

Work Session: HB 2415
HB 2416
HB 2417
HB 2418
HB 2420
HB 2424
HB 2428
Tapes 25
A/B
26 A

HOUSE COMMITTEE ON
HOUSE REVENUE AND SCHOOL FINANCE
PROPERTY TAX SUBCOMMITTEE
FEBRUARY 16, 1993 8:00 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Representative Tom Brian, Chair
Representative Mike Burton
Representative Margaret Carter
Representative Fred Girod
Representative Delna Jones
Representative Jim Whitty
Witnesses Present: Denny Moore, Salem Transit
District
Gary Carlson, Associated Oregon Industries
Carl Miller, Member of the Board, Automotive
Service Association
Mark Ford, Manager of Strategic Planning,
Oregon Department of Transportation
Wanda Kennedy, Manager, Division of
Aeronautics, Department of Transportation
Roger Martin, Oregon Transit Association

Staff: James Scherzinger, Legislative Revenue Officer
Terry Drake, Legislative Revenue Office
Paula McBride, Committee Assistant

TAPE 25 SIDE A

006 CHAIR BRIAN called the meeting to order at 8:13.
010 CHAIR BRIAN opened the Work Session on HB 2415, HB 2416, HB 2417, HB
241 8, HB 2420, HB 2424, and HB 2428. He invited testimony on HB 2420.

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These minutes paraphrase and/or summarize statements made during this
meeting. Text enclosed in quotation marks reports the speaker's exact
words. For complete context of proceedings, please refer to the tape
recording.

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019 DENNY MOORE related that GREG COOK (General Manager, Salem Transit
District) would testify concerning HB 2420 on Friday.
029 GARY CARLSON believed that the fiscal problems of the Salem Transit
District needed to be resolved, but he opposed levying a payroll tax
without getting the approval of voters.
047 CARL MILLER described his Salem business. He testified in opposition to
HB 2420, and his testimony was verbatim. Exhibit 1

Questions and discussion with CARL
MILLER

229 DENNY MOORE responded to questions concerning the Salem Transit District's current methods of taxation. He related that the property tax rate paid by the Salem Transit District was approximately 35 cents per \$1000 of assessed valuation. He discussed various taxation scenarios the Board of the Salem Transit District had explored. He said the Salem Transit District currently does have the right to establish a payroll tax to support transit, but only by vote of the people. HB 2420 would create the opportunity to establish the payroll tax without the required vote. He related that the District is currently using reserves to run the bus system and that the reserves will be exhausted in early 1995.

Questions and
discussion

331 DENNY MOORE verified that the Salem Transit District Board is elected by public vote in subdistricts, and that it is a sevenmember board.

Questions and
discussion

384 MARK FORD wanted to provide more detail to specific questions about the Transportation Plan bills. He also gave the members two different tax comparisons in response to questions posed on a previous day. He reiterated that "Access Oregon Highways" is still the highest priority, after maintenance and preservation of the system, of the Department of Transportation. Exhibits 2 and 3

Questions and
discussion

TAPE 26 SIDE A

018 WANDA KENNEDY explained what the impact of delaying the startup date of the increase in fuels in HB 2415 and HB 2416. The

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program of matched money for the local communities would be delayed, totalling \$951,000 for the biennium.

026 TERRY DRAKE clarified that the way HB 2415 is currently drafted raises a little under a million dollars/biennium, and about one third of this amount would be lost if the date was moved back six months, as proposed.

Questions and
discussion

070 CHAIR BRIAN asked for testimony on HB 2424.

071 TERRY DRAKE presented a letter on HB 2424 to the members, from Valerie S. Paulson, League of Oregon Cities, in support of HB 2424 with amendments. Exhibit 4

083 CHAIR BRIAN began a discussion about the proposed revenue bonding authority increase.

103 CHAIR BRIAN conducted administrative business.

108 TERRY DRAKE, in relation to HB 2428, stated that for some years the State has been provided an "in lieu" tax payments to mass transit districts, which is particularly important in the Salem Transit District where there is not a payroll tax and the largest employer is the State Government. HB 2428 was intent was to provide the in lieu payments to other

scheduled service transportation districts. He mentioned proposed amendments to HB 2428 from the Department of Transportation. Exhibit 5 Questions and discussion

185 ROGER MARTIN discussed the history of using the payroll tax to support transit districts in the state. He believed that all employers, both private and public, should pay the tax. He explained taxing procedures in various districts.

Questions and discussion

254 ROGER MARTIN announced that the country's expert on high speed rail would be in Salem next Tuesday (2/24/93). He wanted the members to participate in a meeting with this person.

Questions and discussion

299 CHAIR BRIAN mentioned the interest in creating a taxing system to replace weight-mite, and he cited the criteria for such a

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system. A study group will be used to examine this issue, and this process will put HB 2415 and HB 2416 on hold for a week or more.

Questions and discussion

TAPE 25 SIDE B

002 Questions and discussion continued concerning how the Committee will deal with various elements of the bills that raise revenue for the Oregon Transportation Plan.

036 CHAIR BRIAN closed the Work Session on HB 2415, HB 2416, HB 2417, HB 2418, HB 2420, HB 2424, and HB 2428.

037 CHAIR BRIAN adjourned the meeting at 9:11.

Paula K. McBride, Committee Assistant

Kimberly Taylor, Office Manager

EXHIBIT SUMMARY

1. Testimony of Carl Miller, Member, Board of Directors, Automotive Service Association.
2. Comparison of Oregon Motor Fuel Taxes and Automotive Taxes With Other States, Mark Ford, Department of Transportation, 2/16/93.
3. Comparison of Oregon's Total Motor Carrier Fees and Taxes With Other Western States, Mark Ford, Department of Transportation, 2/16/93.
4. Letter from Valerie S. Paulson, Sr. Staff Associate, League of Oregon Cities, 2/16/93.
5. Proposed Amendment, HB 2428 -- Expanded In-Lieu Payroll Tax For Fixed Route Transit, Department of Transportation, 2/5/93.

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