

Work Session: HB 2415 HB 2416 HB 2417 HB 2418 HB 2420 HB 2423 HB 2424 HB
242 8
Tapes 83-84 A

HOUSE COMMITTEE ON
HOUSE REVENUE AND SCHOOL
FINANCE
PROPERTY TAX SUBCOMMITTEE

APRIL 20, 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: Roger Martin, Alaska Airlines; Oregon Transit
Association
Denny Moore, Salem Transit District
Paul Meyerhoff, Manager, Transportation Development, Oregon Department of
Transportation.
Terry Smith, League of Oregon Cities
Mark Ford, Manger of Strategic Planning, Oregon Department of
Transportation

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

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008 CHAIR BRIAN called the meeting to order at 8:19 and conducted
administrative business.

030 CHAIR BRIAN opened the Work Session on HB 2418 and HB 2417. HB 2418
would increase the jet fuel tax by 1/2 cents, and HB 2417
would increase the aviation gas tax.

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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035 TERRY DRAKE further explained the bills HB 2417 and HB 2418. The jet
fuel tax will double, from 1/2 cent to a penny/gallon, and the aviation gas
tax would increase to 2 cents/gallon. The jet fuel tax will produce the
most revenue, and will raise about \$3.5 million for six years, and the
aviation gas tax will raise about \$500,000. The revenues will primarily be
used to improve the facilities accessed by those users. He believed there
had been no testimony opposed to these two bills during the Public Hearing.
Discussio

n

073 ROGER MARTIN related that the Air Transportation Association opposed HB
241 7.

084 TERRY DRAKE said the only concern he had was the effective date on HB 241 8.

093 MOTION REP. WHITTY moved HB 2418
to the full Committee with a do-
pass recommendation.

NO DISCUSSION

097 ORDER There being no objection,

CHAIR

BRIAN so ordered.

098 CHAIR BRIAN closed the Work Session on HB 2417 and HB 2418.

102 CHAIR BRIAN opened the Work Session on HB 2428.

099 TERRY DRAKE explained that HB 2428 extends the state in lieu of payment to cities and counties that have provided transportation services but don't qualify as transit districts. HB 2428 has a subsequent referral to the Ways and Means Committee [now called House Appropriations], and he explained the reasons why. He believed nine areas in Oregon would be potentially effected by HB 2428. There were no amendments to HB 2428.

126 ROGER MARTIN talked about the areas of the state that might be effected by HB 2428, mainly Corvallis. He related that Legislative Counsel was drafting amendments to a separate bill that would effect the in lieu of payroll payments in Salem for the Salem Area Mass Transit.

156 DENNY MOORE mentioned proposed amendments to HB 2428, which would change the word "Transportation Division" in three places to

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"Transit System."

Questions and discussion

200 MOTION REP. CARTER moved the conceptual
amendments to HB 2428, as
follows: On page 1, line 8 and
25, and page 2, lines 6 and 31,
delete references to "Transportation Division" and add the
language "cities or counties
that operate fixed route public
transportation service."

NO DISCUSSION

207 ORDER There being no objection,

CHAIR

BRIAN so ordered.

Questions and discussion

213 TERRY DRAKE confirmed that the Oregon State University would be effected by about \$270,000/year, because of the state payroll in the city that would be subject to the payroll tax. That was why there was a subsequent referral to Ways and Means (House Appropriations Committee).

Questions and discussion

234 TERRY DRAKE clarified that the assessment of the in lieu payment would only on state payroll in those proposed areas.

244 MOTION REP. WHITTY moved HB 2428, with conceptual amendments, to the full Committee with a subsequent referral to the House Appropriations Committee.

DISCUSSION

265 VOTE The motion passed 4-1. Ayes: REP. GIROD, WHITTY, BURTON, and BURTON. Nays: REP. CARTER.

267 CHAIR BRIAN closed the Work Session on HB 2428.

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258 CHAIR BRIAN opened the Work Session on HB 2424.

275 TERRY DRAKE said HB 2424 was the "bonding bill," which originally dealt with some technical amendments to the "general

obligation bonding." There had been consensus reached by the

members of the full Committee to amend HB 2424 in order that it

strictly dealt with bonding authority for revenue bonds, and that

the blank in HB 2424 (line 15) be filled with the number \$500

million. He talked about the rationale for this change.

Discussion

316 CHAIR BRIAN asked people to take a minute to review the amendments HB 242 4-2. Exhibit 1

Questions and

discussion

334 PAUL MEYERHOFF confirmed that the amendments HB 2424-1 removed the references to "general obligation bonds" from HB 2424. He believed that the costs associated with the sale of the bonds, attorney fees, etc. are paid for out of the bond proceeds.

Questions and

discussion

403 MOTION REP. GIROD moved the amendments

HB 2424-1 to HB 2424.

NO DISCUSSION

407 ORDER There being no objection, CHAIR

BRIAN so ordered.

407 MOTION REP. GIROD moved the amendments

HB 2424-2 to HB 2424.

NO DISCUSSION

410 ORDER REP. GIROD moved HB 2424 as amended to the full Committee with a do-pass recommendation.

DISCUSSION

420 TERRY SMITH reminded members of additionally requested amendments for HB 2424 (see Exhibit 4, 2/16/93).

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434 CHAIR BRIAN read the proposed amendments from the League of Oregon Cities (see Exhibit 4, 2/16/93).

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008 TERRY DRAKE said the amendments HB 2424-1 included the requested information from the League of Oregon Cities.

Discussion -

015 ORDER There being no objection, CHAIR BRIAN so ordered.

017 CHAIR BRIAN closed the Work Session on HB 2424.

030 CHAIR BRIAN opened the Work Session on HB 2415, relating to a gas or fuels tax and the weight-mile consideration.

034 PAUL MEYERHOFF asked MARK FORD to talk about cash flows of different gas tax alternatives for funding (or not) of the Oregon Transportation Plan.

Questions and
discussion

046 PAUL MEYERHOFF related that the number the Oregon Department of Transportation (ODOT) has been using for individual fuel consumption was 620 gallons/year per vehicle, based on about 12,000/year and approximately 20/mpg.

055 MARK FORD gave members a handout that discussed "some of the cash flow issues association with various level of fuel taxes." He described the table in the handout, entitled "Six-Year Revenue Scenarios." He mentioned the assumptions inherent in the funding proposals for the Oregon Transportation Plan. He showed graphs on the overhead projector that further depicted levels of funding. Exhibit 3, page 2

118 MARK FORD said the objective of the "Oregon Transportation Package" (OTP) was to shift the entire "Surface Transportation Package" (STP, Federal money) over into the transit category and to finance unmet road needs in Oregon. He discussed alternative financing packages that were depicted in the table in his handout. Exhibit 3, page 2

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Questions and discussion

198 MARK FORD discussed why he believed it was necessary to repeal the ethanol-blended fuels tax exemption, specifically because of revenue about \$85 million which would be lost to the state if the exemption stayed in place.

Questions and discussion

216 MARK FORD stressed that ODOT was "only asking for authority right now in terms of budget limitation to use \$100 million of the proposed bonding." He believed his agency "has always taken the approach that you only increase your bonding level that you increase the revenue stream to pay it off. He believed an increase in the gas tax was needed in addition to the proposed bonds.

Discussion

238 MARK FORD gave the members another table that their proposed funding program. Exhibit 4

Questions and discussion with PAUL MEYERHOFF and MARK FORD

312 PAUL MEYERHOFF talked about the revenues generated by the ad valorem tax (property tax) in Washington State, as relate to transportation issues. He gave examples of this taxation.

333 CHAIR BRIAN closed the Work Session on HB 2415 and conducted administrative business concerning the Transportation Plan bills before the Subcommittee.

361 TERRY DRAKE mentioned that a bill would come to the Subcommittee, HB 220 7, relating to "cost responsibility and axleweight schedules out of the General Government Committee. He thought the members would want to consider HB 2207 in conjunction with HB 2415 and HB 2416, to eliminate future conflicts between bills.

Discussion

381 CHAIR BRIAN adjourned the meeting at 9:13.

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Paula K.McBride, Committee
Assistant
Kimberly Taylor, Office Manager

EXHIBIT SUMMARY

1. HB 2424-1, Terry Drake, Legislative Revenue Office.
2. HB 2424-2, Terry Drake, Legislative Revenue Office.
3. Impacts of Alternative Road Funding Levels on the OTP Financing Package, Mark Ford, Oregon Department of Transportation.
4. OTP Funding Program, Updated April 19,1993, Mark Ford, Oregon Department of Transportation.

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