

Tapes 216-218, (A/B)
Public HearLng: HB 2223A, HB 3577A
Work Session: HB 2223A, HB 3577A
HB 3416A
SENATE COMMITTEE ON REVENUE AND SCHOOL FINANCE
June 25, 1991 1:00 PM Hearing Room A State Capitol Building

Members Present: Senator Jane Cease, Chair (excused 1:15- 2:20)
Senator Joan Dukes, Vice Chair (arrived 1:35)
Senator John Brenneman (departed 3:20)
Senator Shirley Gold (arrived 1:16)
Senator Ron Grensky departed 3:00)
Senator Bill McCoy (departed 3:20)
Senator Tricia Smith (arrived 1:54)

Staff Present: Steve Meyer, Legislative Revenue Office
Terry Drake, Legislative Revenue Office
Mary Ann Zimmermann, Committee Assistant

Witnesses Present: John Merriss, Oregon Department of Transportation (ODOT)
Bob Bothman, Director, ODOT
Robert Russell, Oregon Public Utilities Commission
Mike Meredith, Oregon Trucking Association
Ralph Groener, American Federation of State, County and Municipal Employees (AFSCME)

Dell Isham, Automobile Club of Oregon
Representative Mike Burton, District 17
Mike Hollern, Chairman, Oregon Transportation Commission
Charles Vars, Mayor of Corvallis, and League of Oregon Cities
Ed Lindquist, Association of Oregon Counties
Fred NusSB aum, Oregon Association of Railway Passengers
John Witty, Vice-Chair, Oregon Transportation Commission
L.R. Howland, Deputy Superintendent Oregon State Police Department
Roger Montgomery, Oregon Resident
Bruce Anderson, Oregon Home Builders Association

TAPE 216 SIDE A

006 CHAIR CEASE called the meeting to order at 1:25 and conducted administrative business.

HB 3416A - WORK
SESSION

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014 STEVE MEYER explained the previous day's meeting outcome was to change the qualifying income limit on housing and add a sunset date in the HB 3416 -A3 amendment. EXHIBIT 1

027 MOTION CHAIR CEASE moved HB 3416A to the floor of the Senate

with a do pass recommendation. (without amendment)

032 VOTE In a roll call vote the motion passed (4-0).

AYES:

Senators McCoy, Brenneman, Grensky, Cease.

Excused:

Senators Dukes, Smith, Gold.

HB 2223A - PUBLIC HEARING

055 TERRY DRAKE presented a historical overview of taxation on vehicles. DRAKE summarized HB 2223A as an fundamental incorporation of a continuing policy of implementing cost responsibility between trucks and cars. The bill holds the fuel tax constant and alters the truck tax system to bring that back in line with the overall shares of cost responsibility and makes some administrative changes.

Questions and
discussion

118 JOHN MERRISS presented a historical overview of financing Oregon's Highways by cost responsibility with reference to EXHIBIT 2.

153 JOHN MERRISS explained the three types of road use taxes. EXHIBIT 2, Page 3

178 JOHN MERRISS discussed the tax structure with reference to HB 2737 and the taxes paid by various truck weight groups. EXHIBIT 2, Page 4

248 JOHN MERRISS explained the three major components of a cost responsibility study as listed on Page 5, EXHIBIT 2.

273 JOHN MERRISS explained the 1990 cost responsibility study as depicted in EXHIBIT 2, Pages 6-14.

TAPE 217 SIDE A

000 JOHN MERRISS continued discussing the 1990 cost responsibility study. Questions interspersed. EXHIBIT 2

075 JOHN MERRISS presented a comparison of anticipated collections with cost responsibility as depicted on Page 14, EXHIBIT 2.

085 Discussion and questions follow regarding cost responsibility for transportation vehicles.

145 Discussion continues with reference to the cost responsibility of the heavy truck vehicles as compared to regular automobiles.

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207 ROBERT RUSSELL explained the changes that HB 2223A made to the weight mile tax system. EXHIBIT 4

228 MIKE MEREDITH testified in support of HB 2223A

303 MIKE MEREDITH responded that the amendments address the gas tax

311 RALPH GROENER testified in support of HB 2223A and HB 3577A.

348 DELL ISHAN supported cost responsibility but urged the effective date be changed to January 1, 1993, because the target date for the cost responsibility study is 1993.

398 JOHN MERRISS responded to the suggested date change to 1993. The projections for the study are based on the 1992-93 year and therefore the effective date should be January 1992. Discussion followed.

TAPE 216 SIDE

B

023 JOHN MERRISS, in response to questions, explained how the cost figures are projected.

038 BOB BOTHMAN clarified inflation is built into the budget of the Department of Transportation which is used in projecting the future costs. HB 3577A - PUBLIC

HEARING

090 REP. BURTON stressed the importance of road maintenance and urged the passage of HB 3577A (House version).

135 MIKE HOLLERN termed HB 3577A as a minimal approach to satisfy the needs of the transportation infrastructure system. HOLLERN discussed the history

of a comprehensive roads finance study and directed members attention to two publications and a collection of news articles addressing studies of Oregon's roads and bridges in relation to maintenance and cost responsibility. Exhibits 5, 6, 7

Questions and discussion interspersed

188 CHARLES VARS discussed what he saw as the consequences of not passing HB 3577A and HB 2223A.

245 ED LINDQUIST testified in support of HB 3577A with emphasis on the importance of the state's infrastructure.

Discussion and questions are interspersed.

344 SEN. DUKES noted the bill also contains a vehicle registration fee dedicated to police instead of revenues that might have gone into the road fund and questioned support for that.

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335 MIKE HOLLERN noted concerns with safety statistics in Oregon and voiced support of the Transportation Commission for that portion of the bill.

370 FRED NUSSB AUM testified in support of mass transit and presented proposed amendments which would place a moratorium on road construction because the emphasis should be put on alternative forms of transportation.

EXHIBIT 8

Discussion

TAPE 217 SIDE B

068 CHAIR CEASE expressed concern with supporting the proposed amendment because it addresses a small area of the state.

078 Discussion followed regarding alternative forms of transportation.

114 JOHN WITTY opposed the proposed amendment explaining it would risk the bill going back to the House and would defer some major construction projects in Portland connected with the West-Side Light Rail Project.

140 MIKE HOLLERN responded to questions about moving toward a transit system mix.

168 L.R. HOWLAND read prepared testimony in support of HB 3577A. EXHIBIT 9

203 SEN. SMITH questioned the number of 102 police officers that would be added with the passage of HB 3577A.

220 L.R. HOWLAND responded with a discussion of the number of officers currently involved with traffic safety, how the number of an additional 102 police officers was decided, and how those officers would improve traffic safety.

Questions and discussion

321 UNIDENTIFIED SPEAKER (accompanied Howland) clarified the additional officers would be added to the traffic patrol. A restructure of the organization and manpower organization was being conducted at that time. A report of planned activities had been presented to the Traffic Safety Commission including what programs the additional officers would be assigned.

Discussion

394 ROGER MONTGOMERY testified in opposition to HB 3577A stating he was opposed to taxes until Measure 5 is taken care of.

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402 BRUCE ANDERSON noted for the record the Oregon Homebuilders Association support of HB 3577 House version.

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010 MIKE HOLLERN addressed the issue of improved safety in correlation to the number of officers on duty.

024 SEN. SMITH expressed frustration because the committee "was being asked to tax Oregonians without being presented the justification for the tax."

Discussion

HB 3577a - WORK SESSION

040 MOTION SEN. SMITH moved HB 3577 to the floor with a do
pass

recommendation.

045 VOTE In a roll call vote the motion passed 6-0. Ayes:

Senators Cease, Dukes, Brenneman, Gold, McCoy,

Smith.

Excused: Senator Grensky

053 CHAIR CEASE clarified HB 3577A passed to the Senate floor was the House Minority version.

058 SEN. SMITH clarified her vote noting there are parts of the bill needed, however, she had grave reservations about gathering a statewide tax to be spent on local law enforcement and expressed concerns about raising revenues from a statewide vehicle registration for a program the committee had not yet been represented.

Discussion

HB 2223A - WORK SESSION

083 TERRY DRAKE directed members attention to a conflict resolution amendment HB 2223-A8. Exhibit 10

110 TERRY DRAKE clarified there was a potential technical problem in HB 357 7 when repealing the old tax rates passed in 1989; HB 2223 contained the repealer language, and if HB 3577 was to work properly, HB 2223 needed to pass after HB 3577.

114 CONSENSUS CHAIR CEASE noted no committee objection to HB 2223-A8.

124 MOTION SENATOR GOLD moved HB 2223A as amended to the senate floor with a do pass recommendation.

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127 VOTE In a roll call vote the motion passed 4-0. Ayes:

Senators Cease, Dukes, Gold, Smith. Excused:

Senators Brenneman, Grensky, McCoy

123 CHAIR CEASE adjourned the meeting at 3:26

Mary Ann Zimmerman, Committee Assistant

Kimberly Taylor, Office Manager

EXHIBIT SUMMARY

1. Proposed Amendments HB 3416-A: (LC 3488), 6/21/91 - HB 3416A

2. Financing Oregon's Highways by Cost Responsibility, ODOT, 6/25/91
- HB 2223A
 3. Comparison of Major Provisions of HB 2223A and HB 3577A, ODOT,
6/25/91 - HB 2223A
 4. Written Testimony, Robert Russell, 6/25/91 - HB 2223A
 5. Making the Right Turn, ODOT, 6/25/91 - HB 3577A
 6. Perspective, ODOT, 6/25/91 - HB 3577
7. Progress Report: Oregon Roads Finance Resolutions of Support,
ODOT, 6/25/91 - HB 3577A
 8. Proposed Amendments HB 3577-A5 (LC 4072), Fred NusSB aum, 6/25/91 -
HB 3577A
 9. Written Testimony, L.R. Howland, 6/25/91 - HB 3577A
10. Proposed Amendments HB 2223-A,, (LC 717), 6/24/91 - HB 2223A
11. Correspondence from Wanda Borg, 5/22/91 - HB 2223A
12. Correspondence from M.S. Harding, 5/17/91 - HB 2223A
13. Staff Measure Summary, LRO, 6/25/91 - HB 2223A
14. Revenue Analysis, LRO, 5/30/91 - HB 2223A
15. Fiscal Impact, LFO, 4/30/91 - HB 2223A
16. Staff Measure Summary, LRO, 6/25/91 - HB 3577A
17. Minority Report to HB 3577A, 6/25/91 - HB 3577A
18. Revenue Analysis, LRO, 6/12/91 - HB 3577A
19. Fiscal Analysis, LFO, 6/14/91 - HB 3577A
20. Staff Measure Summary on Minority Report, LRO, 6/25/91 - HB 3577A
21. Revenue Analysis Minority Report, LRO, 6/12/91 - HB 3577A
22. Fiscal Analysis Minority Report, LFO, 6/14/91 - HB 3577A
23. Written Testimony, NeighB orhood Economic Development Corporation
(NEDCO), 4/15/91 - HB 3416A
24. Correspondence from Byron Weber, 4/30/91 - SB 440

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