

Public Hearing: HB 2415 HB 2416 HB 2417 HB 2418 HB 2420 HB 2423 HB 2424 HB
242 8
Tapes 33-34 A/B 35-36 A

HOUSE COMMITTEE ON
REVENUE AND SCHOOL FINANCE
FEBRUARY 5, 1993 8:00 AM HEARING ROOM A STATE CAPITOL
BUILDING

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Members Present: Representative Delna Jones, Chair
Representative John Schoon, Vice Chair
Representative Ron Adams
Representative Tom Brian
Representative Mike Burton
Representative Margaret Carter
Representative Tony Federici
Representative Fred Girod
Representative Gail Shibley
Representative Greg Walden
Representative Jim Whitty

Witnesses Present: Don Forbes, Director, Department of
Transportation
Randy Franke, Marion County Commissioner
Michael Grainey,, Assistant to the Director,
Department of Energy
Jon Oshel, Tillamook County Public Works
Director
Terry Smith, League of Oregon Cities
Bob Carpenter, Harney County, Oregon
John Alto, President, Petroleum Retailers
of Oregon
Evan Boone, President, Oregon Pilots Assoc.
Betsy Johnson, Oregon Aviation Alliance
Ron Hanna, President, Oregon Airport
Management Association
Greg Cook, President, Oregon Transit Assoc.
Roger Martin, Oregon Transit Assoc.
Margaret Epley, Salem
Gay Abdon, Manager of Programs and Issues,
Salem Area Chamber of Commerce
Fred Van Natta, Salem

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Paul Meyerhauf, Manager of Transportation
Development, Department of Transportation Maur Horton, Analyst, Department
of
Transportation

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

TAPE 33 SIDE A

008 CHAIR JONES called the meeting to order at 8:11 and conducted committee administrative business.

031 CHAIR JONES opened the Public Hearing on HB 2415, HB 2416, HB 2417, HB 241 8, HB 2420, HB 2424, and HB 2428,

034 DON FORBES talked with the members about the state's willingness, and the necessity to, implement the Transportation Plan, given projected demographic changes in Oregon. He emphasized that the Plan incorporated the

Oregon Benchmarks, which the Legislature had approved. He stressed that the Plan be adopted as a whole unit. He gave members information concerning the Oregon Transportation Plan. Exhibits 1 and 2

080 DON FORBES testified in support of HB 2415, which would increase gas tax and weight-mile taxes. His testimony was based on a handout to the members. Exhibit 3

150 RANDY FRANKE testified in support of the Oregon Transportation Plan and about the process of developing this plan. He emphasized the ramifications for Oregon if the plan was not adopted, and he addressed Marion County transportation issues. He urged that the plan be accepted in its entirety. His testimony was based on his handout. Exhibit 4

380 CHAIR JONES announced that the Property Tax Subcommittee would be working on these transportation bills, beginning next week.

387 MIKE GRAINEY testified in support of the Transportation Plan. His testimony was verbatim. Exhibit 5

TAPE 34 SIDE

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002 MIKE GRAINEY continued his testimony.

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028 JON OSHEL discussed transportation issues for rural counties and how the Transportation Plan works well for those counties. He supported adoption of the entire Plan.

Questions and discussion about the issue of "local option" funding in relation to the Oregon Transportation Plan.

119 TERRY SMITH related that cities on average raise about 53 to 55% of all revenues for local transportation needs. In support of the Transportation Plan, he related that he had taken part in the studies that resulted in the proposed Oregon Transportation Plan, and he emphasized that the studies were the most comprehensive ever accomplished in the state. He discussed the results for Oregon if current demographic trends continued and the Plan were not adopted. He believed the cost-benefit considerations of the plan were equitably balanced between different areas in the state. He spoke about the factors that contribute to the tremendous cost for the Transportation Plan.

290 DON FORBES testified in support of HB 2416, based on a handout to the members. HB 2416, he believed, was a "key part of funding the Oregon Transportation Plan." Exhibit 6

Questions and discussion

385 DON FORBES referred to an earlier exhibit that gives an overview of how funding will be applied in the Plan. Exhibit 1

419 BOB CARPENTER opposed the Oregon Transportation Plan and specifically HB 2415, HB 2416, HB 2417, and HB 2418. His testimony was based on his handout. Exhibit 7

TAPE 33 SIDE B

002 BOB CARPENTER continued his testimony. He stressed that the Transportation Plan would only increase government bureaucracy in Oregon, and that the trucking industry cannot afford further taxes on trucks. He also mentioned that airlines are going broke because of fuel taxes. Exhibit 7

Questions and discussion interspersed

219 JOHN ALTO discussed issues of concern to retailers of gasoline. The first related to the motor fuel tax increasing at the wrong time of the year (currently in January), and the second was that Oregon should have a "unilateral motor vehicle fuel tax."

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He expressed concern about gas dealers in border areas. His testimony was based on a handout given to the members. Exhibit 7

Questions and discussion

344 CHAIR JONES recessed the meeting at 9:30 and reconvened at 9:50. She conducted administrative business.

367 CHAIR JONES introduced the following bills: LC 2874 (eliminates political contribution income tax credit), LC 2293 (regarding industry specific sales taxes), LC 240 (related to deferral of gain on sale of business assets, LC 2203 (AOCDO requested)

390 MOTION REP. BRIAN moved to introduce LC 2874,
LC 2293, LC 340, and LC 2203.

No Discussion

400 ORDER There being no objection, Chair Jones
ordered the introduction of the LC's.

TAPE 34 SIDE B

015 DON FORBES provided a brief overview of HB 2417 and HB 2418, both of which deal with revenue for aviation. The intent is to create a fund to match Federal dollars. HB 2417 relates to commercial aviation primarily. He discussed the Benchmarks that apply to HB 2417 and HB 2418. Exhibit 13

063 EVAN BOONE supported the companion bills, HB 2417 and HB 2418, as good investment that was needed to preserve an aviation system in Oregon. These bills will give help to the local communities to do this. Exhibit 14

085 BETSY JOHNSON testified in support of HB 2417 and 2418, as presented. She enumerated the groups her alliance represents.

106 RON MANNA testified in support of HB 2417 and 2418. He said the Federal "match" money was important to maintenance and improvements of airports of all types in Oregon. Exhibit 15

113 DON FORBES described HB 2418, which deals primarily with general aviation rather than commercial. General aviation represents about 85% of all operations and about 32% of passenger and plane lets. Exhibit 16

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Questions and
discussion

157 GREG COOK testified in support of HB 2420 and HB 2428. He gave background information on mass transit districts. HB 2420 would allow establishing an employer payroll tax without public vote to finance mass transit in Salem. A payroll tax was used to set up Tri-Met in Portland and the system in Lane County. HB 2428 relates to systems other than the public transportation systems already mentioned, which have been funded by the General Fund in the past. However, the Governor's recommended budget does not include this appropriation, and HB 2428 would extend the state's "in lieu" payroll tax to support these smaller transportation districts throughout the state. Exhibit 17

207 ROGER MARTIN gave an historical review of transit authority in Oregon. He believed transit systems are not able to pay for themselves. He supported HB 2420 as a support for Salem area transit. He opposed HB 2428, and he described the differences between the two bills.

308 DON FORBES explained HB 2420, which implements a payroll tax without

voter approval to finance transit systems, lessening the commute dependence on single occupancy vehicles. He also supported HB 2428. Exhibit 18

Questions and discussion

377 MARGARET EPLEY believed HB 2420 would help subsidize the transit system in Salem, on which she is dependent. She asked the members to realize that Measure 5 might reduce revenue to the Salem Transit System, and that this bill would replace those funds.

419 GAY ABDON testified against adoption of HB 2420. Her testimony was verbatim. Exhibit 19
TAPE 35 SIDE A

002 GAY ABDON continued her testimony.

033 FRED VAN NATTA opposed HB 2420. He mentioned that two previous efforts to create a mass transit system in Salem had been defeated by a vote of the people. He stressed that most Salem businesses are small and cannot afford this payroll tax. He presented letters from four Salem business owners who oppose HB 2420, and he named other businesses that oppose it. Exhibit 20

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Questions and discussion

183 PAUL MEYERHAUF introduced MAUR HORTON, who would explain the need for HB 2424.

197 MAUR HORTON said he manages the bonding program in the Department of Transportation (DOT). HB 2424 basically updates the DOT's bonding authority in two areas: general obligation bonding authority and the revenue bonding authority. He described both. In HB 2424 a specific dollar increase is requested, which the DOT recommends be raised from \$134 million to \$500 million. There still would be a normal legislative biennial review of the debt of all state agencies.

Questions and discussion

278 CHAIR JONES announced that the summary statement in HB 2a24 is not correct.

Questions and discussion

299 TERRY SMITH testified in support of HB 2424, seeing it as an important fiscal efficiency measure to manage cash flows in a large capital project environment and something that is routine in other states. His organization will supply proposed amendments that attach efficiency standards to when revenue bonds should be proposed or used.

Discussion

347 Questions and discussed interspersed concerning the difference between the "general obligation bonds" and "revenue bonds."

TAPE 36 SIDE A

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002 Questions and discussion continued concerning bonds.

053 MOTION REP. SCHOON moved to eliminate from the official record the cartoons created by BOB CARPENTER, which were part of his exhibit. (Exhibit 7).

066 ORDER There being no objection, CHAIR JONES so ordered.

069 CHAIR JONES conducted Committee administrative business.

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House Committee on
Revenue and School Finance

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

1. Oregon Transportation Plan: Investment Package Overview, Don Forbes, Department of Transportation.
2. The New Oregon Trail: Leading into the 21st Century: Oregon Transportation Plan, Don Forbes, Department of Transportation.
3. Testimony of Don Forbes, Director, Oregon Transportation Department before the House Revenue Committee, 2/5/93, on House Bill 2415.
4. Testimony of Randy Franke, Marion County Commissioner, Before House Revenue and Taxation Committee, 2/5/93.
5. Testimony Before the House Revenue and School Finance Committee by the Oregon Department of Energy in Support of House Bills 2415, 2516, 2417, 2418, 2420, 2423, 2424, and 2428, 2/5/93.
6. Testimony of Don Forbes, Director, Oregon Department of Transportation before the House Revenue Committee, 2/5/93, House Bill 2416.
7. "Just Say No," testimony of Bob Carpenter, Harney County.
8. Testimony of John Alto, Petroleum Retailers of Oregon.
9. LC 2874
10. LC 340
11. LC 2293
12. LC 2203
13. Oregon Department of Transportation, Testimony on House Bill 2417 Before the House Committee on Revenue and School Finance, Presented by Don Forbes, Director.
14. Letter to Rep. Jones, from Evan P. Boone, President, Oregon Pilots Association, 2/5/93.
15. Oregon Airport Management Association, Testimony in Support of HB 2417 and HB 2418, submitted by Ron Hanna, President.
16. Oregon Department of Transportation, Testimony on House Bill 2418 Before the House Committee on Revenue and School Finance' Presented by Don Forbes, Director.
17. Testimony on House Bill 2420 and House Bill 2428, by Greg Cook, President, Oregon Transit Association and General Manager, Salem Area Mass Transit District.

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18. Testimony before the House Committee on Revenue and School Finance on HB 2420 by Don Forbes, Director, Oregon Department of Transportation, 2/5/93.
19. Statement of the Salem Area Chamber of Commerce to the House Committee on Revenue and School Finance, Regarding HB 2420, 2/5/93, by Gay Abdon, Manager of Programs and Issues for the Salem Area Chamber of Commerce.
20. Four letters, submitted by Fred Van Natta, Salem.
21. Testimony of Don Forbes, Director, Oregon Department of Transportation before the House Revenue Committee, 2/5/93, on House Bill 2424.

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