

Work Session: HB 3171, HB 2415, HB 2416, HB 2417, HB 2418, HB 2676,  
Tapes 114 A/B  
115 A

HOUSE COMMITTEE ON  
HOUSE REVENUE AND SCHOOL  
FINANCE  
PROPERTY TAX SUBCOMMITTEE

JULY 1, 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: John Merris, Economist, Oregon Department of  
Transportation  
Mike Meredith, Oregon Trucking Associations  
Mark Ford, Oregon Department of Transportation Ward Armstrong, Executive  
Director, Oregon  
Forest Industries Council  
Leon Fisher, President and General Manager, Siletz Trucking Company  
Craig Hanneman, Willamette Industries Bob McKeller, Oregon Forest Products  
Transportation Association  
Staff: James Schersinger, Legislative Revenue Officer  
Terry Drake, Legislative Revenue Office  
Paula McBride, Committee Assistant

TAPE 114 SIDE A

011 CHAIR BRIAN called the meeting to order at 10:16 and conducted  
administrative business.

021 CHAIR BRIAN discussed HB 2862, the farm homesite bill. He explained  
complications with amendments, and related that HB 2862-7 was a cleaned-up  
version of the bill. However, the amendments may have unintentionally  
changed language in the bill, which he explained. He gave members a copy of  
these amendments. (The

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.

House Committee on  
Revenue and School Finance  
Property Tax Subcommittee  
July 1, 1993 Page 2

amendments will be introduced as an exhibit when the bill is heard again in  
work session.)

049 \*(see Tape 114, Side A, Meter 220 below)

CHAIR BRIAN opened the Work Session on HB 3171, related to school facility  
construction. He mentioned the amendments HB 31711 and talked about the  
differences between the original bill and the amendments.

Questions and discussion

068 CHAIR BRIAN explained the changes that had been made to HB 3171 through  
the proposed amendments HB 3171-1.

Questions and discussion

111 REP. CARTER notified the Subcommittee that she would vote "nay" on the  
HB 3171.

Discussion continued about the intent and provisions of HB 3171-1.

141 MOTION REP. BURTON moved to concep

tually amend HB 3171-1 by  
changing the ratio in Section 4,  
subsection (2) from 1-1 to 1-4  
(local government 1, state 4).

DISCUSSION

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

159 MOTION           REP. GIROD moved to adopt the  
                  amendments HB 3171-1 to HB 3171.

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

164           MOTION REP. GIROD moved HB 3171 as  
                  amended to the full Committee  
                  with a do-pass recommendation.

NO DISCUSSION

These minutes paraphrase and/or s o rize 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.

House Committee on

Revenue and School Finance Property Tax Subcommittee July 1, 1993 Page 3

166 VOTEThe motion passed 4-1. Ayes:

      REPS. GIROD, WHITTY, BURTON, and

      CHAIR BRIAN. Nays: REP. CARTER.

170 CHAIR BRIAN closed the Work Session on HB 3171.

175 CHAIR BRIAN opened the Work Session on HB 2415, HB 2416, HB 2417, and  
HB 2418. He explained the intent of hearing these bills together and of the  
possibility of combining them.

193 TERRY DRAKE related that Legislative Counsel had advised preparing  
individual amendments on the four bills (HB 2415, HB 2416, HB 2417, and HB  
241 8). He then talked about the possible consolidation of the bills, which  
could be done conceptually.

227 CHAIR BRIAN recessed the meeting at 10:32, due to a call of the House,  
and reconvened at 11:08.

231 \*\* (See above; the Subcommittee conducted the Work Session before the  
announced time) CHAIR BRIAN opened the Work Session on HB 3171\*\*

243 MOTION           REP. WHITTY moved to con  
                  ceptually amend HB 3171 by  
                  changing the ratio from 1-1  
                  to 1-4 (\$1 local to \$4 state).

NO DISCUSSION

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

246 MOTION           REP. WHITTY moved to adopt the  
                  amendments HB 3171-1 to HB 3171.

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

251           MOTION REP. WHITTY moved HB 3171 as  
                  amended to the full Committee  
                  with a do-pass recommendation.

DISCUSSION

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.

House Committee

on

Revenue and School Finance Property Tax Subcommittee July 1, 1993 Page 4

256 VOTE The motion passed 3-1. Ayes:

REPS. GIROD, WHITTY, and

CHAIR

BRIAN. Nays: REP. CARTER.

265 CHAIR BRIAN closed the Work Session on HB 3171.

265 CHAIR BRIAN reopened the Work Session on HB 2415, HB 2416, HB 2417, and HB 2418. Though these bills had already been passed out of the Subcommittee, the process was an informal one: therefore, new amendments were being considered.

279 TERRY DRAKE discussed HB 2415-4, relating to the increased gas tax and weight-mile tax. Included in the amendments was a sunset on the increase in the gas tax. He talked about the weight-mile schedules calculated by the Oregon Department of Transportation (ODOT), which would have about a 3.4% increase in rates. He informed members that weight-mile rates from HB 2007 had been incorporated into HB 2415-4, which created the multiple schedules by number of axles for trucks down to 26,000 pounds (the axleweight-mile schedule used to be applicable for trucks that weighed 80,000 pounds or more). Also flat fees for log, gravel, and chip trucks increased in HB 2415-4. Exhibit 2

327 REP. WHITTY asked staff to provide the current rates on trucks in Oregon, specifically for the weight-mile schedule.

Discussion

371 JOHN MERRIS believed ODOT had a good estimate of the number of trucks and the number of miles they traveled within each one of the weight-classes, broken down by the number of axles. He developed a set of rates, similar to those on pages 6-7 in HB 2415-4, which he thought were "revenue neutral with respect to the existing Table A rates." The rates were then increased by 3.25% (correcting the 3.4% mentioned by TERRY DRAKE), representing those rates on pages 6,7, and 8 (top of page) in HB 2415-4. Exhibit 2

Questions and

discussion

401 JOHN MERRIS gave a brief history of the development of the axle-weight schedule (based on damage to the road and the amount of weight per axle) that had been developed by ODOT. Exhibit 2

Questions and

discussion

430 JOHN MERRIS reiterated that when the axle-weight-mile schedule

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.

House Committee

on

Revenue and School Finance Property Tax Subcommittee July 1, 1993 Page 5

had been adopted in 1990 it was applied only on trucks over 80,000. From the experience gleaned in two years, ODOT had determined to apply that schedule to trucks down to 26,000 pounds.

TAPE 115 SIDE A

010 JOHN MERRIS informed the members that the data on mileage was obtained "primarily from some special truck weight studies, and he described how the studies were done.

Questions and discussion

039 MIKE MEREDITH addressed the issue of the weight-mile schedule. He warned members that his association was rebelling against the level of taxation imposed on trucks and, thus, the method of the weight-mile system. He thought the issue would come before the Legislature every session until a remedy was developed. Exhibit 2

Questions and discussion

073 MIKE MEREDITH believed that his association was most significantly troubled by the use of highway funds for purposes other than maintaining highways (like for mass transit, which had been proposed).

093 MARK FORD discussed further considerations taken into account for the 3.25% increase in the weight-mile schedule/rates; specifically, he mentioned two items left out of the deliberations.

Questions and discussion

133 MARK FORD believed that the Highway Commission was interested in doing the Interim study with the participation of "all the concerned parties." He talked about the offices within ODOT that would also participate.

Questions and discussion

166 MIKE MEREDITH reiterated that Oregon's highway use taxes were the highest in the country.

Questions and discussion

178 MIKE MEREDITH clarified that the issue of perception was an important one to the members of his association, and they have been

-

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.

House Committee

on

Revenue and School Finance Property Tax Subcommittee July 1, 1993 Page 6

perceiving that Oregon taxes truckers unfairly.

Questions and discussion about the weight-mile system of taxation between members, MARK FORD, and MIKE MEREDITH. Exhibit 2

245 MIKE MEREDITH gave members statistics about the increase of taxes to trucks since 1978.

255 Questions and discussion continued between members, MIKE MEREDITH, and MARK FORD about the taxes Oregon imposes on the trucking industry.

301 Questions and discussion between members and witnesses about the justification for certain fees and taxes imposed on trucks in Oregon.

363 CHAIR BRIAN invited members of the Forest Industry to discuss the transportation bills before the Committee.

399 WARD ARMSTRONG introduced other witnesses who would speak before the Committee. He informed the members of his industry's dependence on the highways of Oregon, and on the goals of the Oregon Transportation Plan. He expressed his industry's concern about the weight-mile tax and about the proposed increase in the registration fee. He mentioned four major concerns with the Oregon Transportation financing package, and he pointed out a page in his handout that compared highway user fees imposed on trucks between

different states. Exhibit 3

TAPE 114 SIDE

B

002 WARD ARMSTRONG continued his testimony. He brought up the issue of evidence of a significant tax evasion problem relating to the weight-mile tax. He urged members to maintain a tax system that would allow truckers to be competitive with those of other states, and to include in the decisions of that system all the people who would be impacted by increased taxes.

Exhibit 3

050 LEON FISHER testified against increasing the weightmile tax for the purposes of building a light-rail system or other rapid transit system that had little to do with logging truckers. His testimony was verbatim. Exhibit

4

Questions and discussion with witnesses presenting the Forest Industry.

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.

House Committee on  
Revenue and School  
Finance  
Property Tax  
Subcommittee  
July 1, 1993 Page 7

119 CRAIG HANNEMAN, referring to a recent Federal announcement regarding the Forest Industry, supported the statement that Forest Industry trucks were having to travel further and further to get logs and keep mills functioning. He talked about the impact of the proposed increases in the taxes on vehicles, believing it cost the logging industry "3 cents for every mile per thousand board feet, just for the raw product."

131 BOB MCKELLER provided additional information to the members about the Forest Industry in Oregon, including the number of trucking firms that handle forest products. He specifically talked about the effects of changes in the Forest Industry would have on these trucking firms. He thought the present taxing system on trucks would have to be changed given the possible large reduction of operating trucks. He confirmed that the proposed registration fee increase would weigh more heavily on logging trucks than on other kinds of trucks. He supported a tax on diesel fuel for highway use instead of the weight-mile tax.

188 CHAIR BRIAN conducted administrative business and talked about rescheduling the transportation bills.

201 CHAIR BRIAN closed the Work Session on HB 2415, HB 2416, HB 2417, and HB 2418.

212 CHAIR BRIAN opened the Work Session on HB 2676.

229 CHAIR BRIAN spoke about proposed amendments to HB 2676, the language for which was contained in a handout from staff. Although the tax would increase on video poker machines, this would not be enough to make up the lost revenues when the tax on "Amusement Devices" was lowered; therefore, he thought HB 2676 would have to go to the House Appropriations Committee, and he mentioned adjustments that would have to be made in funding the Oregon Youth Conservation Corps (OYCC). He spoke about his own testimony before the House Lottery Committee about HB 2676 concerning funding for the OYCC. Exhibit 6

284 MOTION            REP. CARTER moved to amend  
                          HB 2676 conceptually by  
                          incorporating the changes  
                          suggested in the staff

hand

out (see Exhibit 6).

DISCUSSION

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.

House Committee on  
Revenue and School Finance  
Property Tax Subcommittee  
- July 1, 1993 Page 8

316	ORDER	There being no objection, CHAIR BRIAN so ordered.
317	MOTION	REP. CARTER moved HB 2676 as amended to the full Committee with a subsequent referral to House Appropriations.
319	ORDER	There being no objection, CHAIR BRIAN so ordered.
329	CHAIR BRIAN	closed the Work Session on HB 2676.
330	CHAIR BRIAN	adjourned the meeting at 12:09.

Paula K. McBride, Committee Assistant  
Kimberly Taylor James Office Manager  
EXHIBIT SUMMARY

1. HB 3171-1, Chair Brian, District 9.
2. HB 2415-4, Terry Drake, Legislative Revenue Office.
3. Testimony of Ward Armstrong, Oregon Forest Industries Council.
4. Testimony of Leon Fisher, Siletz Trucking Co.
5. Testimony of Dell Isham (submitted, not heard), Automobile Club of Oregon, presented by Mike Meredith, Oregon Trucking Associations.
6. HB 2676 Proposal, Steve Bender, Legislative Revenue Office.

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.