

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.

Measures Heard

PH & WS: SB 459  
SB 615  
SB 64  
SB 65

SENATE COMMITTEE ON  
TRANSPORTATION

April 9, 1991Hearing Room C  
8:00 a.m.Tapes 60 - 62

MEMBERS PRESENT:Sen. Joan Dukes, Chair  
Sen. William McCoy, Vice-Chair  
Sen. Peter Brockman  
Sen. Paul Phillips  
Sen. Tricia Smith  
Sen. Eugene Timms

STAFF EXCUSED: Sen. Scott Duff

STAFF PRESENT: Ruth Larson, Committee Administrator  
Shannon Gossack, Committee Assistant

WITNESSES: Fred NusSB aum, Oregon Assoc. of Railway Passengers  
Chuck Smith, Oregon State Treasury Dept.  
Don Forbes, Highway Division, ODOT  
Tony Lewis, Finance Division, ODOT  
Senator Frank Roberts  
Jose' Mata, Staff, Senator Roberts  
Kelly Taylor, Motor Vehicle Division  
Al Elkins, Oregon Tow Truck Association  
Tim Wilson, Oregon Assoc. of Railway Passengers

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TAPE 60, SIDE A

010 CHAIR DUKES: Calls hearing to order at 8:15 a.m.

013 RUTH LARSON, COMMITTEE ADMINISTRATOR: Explains SB 459, 615, 64 and 65.

WORK SESSION SB 459

015 LARSON: Submits SB 459-1, 459-2, 459-3 amendments.(EXHIBIT A,B & C)  
-Explains DMV study.(EXHIBIT D)

043 SENATOR FRANK ROBERTS: Clarifies SB 459-3 amendments.(EXHIBIT C)  
-Discusses the objectives of the police in Portland.

082 CHAIR DUKES: What is the difference between SB 459-2 and 459-1 amendments?(EXHIBIT A & B)

094 SEN. ROBERTS: My staff really knows more about that. There were changes made in SB 459-1 amendments by DMV, and technicalities have been incorporated into SB 459-3 amendments.(EXHIBIT C)

107 JOSE MATA, SENATOR ROBERTS STAFF: Clarifies SB 459-3 amendments.(EXHIBIT C)

113 KELLY TAYLOR, MOTOR VEHICLE DIVISION: We have some concerns about SB 459 -1 amendments even if it makes it easier to get the job done.

124 CHAIR DUKES: Is the \$4.00 fee new?

127 TAYLOR: That has to do with the family placard.

129 ROBERTS: It cost me \$14.00 for the whole process.

141 CHAIR DUKES: Your interest is in SB 459-3 amendments.

146 MOTION: SENATOR SMITH MOVES SB 459-3 AMENDMENTS TO SB 459.

VOTE: HEARING NO OBJECTION THE MOTION IS ADOPTED.

MOTION: SENATOR SMITH MOVES SB 459-2 AMENDMENTS TO SB 459.

VOTE: HEARING NO OBJECTION THE MOTION IS ADOPTED.

MOTION: SENATOR SMITH MOVES SB 459, AS AMENDED, TO THE FLOOR WITH A "DO PASS" RECOMMENDATION.

VOTE: MOTION CARRIES WITH SENATOR DUFF EXCUSED. SENATOR ROBERTS WILL CARRY.

WORK SESSION SB 615

191 LARSON: Explains SB 615 and SB 615-1, 615-2 and 615-3 amendments.(EXHIBIT E, F & G)

249 ROBERTS: Clarifies SB 615-3 amendments.(EXHIBIT G)

348 CHAIR DUKES: Is there still a contract in the bill, and would a retailer would still be required to enter into that?

354 ROBERTS: That is correct. The retailer does not want to be closely associated with the towing issue.

357 SEN. BROCKMAN: In SB 615-2 amendments the "otherwise" is being deleted.

363 SEN. SMITH: Are you comfortable with that?

368 ROBERTS: I do not like the provision that would eliminate the reference to "at will".  
-Discusses the idea in which the retailer is not involved at all with the towing.

392 SEN. BROCKMAN: They still have to contract a towing company.

398 ROBERTS: Explains description of the sign at the parking spot.

404 CHAIR DUKES: They might get letters of support from disabled people.

430 ROBERTS: Displays disabled parking placard to the Committee.

TAPE 61, SIDE A

012 AL ELKINS, OREGON TOW TRUCK ASSOCIATION: Explains the purpose of the SB 615 -  
2 amendments.(EXHIBIT F)  
-Our legal counsel has advised us that the words, "otherwise", and "at will", could allow other companies to come in and tow from the lot.

024 CHAIR DUKES: It says "a towing business", would be allowed to come "at will".

027 ELKINS: We are trying to tie that into the contract.

030 SEN. TIMMS: I'm still nervous about this in regard to the retailer.  
-Asks about the contract in regard to a shopping mall.

038 ELKINS: The retailer is the one we would contract with, but that may not be the case with

certain shopping malls.

042 SEN. TIMMS: There could be several different contracts then?

046 ELKINS: Explains the coordination between the retailer and the owner.

062 CHAIR DUKES: You don't see a problem with enacting a contract.

065 SEN. SMITH: Why is the "at will" language a problem?

070 ELKINS: We see a direct connection between "otherwise" and "at will".  
-We think that the contract between the retailer and the tower should state the patrolling procedures that have been agreed upon.

082 SEN. SMITH: If "otherwise" were deleted would you feel comfortable?

086 SEN. BROCKMAN: Do you really look forward to doing this?

090 ELKINS: Private property impounds are not done by everyone in the industry.  
-Discusses informal survey on security people that patrol lots.  
-We will tow some handicapped people.

126 SEN. TIMMS: Are towing companies able to take care of the volume of business, and what about fees?

132 ELKINS: We cover our costs by the tow fee. There is no fee for the contract.

142 SEN. TIMMS: Asks about the signs.

145 ELKINS: The towing sign would go beneath the handicapped parking sign that is already in place, and they would be uniform throughout the lots.

152 MATA: Explains definition of whom the contract would be with.

167 CHAIR DUKES: Why did you want lines 10 & 11 of SB 615 deleted?

169 ELKINS: I thought it was redundant language. We don't have any feeling one way or the other on that.

170 MATA: Once they have the contract then they would be under obligation to call the towing company.

174 SEN. MCCOY: Have you talked to owners of malls and shopping centers to see if they would like this idea?

178 ELKINS: No I haven't.

190 SEN. TIMMS: Discusses the implications of increase in fines.

234 MATA: We have lowered the maximum fine to \$250.00.  
-Explains the intent of the last session in regard to the fines.

243 SEN. TIMMS: What does it cost to tow a car and impound it?

246 ELKINS: Statewide the fee is about \$33.00 and storage is about \$8.00. That doesn't include the ticket fee.

252 SEN. TIMMS: Why was mine more expensive?

257 ELKINS: Portland is a lot more expensive.

268 MATA: Under existing law they may not be cited the \$100.00 if they are towed before they are ticketed.

#### WORK SESSION

296 MOTION: SENATOR SMITH MOVES SB 615-3 AMENDMENTS TO SB 615.

VOTE: HEARING NO OBJECTION THE MOTION IS ADOPTED.

300 MOTION: SENATOR PHILLIPS MOVES SB 615-2 AMENDMENTS TO SB 615.

VOTE: HEARING NO OBJECTION THE MOTION IS ADOPTED.

MOTION: SENATOR SMITH MOVES SB 615, AS AMENDED, TO THE JUDICIARY COMMITTEE WITH A "DO PASS" RECOMMENDATION.

VOTE: IN A ROLL CALL VOTE THE MOTION CARRIES WITH SENATORS PHILLIPS, SMITH, MCCOY AND DUKES VOTING AYE AND SENATORS TIMMS, AND BROCKMAN VOTING NAY WITH SENATOR DUFF EXCUSED.

PUBLIC HEARING ON SB 64

316 LARSON: Explains SB 64-1 amendments. (EXHIBIT H) Submits hand-engrossed SB 64 from the Oregon Department of Transportation. (EXHIBIT I)

367 DON FORBES, OREGON DEPARTMENT OF TRANSPORTATION: Submits and reviews written testimony. (EXHIBIT J)  
-Explains the Highway Divisions conservative cash flow policy.

TAPE 60, SIDE B

047 TONY LEWIS, OREGON DEPARTMENT OF TRANSPORTATION: Submits and reviews written testimony. (EXHIBIT K)

025 CHAIR DUKES: What is the average balance on any given day?

030 LEWIS: Refers to graph in testimony. (EXHIBIT K)

070 CHAIR DUKES: Why are you running at a deficit?

072 LEWIS: We aren't at a deficit right now. If we draw the balance down there is a possibility that we could be in a deficit situation. We can delay construction projects.

078 CHAIR DUKES: I didn't mean delay the project, but what about the bill for the project? Do we pay it the day it is finished or what? It looks like a day or two could make a significant difference. We're concerned about paying interest on borrowed money. There may be another way to do this.

085 SEN. MCCOY: Do you spend as you go?

089 LEWIS: We do plan ahead. We have a forecast that we look at which takes us out a couple of bienniums.

098 SEN. MCCOY: Asks about the procedure of forecasting.

104 FORBES: Discusses the Highway Departments fund balance.

125 SEN. PHILLIPS: What is the period of the running time for your accounts payable? How you manage your flow is extremely important.

138 LEWIS: It is a prudent and reasonable time.

142 SEN. SMITH: What would the interest rate be?

144 LEWIS: About 7.8 percent.

150 CHUCK SMITH, OREGON STATE TREASURY: Submits and reviews written testimony. (EXHIBIT L)

175 SEN. MCCOY: Would you help them work out a plan?

179 SMITH: I think they have devoted a lot of resources to managing their cash flow. This would be a backup tool to maximize the use of their cash on hand.

192 SEN. MCCOY: What would happen if they couldn't pay you?

202 SMITH: Discusses the gas tax and the weight-mile tax.  
-Explains different ways of re-payment.

213 SEN. MCCOY: We would need to do an expenditure limitation?

218 LEWIS: That is set in the budgetary process and is independent of this. We are talking about cash flow limitations.  
-We do have a plan in place.

233 CHAIR DUKES: We don't want to spend anymore you just want to spend it before you get it.

237 LEWIS: We want to spend it more prudently. We want to get the maximum use of the dollars that are there.

241 SEN. TIMMS: How much money did you save when you shifted to a more liberal cash flow?

251 FORBES: Our basic job is to reconstruct highways. The issue is should we be holding money in the bank and drawing interest on it or should we keep the minimum balance necessary, and go out and build roads.

258 SEN. TIMMS: What do you get paid on your balance?

261 LEWIS: The rate that the Treasury has is about 7.8 percent.

275 FORBES: Explains the Highway operating fund.  
-Discusses dedicated funds.

285 CHAIR DUKES: So you would be able to move Litter Patrol and Snow-Park money over for a Highway project?

301 FORBES: Just for a very short period of time, a day or two.  
-This is a philosophical issue.

306 SEN. MCCOY: What are the other accounts?

310 FORBES: Refers to Tony Lewis's testimony. (EXHIBIT K)

317 CHAIR DUKES: Is the Treasury currently working with the Highway Department on a financial plan?

336 SMITH: Yes I have seen portions of cash flows with respect to financial plans.

346 CHAIR DUKES: Is there a plan that has been agreed upon?

350 LEWIS: Discusses bonding in relation to cash flow.

364 SEN. PHILLIPS: Compares private scenario to a public entity in regard to accounting practices.

373 FORBES: Discusses the business process in regard to financing.

398 SMITH: Is borrowing through the Treasury rare?

403 SEN. MCCOY: You only want to borrow if you got down to a certain level?

410 LEWIS: Yes borrowing in this way is rare, but it would be a planned borrow.

415 SEN. MCCOY: Can you already go and borrow in case of an emergency?

TAPE 61, SIDE B

004 LEWIS: Discusses emergency situations and how the division would get funds.

007 SEN. PHILLIPS: Could you get money from the Treasury for a disaster type emergency?

013 FORBES: Wilson River would clearly be a justification for asking for funds from the Treasury.

WORK SESSION ON SB 64

025 SEN. BROCKMAN: Questions why the Treasury Department would be willing to

enter into  
something like this in the wake of measure 5.

033 LEWIS: We are proposing a revenue bond not an obligation bond.  
-Explains SB 64-1 amendments. (EXHIBIT H)

050 SEN. TIMMS: How come the bill was drafted at 10 million and now you need  
25 million?

057 LEWIS: Refers to testimony. (EXHIBIT K)

078 MOTION: SENATOR TIMMS MOVES SB 64-1 AMENDMENTS TO SB 64.

VOTE: HEARING NO OBJECTION THE MOTION IS ADOPTED.

082 MOTION: SENATOR TIMMS MOVES SB 64, AS AMENDED, TO WAYS & MEANS  
WITH A "DO PASS" RECOMMENDATION.

089 VOTE: IN A ROLL CALL VOTE THE MOTION CARRIES WITH SENATORS TIMMS,  
BROCKMAN, SMITH AND PHILLIPS VOTING AYE AND SENATORS MCCOY AND  
DUKES VOTING NAY WITH SENATOR DUFF EXCUSED.

PUBLIC HEARING ON SB 65

106 FORBES: Submits and reviews written testimony. (EXHIBIT M)

175 LEWIS: Discusses current limitations and bonding authority.

177 SEN. PHILLIPS: This bill makes me extremely nervous. This is a major  
policy issue. It seems  
you can't make up your mind.

190 FORBES: It is unfortunate that Bob Bothman couldn't be here today to  
give you a more direct  
response.  
-When we put together this proposal it was based only on our needs.

207 SEN. PHILLIPS: Is this general obligation authority? Is this a way to  
some how circumvent a  
pubic vote? How does that work itself into this factor?

230 SMITH: Discusses general obligation bonds and revenue bonds.  
-These are constitutionally voted obligations we are talking about.

269 SEN. PHILLIPS: Asks how this would affect the voter approval mechanism.

280 SMITH: The department would loan the money to local governments based  
upon their contractual  
arrangements and the shared gasoline tax would help to re-pay the loan.

287 SEN. PHILLIPS: Is the process in SB 65 going to eliminate the voter  
authorization?

291 LEWIS: I believe it would because the bonds would be issued under our  
constitutional authority.

303 SEN. PHILLIPS: So local governments can go out and dip into this general  
obligation bond pool  
without the approval of the public. It isn't a good way even if it is only  
for highway funds.

309 FORBES: One thing the coalition can agree upon is the need for more  
resources.  
-This is a lack of agreement on how best to divide those precious resources  
to tackle the statewide  
need.

324 SEN. PHILLIPS: It doesn't do us any good to come forward with measure  
that would avoid the  
constituent.

337 FORBES: This was never intended to circumvent the process. We are  
looking at a way to close  
the gap between what I am asked to do and the amount of resources I have to  
do them with.

343 SEN. PHILLIPS: I still have a problem with this.

348 SEN. TIMMS: I am still having a problem with highway funding and the  
Access Oregon issue.

Please carry this message back to Mr. Bothman.  
-Discusses highways of national significance.

384 FRED NUSSB AUM, OREGON ASSOCIATION OF RAILWAY PASSENGERS: Testifies against SB 65.  
-Discusses the Access Oregon program.

TAPE 62, SIDE A

010 NUSSB AUM: It is not a good idea to mortgage our future revenues.  
-Discusses multi-modal transportation funds.

030 TIM WILSON, OREGON ASSOCIATION OF RAILWAY PASSENGERS: Discusses the Department of Transportation and their reluctance to deliver a multi-modal transportation plan.

073 CHAIR DUKES: Multi-modal studies or plans have not gone through this committee.

WORK SESSION ON SB 65

090 MOTION: SENATOR SMITH MOVES TO TABLE SB 65.

095 VOTE: IN A ROLL CALL VOTE THE MOTION CARRIES WITH SENATORS TIMMS, SMITH, MCCOY AND DUKES VOTING AYE WITH SENATORS DUFF, BROCKMAN AND PHILLIPS EXCUSED.

102 CHAIR DUKES: Adjourns hearing at 10:15 a.m.

Submitted by, Reviewed by,

Shannon GossackRuth Larson  
AssistantAdministrator

EXHIBIT LOG:

- A - Staff, SB 459-1 amendments, 4 pgs.
- B - Sen. Roberts, 459-2 amendments, 3 pgs.
- C - Sen. Roberts, 459-3 amendments, 1 pg.
- D - Joan Plank, SB 459, 7 pgs.
- E - Sen. Roberts, SB 615-1 amendments, 2 pgs.
- F - Staff, SB 615-2 amendments, 1 pg.
- G - Sen. Roberts, SB 615-3 amendments, 6 pgs.
- H - Mour Horton, SB 64-1 amendments, 1 pg.
- I - Mour Horton, SB 64-1 hand-engrossed, 2 pgs.
- J - Don Forbes, SB 64, 2 pgs.
- K - Tony Lewis, SB 64, 6 pgs.
- L - Chuck Smith, SB 64, 2 pgs.
- M - Don Forbes, SB 65, 3 pgs.
- N - Chuck Smith, SB 65, 2 pgs.
- O - Staff, SB 65-1 amendments, 2 pgs.