

HOUSE COMMITTEE ON LEGISLATIVE RULES AND REAPPORTIONMENT

June 14, 1991 Room 350 1:00 p.m. Tapes 54 - 55 House Committee on  
Legislative Rules and Reapportionment June 14, 1991 Page

MEMBERS PRESENT: Rep. Greg Walden, Chair Rep. Peter Courtney,  
Vice-Chair Rep. Ray Baum Rep. Margaret Carter Rep. Ron Cease Rep.  
Beverly Clarno Rep. Carl Hosticka Rep. Fred Parkinson Rep. Bill Markham

STAFF PRESENT: Greg Leo, Committee Administrator Carol Wilder,  
Committee Assistant

MEASURES HB 3592 PH & WS  
CONSIDERED: HCR10 PH & WS

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.

TAPE 54, SIDE A

010 CHAIR WALDEN calls the meeting to order at 1:25 p.m. and opens a  
public hearing on HB 359 2.

HB 3592 - INCREASES LIMIT ON CERTAIN DEPARTMENT OF TRANSPORTATION  
REVENUE AND GENERAL OBLIGATION BONDS. - PUBLIC HEARING

Witnesses: Rep. Delna Jones, District 6 Chuck Smith, Office of State  
Treasurer Bob Bothman, Department of Transportation

The Preliminary Staff Measure Summary is hereby made a part of these  
minutes (EXHIBIT A).

013 REP. DELNA JONES, District 6: This bill can stand on its own. It  
is brought to you because of my interest to look for ways to increase  
the opportunity to get money out to the districts around the state where  
road projects are needed.

I talked with the Treasurer's office about highway funding and how we  
might maximize the usage. A Senate bill, which has been tabled, related  
to an increased ability to use revenue bonds in the Department of  
Transportation. I was advised we are almost at the bottom of the states  
in terms of the way in which we use our Highway Trust Fund. The bill  
that was in the Senate increased the amount of bonding authority  
available to the commission. We do not use revenue bonds to any great  
extent.

We have a revenue stream, as other states have, that often can be used  
in a way to put those projects on line earlier by taking advantage when  
the cost of money is low and when the inflation rate is low if we have a  
legitimate revenue stream to pay them. My concern was that maybe we  
need to look at the bonding amount. This bill increases the amount that  
is available to the commission for bonds. I understand the Treasurer's  
cap is not on revenue bonds, but is on general obligation bonds.

069 CHUCK SMITH, Manager, Debt Management Division, Oregon State Treasury: Rep. Jones asked that I talk about revenue bond financing for the Department of Transportation, revenue financing in other states and bonding capacity based upon current and historic revenue in the Highway Fund.

He submits and reviews a prepared statement (EXHIBIT B) on the history of the highway revenue bond market.

120 Issues discussed: >Process of leveraging cash flow. >Significance of bill changing "aggregate" to "outstanding." >Approximately \$69 million in revenue bonds and about \$20 million in general obligation bonds are outstanding. >Agency must initiate and authorize the sale of bonds; the State Treasurer is responsible for issuing all state bonds. >Why the amount should be increased if full capacity has not been used. >Bill is not tied to future revenues. >Revenue to repay bonds comes from motor vehicle taxes, motor carrier taxes, vehicle registration--all the revenues that flow into the Highway Trust Fund. >Bonds can be issued and proceeds loaned to cities and counties. >Whether Ballot Measure 5 would affect the credit rating of the revenue bonds. >Whether additional gasoline taxes would be needed to continue present credit rating. >State Treasurer continues November 7, 1990 moratorium on general obligation bonds.

390 REP. JONES: This is the process that was used to look at funding light rail using the lottery as the revenue stream.

417 BOB BOTHMAN, Director, Oregon Department of Transportation, submits and reviews a prepared statement (EXHIBIT C) in opposition to HB 3592.

TAPE 55, SIDE A

MR. BOTHMAN continues with his presentation.

040 Issues discussed: >Forty percent of the state revenue package is distributed to cities and counties. In the gas tax proposal, we were shifting to a 50-50 split. >The request for \$850 million in the Senate bill was very aggressive, but it was based on an additional eight cent gas tax. There are three or four bills that are reducing the revenues by about \$50 million in the next biennium. Projects will have to be extracted from the six-year program. >Commission chairman is not interested in bonding further in order to get further behind. >Department has \$80 million in bonding authority today. That would probably cover more than I could foresee we would ever use in the next couple of years. >There is no damage by HB 3592, the department just wouldn't use it. >Six-year program is based on existing fee structures.

135 CHAIR WALDEN closes the public hearing on HB 3592 and opens a public hearing on HCR 10.

(Tape 55, Side A) HCR10 - HONORS 1990-91 PORTLAND TRAIL BLAZERS FOR THEIR ACHIEVEMENT AS BEST TEAM IN NATIONAL BASKETBALL ASSOCIATION AND NAMES THEM FIRST CITIZENS OF STATE OF OREGON. - PUBLIC HEARING

Witnesses: Rep. Peter Courtney, District 33 Rep. Margaret Carter, District 18 George Richardson, himself

The Preliminary Staff Measure Summary is hereby made a part of these minutes (EXHIBIT D).

144 REP. PETER COURTNEY, District 33: This resolution which has been introduced on behalf of the House of Representatives simply attempts to outline all the wonderful things the Portland Trail Blazers did this year during the NBA basketball season and attempt to recognize how much a part they were of the heart and soul of this state. We attempted to look into all the neat "firsts" they had and to point out what a wonderful team they are and the wonderful job they did.

161 REP. MARGARET CARTER, District 18: I think it is important that we continue to support our home team. This resolution tries to lend support and credence to the hard work these people have done and to show our support.

212 CHAIR WALDEN: You recognize everybody including the ball boys in the resolution, but you don't mention Bill Schonely.

217 REP. COURTNEY: That is an oversight.

227 GEORGE RICHARDSON: I am here representing myself as well as other Laker fans that are in the Capitol. I have the utmost respect for the process, but I think this an appropriate time when we can step back for a minute and reflect on the lighter side. I have proposed amendments to the bill (EXHIBIT E).

266 There probably is no support for the amendments, but I do recognize the sponsor of the bill taking the courage to try to honor a team that perhaps does deserve some recognition. I would suggest the committee consider adding two amendments to the bill. On page 2, line 2, I believe Buck Williams was also voted to the all-defensive first team for the second year in a row. In addition, the vice-president of basketball operations, Bucky Buckwalter, was selected by the sporting news as the NBA Executive of the Year. It may be appropriate to add those.

286 CHAIR WALDEN closes the public hearing and opens the work session on HCR 10.

290 MOTION: REP. PARKINSON moves that the amendments suggested by Mr. Richardson relating to Buck Williams and Bucky Buckwalter and an additional

amendment recognizing Bill Schonely BE ADOPTED.

295 VOTE: CHAIR WALDEN, hearing no objection to the motion, declares the amendments ADOPTED. All members are present.

300 MOTION: REP. PARKINSON moves that HCR10, as amended, be sent to the Floor with a DO PASS recommendation.

313 VOTE: In a roll call vote, all members are present and vote AYE.

318 CHAIR WALDEN declares the motion PASSED. REPS. CARTER, COURTNEY and SPEAKER CAMPBELL will lead discussion on the Floor.

326 CHAIR WALDEN opens a work session on HB 3592.

(Tape 55, Side A) HB 3592 - INCREASES LIMIT ON CERTAIN DEPARTMENT OF TRANSPORTATION REVENUE AND GENERAL OBLIGATION BONDS. - WORK SESSION

335 MOTION: REP. PARKINSON moves that HB 3592 be sent to the Floor with a DO PASS recommendation and that it be referred to the Committee on Ways and Means in accordance with its prior referral.

363 REP. MARKHAM calls for the question.

367 VOTE: In a roll call vote, REPS. BAUM, CLARNO, MARKHAM, MILLER, PARKINSON and CHAIR WALDEN vote AYE. REPS. CARTER, CEASE, HOSTICKA, MASON and COURTNEY vote NO.

373 CHAIR WALDEN declares the motion PASSED.

378 CHAIR WALDEN declares the meeting adjourned at 2:20 p.m.

Transcribed and submitted by,

Annetta Mullins Assistant

EXHIBIT SUMMARY A -HB 3592, Preliminary Staff Measure Summary, staff B -HB 3592, prepared statement, Chuck Smith C -HB 3592, prepared statement, Robert Bothman D -HCR10, Preliminary Staff Measure Summary, staff E -HCR10, proposed amendments, George Richardson