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SENATE FILE

49

TRANSPORTATION

BY KIBBIE and BRUNKHORST

Passed Senate, Date _____

Passed House, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to registration fees for certain motor trucks and
2 funding for construction projects on major arterial highways,
3 establishing a fund, making an appropriation, and providing an
4 applicability date.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SC 49
TRANSPORTATION

1 Section 1. Section 321.109 subsection 1, unnumbered
2 paragraph 1, Code 2005, is amended to read as follows:

3 The annual fee for all motor vehicles including vehicles
4 designated by manufacturers as station wagons, and 1993 and
5 subsequent model years for multipurpose vehicles, except motor
6 trucks with a combined gross weight exceeding six tons,
7 special trucks, motor homes, ambulances, hearses, motorcycles,
8 motor bicycles, and 1992 and older model years for
9 multipurpose vehicles, shall be equal to one percent of the
10 value as fixed by the department plus forty cents for each one
11 hundred pounds or fraction thereof of weight of vehicle, as
12 fixed by the department. The weight of a motor vehicle, fixed
13 by the department for registration purposes, shall include the
14 weight of a battery, heater, bumpers, spare tire, and wheel.
15 Provided, however, that for any new vehicle purchased in this
16 state by a nonresident for removal to the nonresident's state
17 of residence the purchaser may make application to the county
18 treasurer in the county of purchase for a transit plate for
19 which a fee of ten dollars shall be paid. And provided,
20 however, that for any used vehicle held by a registered dealer
21 and not currently registered in this state, or for any vehicle
22 held by an individual and currently registered in this state,
23 when purchased in this state by a nonresident for removal to
24 the nonresident's state of residence, the purchaser may make
25 application to the county treasurer in the county of purchase
26 for a transit plate for which a fee of three dollars shall be
27 paid. The county treasurer shall issue a nontransferable
28 certificate of registration for which no refund shall be
29 allowed; and the transit plates shall be void thirty days
30 after issuance. Such purchaser may apply for a certificate of
31 title by surrendering the manufacturer's or importer's
32 certificate or certificate of title, duly assigned as provided
33 in this chapter. In this event, the treasurer in the county
34 of purchase shall, when satisfied with the genuineness and
35 regularity of the application, and upon payment of a fee of

1 ten dollars, issue a certificate of title in the name and
2 address of the nonresident purchaser delivering the same to
3 the person entitled to the title as provided in this chapter.
4 The application requirements of section 321.20 apply to a
5 title issued as provided in this subsection, except that a
6 natural person who applies for a certificate of title shall
7 provide either the person's social security number, passport
8 number, or driver's license number, whether the license was
9 issued by this state, another state, or another country. The
10 provisions of this subsection relating to multipurpose
11 vehicles are effective January 1, 1993, for all 1993 and
12 subsequent model years. The annual registration fee for
13 multipurpose vehicles that are 1992 model years and older
14 shall be in accordance with section 321.124.

15 Sec. 2. Section 321.122, subsection 1, Code 2005, is
16 amended to read as follows:

17 1. The annual registration fee for truck tractors, road
18 tractors, and motor trucks with a combined gross weight
19 exceeding six tons, except motor trucks registered as special
20 trucks, shall be based on the combined gross weight of the
21 vehicle or combination of vehicles. All such trucks, truck
22 tractors, or road tractors shall be registered for a gross
23 weight equal to or in excess of the unladen weight of the
24 vehicle or combination of vehicles. The annual registration
25 fee for such vehicles or combination of vehicles, except
26 special trucks, shall be:

27 ~~a.--For-a-combined-gross-weight-of-three-tons-or-less~~
28 ~~sixty-five-dollars-and-a-vehicle-which-is-more-than-ten-model~~
29 ~~years-old-fifty-five-dollars-and-a-vehicle-which-is-more-than~~
30 ~~thirteen-model-years-old-forty-five-dollars-and-a-vehicle~~
31 ~~which-is-more-than-fifteen-years-old-thirty-five-dollars.~~

32 b. a. For a combined gross weight exceeding three six
33 tons, the annual registration fee shall be as set forth in the
34 following schedule:

35 For a combined And not The annual

S.F. 49 H.F. _____

| 1 gross weight | exceeding: | registration |
|---------------------|-------------------|--------------------|
| 2 exceeding: | | fee shall be: |
| 3 3-Tons | 4-Tons | \$--80 |
| 4 4-Tons | 5-Tons | \$--90 |
| 5 5-Tons | 6-Tons | \$--105 |
| 6 6 Tons | 7 Tons | \$ 130 |
| 7 7 Tons | 8 Tons | \$ 165 |
| 8 8 Tons | 9 Tons | \$ 200 |
| 9 9 Tons | 10 Tons | \$ 235 |
| 10 10 Tons | 11 Tons | \$ 270 |
| 11 11 Tons | 12 Tons | \$ 305 |
| 12 12 Tons | 13 Tons | \$ 340 |
| 13 13 Tons | 14 Tons | \$ 375 |
| 14 14 Tons | 15 Tons | \$ 445 |
| 15 15 Tons | 16 Tons | \$ 485 |
| 16 16 Tons | 17 Tons | \$ 525 |
| 17 17 Tons | 18 Tons | \$ 565 |
| 18 18 Tons | 19 Tons | \$ 610 |
| 19 19 Tons | 20 Tons | \$ 675 |
| 20 20 Tons | 21 Tons | \$ 715 |
| 21 21 Tons | 22 Tons | \$ 755 |
| 22 22 Tons | 23 Tons | \$ 795 |
| 23 23 Tons | 24 Tons | \$ 835 |
| 24 24 Tons | 25 Tons | \$ 965 |
| 25 25 Tons | 26 Tons | \$1,010 |
| 26 26 Tons | 27 Tons | \$1,060 |
| 27 27 Tons | 28 Tons | \$1,105 |
| 28 28 Tons | 29 Tons | \$1,150 |
| 29 29 Tons | 30 Tons | \$1,200 |
| 30 30 Tons | 31 Tons | \$1,245 |
| 31 31 Tons | 32 Tons | \$1,295 |
| 32 32 Tons | 33 Tons | \$1,340 |
| 33 33 Tons | 34 Tons | \$1,415 |
| 34 34 Tons | 35 Tons | \$1,465 |
| 35 35 Tons | 36 Tons | \$1,510 |

| | | | |
|---|---------|---------|---------|
| 1 | 36 Tons | 37 Tons | \$1,555 |
| 2 | 37 Tons | 38 Tons | \$1,605 |
| 3 | 38 Tons | 39 Tons | \$1,650 |
| 4 | 39 Tons | 40 Tons | \$1,695 |

5 ~~e~~ b. For a combined gross weight exceeding forty tons,
6 the annual registration fee shall be one thousand six hundred
7 ninety-five dollars plus eighty dollars for each ton over
8 forty tons.

9 Sec. 3. NEW SECTION. 312.2A COMMERCIAL AND INDUSTRIAL
10 NETWORK HIGHWAY FUND.

11 1. Beginning in January 2006, from the amount of money
12 credited from the road use tax fund to the primary road fund
13 under section 312.2, subsection 1, the treasurer of state
14 shall set aside monthly, in a fund to be known as the
15 commercial and industrial network highway fund, an amount
16 equal to forty-seven and one-half percent of the motor vehicle
17 registration revenue attributable to the change in motor truck
18 registration fees, as determined under subsection 2.

19 2. a. For months in the calendar year beginning January
20 1, 2006, the motor vehicle registration revenue attributable
21 to the change in motor truck registration fees shall be the
22 actual increase in revenue derived from basing registration
23 fees for motor trucks with a combined gross weight of six tons
24 or less on the vehicle's weight and value, as required under
25 section 321.109, instead of charging the flat fee required
26 under section 321.122, Code 2005. In calculating the actual
27 increase in revenue derived from the change in motor truck
28 fees, the department shall take into consideration any
29 automatic reduction applied to the registration fees for motor
30 trucks with a combined gross weight of six tons or less
31 pursuant to section 321.113.

32 b. The total amount of motor vehicle registration revenue
33 attributable to the change in motor truck registration fees
34 for all months in the calendar year beginning January 1, 2006,
35 as determined under subsection 2, divided by the total amount

1 of all motor vehicle registration revenues credited to the
2 road use tax fund for that calendar year, is the "percentage
3 multiplier" to be used to determine the motor vehicle
4 registration revenue attributable to the change in motor truck
5 registration fees for months in subsequent calendar years, as
6 provided in paragraph "c".

7 c. For months in the calendar year beginning January 1,
8 2007, and subsequent years, the motor vehicle registration
9 revenue attributable to the change in motor truck registration
10 fees is the product of the total amount of all motor vehicle
11 registration revenues credited to the road use tax fund for
12 the month multiplied by the "percentage multiplier" under
13 paragraph "b".

14 3. The moneys in the commercial and industrial network
15 highway fund are appropriated annually to the state department
16 of transportation to be used for construction projects on
17 major arterial highways and connecting spurs in the state
18 primary system. Moneys so appropriated shall be used first to
19 complete projects planned for or under construction on state
20 highways 20, 30, and 34, as of January 1, 2006.

21 Sec. 4. APPLICABILITY. This Act applies to new motor
22 truck registrations, transfers of ownership, and registration
23 renewals for registration periods beginning on or after
24 January 1, 2006.

25

EXPLANATION

26 This bill eliminates the flat fee currently charged for
27 registration of motor trucks with a combined gross weight of
28 six tons or less. The bill subjects such trucks to an annual
29 registration fee based on the value and weight of the vehicle,
30 as determined by the state department of transportation, in
31 the manner currently used to calculate fees for other types of
32 motor vehicles. The fee is automatically reduced for vehicles
33 more than five model years old.

34 The bill establishes a commercial and industrial network
35 highway fund in the road use tax fund. Beginning in January

1 2006, an amount determined to be the portion of the motor
2 vehicle registration revenue attributable to the change in
3 motor truck registration fees deposited in the primary road
4 fund shall be credited monthly to the commercial and
5 industrial network highway fund and appropriated to the state
6 department of transportation for construction projects on
7 major arterial highways and connecting spurs in the state
8 primary road system. Such moneys are appropriated first for
9 projects under construction or already planned for highways
10 20, 30, and 34 until those projects are completed.

11 The bill applies to new motor truck registrations,
12 transfers of ownership, and registration renewals for
13 registration periods beginning on or after January 1, 2006.

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Fiscal Services Division
Legislative Services Agency
Fiscal Note

SF 49 – Pickup Truck Licensing (LSB 1450 SS)

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Fiscal Note Version – New

Requested By – Senator Mark Zieman

Description

This Bill eliminates the flat fee currently charged for annual registration of motor trucks with a combined gross weight of six tons or less. The Bill provides that such trucks will be registered in the same manner as other vehicles, based on the value and weight of the vehicle.

The Bill establishes a Commercial and Industrial Network Highway Fund in the Road Use Tax Fund. From the amount credited from the Road Use Tax Fund to the Primary Road Fund, the Treasurer of State will credit monthly to the Commercial and Industrial Network Highway Fund, an amount equal to 47.5% of the motor vehicle registration revenues attributable to the change in truck registration fees. This amount will be determined as follows:

Calendar Year 2006

The motor vehicle registration revenues attributable to the change in truck registration fees will be the actual increase in revenue derived from basing registration fees for trucks weighing six tons or less on the vehicle's weight and value instead of charging a flat fee.

The total amount of motor vehicle registration revenues attributable to the change in truck registration fees for all months in 2006 will be divided by the total amount of all motor vehicle registration revenues credited to the Road Use Tax Fund in 2006. The sum will be the "percentage multiplier" to be used to determine the motor vehicle registration revenue attributable to the change in truck registration fees in subsequent calendar years.

Calendar Year 2007 and Beyond

The "percentage multiplier," as determined in calendar year 2006, multiplied by the total amount of all motor vehicle registration revenues credited to the Road Use Tax Fund, will be the motor vehicle registration revenue attributable to the change in truck registration fees.

The amount credited to the Commercial and Industrial Highway Network Fund will be appropriated to the Department of Transportation to be used first for projects under construction or already planned for Highways 20, 30, and 34, until those projects are completed. Remaining moneys will be used for construction projects on major arterial highways and connecting spurs in the State Primary Road System.

Effective Date

The Bill takes effect January 1, 2006, and applies to new truck registrations, transfers of ownership, and registration renewals for registration periods beginning on or after January 1, 2006.

Background

1. The annual registration fee for trucks with a combined gross weight of six tons or less will be 1.0% of the vehicle's value, plus 40 cents for each 100 pounds of the vehicle's weight.
2. The annual registration fee for a truck that is eight years of age or newer will increase, but will decrease once the truck reaches nine years of age.
3. The weight and value of multipurpose vehicles is equivalent to the weight and value of trucks with a combined gross weight of six tons or less. The average annual registration fee for a multipurpose vehicle that is 8 years old or newer is \$278, \$35 for a multipurpose vehicle that is between 9 and 11 years old, \$27 for a multipurpose vehicle that is 12 to 15 years old, and \$16 for a multipurpose vehicle that is 17 years old or older.
4. The revenue generated from the annual registration fee of trucks with a combined gross weight of six tons or less will be approximately \$97.9 million annually.
5. The total amount of motor vehicle registration revenues attributable to the change in truck registration fees in CY 2006 will be approximately \$56.4 million (revenues under current law are approximately \$41.5 million annually).
6. Of the total amount deposited into the Road Use Tax Fund, 47.5% of the revenue attributable to the change in truck registration fees will be credited to the Commercial and Industrial Network Highway Fund. The remaining 52.5% will be credited to the Road Use Tax Fund for distribution to the State, cities, and counties.

Assumptions

1. The total number of trucks with a combined gross weight of six tons or less that are currently registered is approximately 742,000. This includes initial issuance and renewal registrations. The number of transfers of ownership is unknown.
2. Road Use Tax Fund revenues in the first half of FY 2006 will not be affected by the proposed legislation. The second half of FY 2006 and all of FY 2007 and beyond will be affected.

Fiscal Impact

FY 2006 (January 1, 2006 – June 30, 2006)

Total net revenue increase to the Road Use Tax Fund: \$28.2 million

Amount allocated to the Commercial and Industrial Network Highway Fund: \$13.4 million

- Amount retained in the Road Use Tax Fund: \$14.8 million

FY 2007

Total net revenue increase to the Road Use Tax Fund: \$57.0 million

- Amount allocated to the Commercial and Industrial Network Highway Fund: \$27.1 million
- Amount retained in the Road Use Tax Fund: \$29.9 million

FY 2008

Total net revenue increase to the Road Use Tax Fund: \$58.8 million

- Amount allocated to the Commercial and Industrial Network Highway Fund: \$27.9 million
- Amount retained in the Road Use Tax Fund: \$30.9 million

FY 2009

Total net revenue increase to the Road Use Tax Fund: \$59.4 million

- Amount allocated to the Commercial and Industrial Network Highway Fund: \$28.2 million
- Amount retained in the Road Use Tax Fund: \$31.2 million

Costs to the Department associated with calculating monthly the excess revenue derived from registering motor trucks with combined gross weight of six tons or less, under the fee rate based on weight and value rather than the current flat fee rate, are anticipated to be minimal.

Source

Department of Transportation

/s/ Holly M. Lyons

March 4, 2005

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
