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REVIEW OF
CONFERENCE ON TRUCK TAXATION AND RECIPROcity
DES MOINES, IOWA
DECEMBER 3, 1956

Sponsored by
North Central Legislative Conference

LIST OF PERSONS WHO ATTENDED CONFERENCE

MINNESOTA

Senator Archie H. Miller
Senator Donald O. Wright

Representative E. J. Childgren
Louis C. Dorweiler, Dir. of Research,
Legislative Research Committee

SOUTH DAKOTA

Senator Art B. Anderson

Representative Archie Gubbrub

C. P. Jorgenson and Wayne Echelberger, Highway Department

L. M. Carlson and Richard T. Gay, Legislative Research Office

WISCONSIN

Assemblyman G. H. Bakke
Assemblyman Elmer Nitsche
Assemblyman Jerome F. Quinn

Dr. C. K. Alexander, Interim
Highway Committee
Eugene Hankel, Motor Vehicle Dept.

IOWA

Legislative Research Committee Members:

Senator George O'Malley
Representatives Jay Colburn and Bert Fairchild

Budget and Financial Control Committee Members:

Representative Henry Stevens Representative Casey Loss

State Senators

Guy G. Butler
D. C. Nolan

X. T. Prentis
Carl Ringgenberg
Albert Weiss

John Shoeman
W. H. Tate

State Representatives

Don G. Allen
Ray Cunningham
Vern Lisle
Judson T. Perkins

J. A. Baumhover
Carl Hirsch
J. Henry Lucken
Howard C. Reppert

R. D. Breakenridge
Emil Novak
H. H. Sersland

Barry Minear, Public
Safety Dept.

W. O. Price, State Highway
Commission

John Ropes and John Tallman, State Commerce Commissioners

E. A. Wilcox and Leo Wolfinger, State Commerce Commission

Clayton Ringgenberg and John Tow, Legislative Research Bureau

NORTH CENTRAL LEGISLATIVE CONFERENCE
ON TRUCK TAXATION AND RECIPROCITY

A one-day conference on the subject of truck taxation and reciprocity was held by the North Central Legislative Conference in the State House at Des Moines, Iowa, on December 3, 1956. There were 55 persons registered, with official representatives from South Dakota, Minnesota, Wisconsin, and Iowa. Twenty-three Iowa legislators attended. Also present were representatives of the trucking and railroad industries.

MORNING SESSION

Senator K. T. Prentis, Chairman of the Iowa Taxation Study Committee, welcomed the group to Iowa. He cited the need for such conferences as this because truck taxation and reciprocity matters are so complicated. He pointed out the importance of the trucking industry to the commerce of this nation and expressed his hope that an equitable solution, for the states and the truckers, to the problem of truck taxation can be found.

Clayton Ringgenberg, Director of the Iowa Legislative Research Bureau, presided in the absence of Representative Vern Lisle of Iowa who was unable to attend the morning session.

Senator Archie Miller, Minnesota, told about the results of the North Central Legislative Conference meeting in Milwaukee in March, 1956. Copies of the "Statement of Areas of Agreement" from that meeting were distributed. Senator Miller emphasized that the North Central States present at that meeting preferred a two-structure type of taxing system for trucks. At the same time, the Milwaukee conferees recognized that the highway needs of some states might require a third-structure tax, that is, a tax in addition to the gasoline tax and registration fee.

Assemblyman G. H. Bakke, Wisconsin, emphasized that perhaps this Des Moines meeting should be concerned especially with point "5" of the "Statement of Areas of Agreement".

"5. In order to accomplish such equitable distribution of revenues the participating states recommend:

- a. That each state adopt legislation which will enable reciprocity authorities to enter into agreements which will provide for equitable distribution of two-structure type revenues, and that the reciprocity committee of the mid-west section of motor vehicle administrators be requested to draft uniform model legislation which would provide for such authority, and
- b. Further recommend that the motor vehicle administrators draft a manual of uniform administrative procedure for proration of license fees which could be recommended for use by participating states which desire to enter into such agreements."

Barry Minear, Administrative Assistant in the Iowa Department of Public Safety, spoke to the group about the efforts of the midwest State Motor Vehicle Administrators in the field of reciprocity since the Milwaukee meeting. He stated that several

meetings were held during the summer of 1956. At the final meeting, there was an effort made to form a Midwestern States Reciprocity Compact, but without success. Mr. Minear said the principal reason for the failure was the lack of agreement among the administrators as to what kind of agreement to adopt.

Representative Carl Ringgenberg of Iowa then reviewed the results of the discussion of reciprocity and truck taxation at the Duluth Regional Meeting of the Council of State Governments. He said there was concern about the possibilities of the Federal Government taking over the truck taxation field if states could not handle the matter.

There then followed a general discussion about the new Interstate federal highway program. It was pointed out that trucks over 26,000 pounds are now charged a federal license fee as a part of the financing of the new federal program. The effect of the new federal aid on highway revenue needs of the states present was discussed. Although each state apparently could match the new federal aid, it was pointed out that the aid has and will cause some problems, for example, maintenance and upkeep of the interstate system once it is constructed. Senator Archie Miller, Minnesota, said that the states usually don't get back what they pay into the Federal Government in highway revenues.

Loren Carlson, Director of Research of the South Dakota Legislative Research Council, told about the two regional agreements on truck taxation and reciprocity. He stated that the

Western States Agreement made in 1955 provides that fleets of trucks should be registered among these states on a pro rata basis -- a fleet owner registers a number of trucks in each state in proportion to the number of miles his fleet travels in each. The Southeastern States Agreement, he said, apparently is an attempt to have one reciprocity agreement for a region of states rather than each state have an agreement with each other state in the region. It was pointed out that the Western States are having some difficulties with their new approach.

AFTERNOON SESSION

Senator D. C. Nolan of Iowa presided during the afternoon. Senator Nolan called upon a person from each state present to review developments in their states during the past eight months.

Assemblyman G. H. Bakke of Wisconsin reported that his state is now planning the enactment of new reciprocity statutes. He distributed a preliminary draft of the proposed legislation to the members in attendance and emphasized that this would enable Wisconsin to make better agreements and would permit Wisconsin to prorate truck registrations. Representative Vern Lisle asked how Wisconsin planned to enforce any pro rata agreements it made. The reply was that each state which would

be a part of the agreement would require each operator to register the proper number of vehicles. Then in Wisconsin, each truck which would be a part of a prorated fleet would have to carry evidence of this if used in Wisconsin, or the truck would have to be registered in Wisconsin.

Mr. Wayne Echelberger of South Dakota then reported to the group on a statistical survey of truck traffic made in that state. The general conclusion from the survey, he said, was that South Dakota would not be likely to gain or lose revenue from a system of proportional registration of trucks. He distributed copies of the report of that survey to the group.

Mr. Ringgenberg of the Iowa Legislative Research Bureau then told the group of the recommendations made by the Iowa Tax Study Committee in relation to truck taxation and reciprocity. He reported to the group that it was proposed that the compensation tax be repealed and a regulatory fee of \$5.00 on all trucks, with an initial \$25.00 registration fee, be enacted. He also reported that the establishment of a reciprocity board had been recommended. Mr. Ringgenberg talked briefly about the recent vote in Nebraska in which a ton-mile tax proposal was defeated.

Representative E. J. Chilgren of Minnesota discussed and then distributed copies of a report in which road use taxes on trucks in the midwest states are compared. He pointed out that states must be careful that their truck fees are not too high because interstate haulers might go to another state to register.

RESOLUTION OF AGREEMENT

After discussion of the various subjects presented, the Conference then passed the following Resolution of Agreement:

1. The consensus of the group is that federal aid does not relieve the requirement of the several states to raise funds to meet their own individual highway needs and that in some respects the new federal aid requires additional state and local funds.

2. It was therefore the consensus of the group that the participating states should continue their discussions and work on the problem of regulations and taxation of interstate commercial vehicles.

3. To this end the group meeting in Des Moines this third day of December, 1956, reaffirms the "Statement of Areas of Agreement and General Policy" agreed upon in Milwaukee, Wisconsin, on March 8 and 9, 1956.

4. It is the opinion of the group that each of the several states should make every possible effort to devise and adopt legislation providing for broad-base reciprocity authority statutes in their respective states. To expedite this effort, it is suggested that the legislative research councils in each of the states be requested to act as a clearing house of the efforts to adopt such legislation and to check periodically with the other legislative councils of the represented states with the object in mind of obtaining as uniform a set of reciprocity laws as is practical.

5. That the group go on record as renewing their previous request to the motor vehicle administrators to draft a manual of uniform administrative procedure for the proration of license fees for use by participating states which desire to enter into such agreements.

6. That the group assembled feels that considerable benefit has been derived from the past conferences on all phases of truck taxation and legislation and that we go on record as favoring a continuation of such conferences in the future to be held at the call of the chairman of the North Central States Legislative Conference.