gresham does have its own waste water treatment plant.

CHAIR NORRIS: What is your water source for Rockwood?

ROBINSON: We a 100% wholesale purchaser of the Bull Run system. We are considering a possible water source off the Columbia for East County and are proposing this as an alternative to the East County Utilities.

205 GENE SEIBLE, ADMINISTRATOR, TUALATIN VALLEY WATER DISTRICT: Testifies in support of HB 3520. - If we are going to manage the resource, we need a way to manage what we have. - If we can merge with the sanitary district, we can have more water available for domestic use. - If we could combine water and sewer we can better manage the water; conservation through water reuse is a source.

285 CHAIR NORRIS: Do you see your district becoming an authority or a part of an overall authority?

SEIBLE: We have that proposal on the table now; we are doing an eight month study on cost savings.

CHAIR NORRIS: Tualatin Irrigation District is pretty well contained in that same web.

SEIBLE: That is correct.

WORK SESSION ON HB 3520

CHAIR NORRIS: Refers to section 11; could we cover that with a very

simple inclusion of words that would leave open the possibility of a brand new entity?

BURTON WEAST: We thought it would allow this; simply say "or a joint water and sanitary authority" and that would make that clear.

407 MOTION: REP. ROBERTS MOVES THAT SECTION 11 BE AMENDED CONCEPTUALLY TO PROVIDE FOR CREATION OF NEWLY FORMED JOINT AUTHORITY WITH LC TO PLACE.

VOTE: HEARING NO OBJECTION THE MOTION CARRIES.

ADKINS: Section 11; the intent is to always change them to be joint?

WEAST: The intent is to have three; water authority, sanitary authority and a joint authority.

450 ADKINS: Section 13 gives the water authority ability to provide wholesale, retail or a combination to municipalities, section 14 gives the sanitary authority that ability separately; would that apply to the joint authorities?

WEAST: LC will have to decide; that was our intent.

TAPE 38, SIDE B

042 WEAST: The joint authority has all the powers of the underlying authorities and that may be why they didn't find it necessary to put joint authority on everything.

050 MOTION: REP. ROBERTS MOVES THAT HB 3520 AS AMENDED OR NOT AMENDED BE MOVED TO THE FULL COMMITTEE WITH A DO PASS RECOMMENDATION.

VOTE: IN A ROLL CALL VOTE THE MOTION CARRIES. HAYDEN AND HOSTICKA EXCUSED

12:00 Meeting adjourned.

Submitted by, Reviewed by,

Priscilla Boyle Janet Adkins Committee  
Assistant

Committee Administrator

EXHIBIT SUMMARY:

A - HB 2187: (-3) Amendments submitted by staff, pp 1. B - HB 3470: (-1) Amendments submitted by staff, pp 2 C - HB 3470: Written testimony submitted by Cerotsky, pp 2 D - HB 2187: Written testimony submitted by Plank, pp 5 E - HB 2187: Proposed amendment submitted by Schellenburg, pp 5 F - HB 2207: Informative material submitted by staff, pp 6 G - HB 2207: Cost study submitted by staff, pp 6 H - HB 2207: Written testimony submitted by Russell, pp 6 I - HB 2207: Written testimony submitted by Merriss, pp 7 J - HB 3287: Informative material submitted by Hutchinson, pp 9. K - HB 3470: Written testimony submitted by Morrisette, not mentioned in minutes.