

SENATE BILL REPORT

SB 5769

AS REPORTED BY COMMITTEE ON TRANSPORTATION, FEBRUARY 6, 1992

Brief Description: Clarifying Washington's share of nonpower, prorate vehicle fees.

SPONSORS: Senators West, Vognild, Nelson and Madsen.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5769 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Nelson, Vice Chairman; von Reichbauer, Vice Chairman; Barr, Conner, Erwin, Hansen, Madsen, McMullen, Oke, Sellar, Snyder, Thorsness, and Vognild.

Staff: Roger Horn (786-7839)

Hearing Dates: March 6, 1991; February 4, 1992; February 6, 1992

BACKGROUND:

In 1988, Washington became a participant in the International Registration Plan (IRP). The IRP is an agreement which permits truckers to operate in any of the participant states (currently 44 states and one Canadian province) without registering in each state. Annually, all trucking companies based in these states report miles driven by their trucks. For each truck, the company is charged a proportion of the annual fees of each state in which the truck operated. This proportion is based on the percentage of the truck's total miles traveled in a given state. For Washington, fees charged on this basis include the combined licensing fees and the motor vehicle excise tax.

Prior to the 1990 legislative session, only Washington and five other IRP participants required proportional registration of converter gears, trailers, and other nonmotor vehicles. When admitted into IRP, Washington was granted an exemption to permit proportional registration of these vehicles, but was given three years to eliminate the requirement.

In 1990, proportional registration for nonmotor vehicles was eliminated in Washington. As a result, the Department of Licensing collects 100 percent registration for trailers and other nonmotor vehicles registered in Washington and no registration fees for nonmotor vehicles fully registered in other IRP states that travel in Washington. If trailers registered in Washington travel in states that require proportional registration of trailers, the pro rata percentage

paid to those states is credited against the 100 percent of registration fees due to Washington.

The average trailer fully registered in Washington pays \$125 in fees including \$36 for the combined licensing fee and \$89 in motor vehicle excise tax.

SUMMARY:

The state is allowed to charge only a pro rata share of registration fees for trailers registered in Washington that travel in other states. The pro rata share is based on the percentage of overall miles traveled in Washington. The bill has no impact on trailers registered in other IRP states that travel in Washington; these vehicles are still not required to pay any fees to Washington. The Department of Licensing estimates that the revenue lost as a result of this measure would total about \$4 million per year.

EFFECT OF PROPOSED SUBSTITUTE:

The substitute bill clarifies language to accomplish the intent of the original bill and adds an effective date of January 1, 1993.

Appropriation: none

Revenue: yes

Fiscal Note: available

TESTIMONY FOR:

The elimination of proportional registration of trailers has brought about unreasonable increases in registration fees and taxes for Washington-based trucking firms. The higher fees put Washington-based truckers at a competitive disadvantage.

TESTIMONY AGAINST: None

TESTIFIED: Martin Sangster, Washington Trucking Association (pro); Gerald Parker, Parker Refrigerated Service (pro); Steve Post, Post Trucking, Inc. (pro)