

MINUTES OF THE HOUSE TRANSPORTATION.

The meeting was called to order by Chairperson Gary Hayzlett at 1:10 p.m. on April 9, 2002 in Room 519-S of the Capitol.

All members were present except:

Committee staff present:

Bruce Kinzie, Office of the Revisor
Hank Avila, Legislative Research Department
Ellie Luthye, Committee Secretary

Conferees appearing before the committee:

Representative Ward Loyd

Others attending:

See attached sheet

HB 3026 - financing for the comprehensive transportation program

Chairman Hayzlett opened **HB 3026** for discussion and final action. He called on Bruce Kinzie, Revisor, to give an overview of the bill. The bill would raise \$147 million during the fiscal year that starts July 1 and \$1.1 billion during the following seven years. The bill would increase the state sales tax to 5.15 percent from the current 4.9 percent and raise the motor fuels taxes by 2 cents a gallon. Registration fees for cars and light trucks would rise 3 percent and registration fees for heavy trucks would increase \$2 to \$10 depending on their weight.

Representative Ward Loyd presented spread sheets showing several different scenarios, listed as Loyd 1, Loyd 2, and Loyd 4, for funding of the Comprehensive Transportation Plan and explained each to the committee. (Attachment 1)

Representative Dennis McKinney presented an alternative financing proposal which would increase the sales tax to 5.10% instead of 5.15%; increase motor fuels tax by 1 cent instead of 2; motor vehicle registration of \$2 for cars and up to a maximum for trucks of \$10 rather than the 3% called for in the bill; reinstate the inheritance tax with the money going directly to the highway fund; double the corporation franchise fee and expand the food rebate program. He said this was a less regressive tax structure and would take the burden off trucks. (Attachment 2)

Another plan was presented which showed a proposed increase in truck registrations by weight classification and showed a vehicle fee category. (Attachment 3)

A copy of the fiscal note for **HB 3026** was presented to the committee. (Attachment 4)

Representative McKinney made a motion to adopt the alternative plan which he presented, seconded by Representative Powers. A voice vote was taken, division was requested and the motion failed on an 8 to 13 vote.

Representative Powers made a motion to pass **HB 3026** favorably, seconded by Representative Aday.

Representative McKinney offered a substitute motion to adopt the Loyd 1 plan, which would reduce the sales tax transfer to zero in FY 2003, increase the sales and compensating use tax by 1/4 cent, increase motor fuel taxes 2 cents effective 7-1-03 and increase registration fees by \$5 on cars and pickups. This was seconded by Representative Levinson. A voice vote was taken, division was requested and the motion failed on a 7 to 10 vote.

Representative Vickery offered a substitute motion to amend **HB 3026** to include the vehicle fee category, seconded by Representative Humerickhouse and the motion carried.

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Representative Aday made a motion to pass **HB 3026** as amended, seconded by Representative Levinson and the motion carried..

The minutes of the House Transportation Committee for April 3rd and 4th were presented for approval or corrections. Representative Phelps made a motion to accept the minutes as presented, seconded by Representative Dreher and the motion carried.

Chairman Hayzlett adjourned the meeting at 2: 20 p.m. This will be the last meeting of the House Transportation Committee for 2002._