

Department of Finance and Administration

Legislative Impact Statement

Bill: SB1023

Bill Subtitle: TO ESTABLISH THE COMMERCIAL TRUCK SAFETY AND EDUCATION FUND; AND TO PROVIDE SPECIAL REVENUES FOR THE FUND.

Basic Change :

Sen. Ingram,

The current annual registration fee for Class 7 trucks hauling 73,281 lbs. through 80,000 pounds is \$1,350. Arkansas based carriers, and out of state carriers registered with the International Registration Plan (IRP) are charged a prorated fee based on this annual \$1,350 fee, according to gross weight and miles traveled. Under the bill, the Arkansas registration fee for these carriers would be increased by 15%. Therefore, the new annual fee for trucks, registered with the IRP, hauling 73,281 lbs. through 80,000 pounds, would be \$1,553.

Currently, registration fees collected for Class 7 trucks are transferred to the State Treasury to be transferred 15% to the County Aid Fund, 15% to the Municipal Aid Fund, and 70% to the State Highway and Transportation Department Fund for road and bridge construction and maintenance. The bill creates the Commercial Truck Safety and Education Fund and provides that the first two million dollars (\$2,000,000) collected from the registration fees on trucks registered with the International Registration Plan (IRP) would be deposited to the State Treasury as special revenues to the fund. These funds are to be used to improve the safety of the commercial trucking industry focusing on enforcement, regulatory compliance, industry training, and educational programs to ensure safe movement on the highways.

Revenue Impact :

The bill will increase revenues from vehicle registrations by \$5.25M per year.

The first \$2M per year in registration fees collected each year shall be deposited into the Commercial Truck Safety Fund. The remaining \$3.25M shall be distributed under the traditional 70% - 15% - 15% split to AHTD, the cities and the counties for road construction and maintenance.

Taxpayer Impact :

Arkansas based carriers and out of state carriers, hauling 73,281 pounds through 80,000 pounds, which are registered with the IRP, would be required to pay an additional fifteen percent (15%) to register their trucks

Resources Required :

No additional resources required for DFA. The IRP vendor is required to program the IRP system for collection of the additional fee at no charge if a change is mandated by law.

Time Required :

Adequate time is not provided. Under the International Registration Plan, member jurisdictions are given one hundred twenty (120) days to implement new fee changes made by other jurisdictions.

Procedural Changes :

The IRP vendor will be required to program the IRP system to charge the additional fee.

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Other Comments :

The bill should be amended to delay the effective date to provide enough time for DFA to notify other states of the change in registration fees. Under the IRP, DFA is required to provide at least 120 days notice of changes in registration fees.

The bill should be amended to make it clear that the transfer of \$2M to the Commercial Truck Safety and Education Fund occurs each year.

The bill should also be amended to make it clear when the transfer to the Commercial Truck Safety and Education Fund should begin.

Legal Analysis :

SB1023 increases the registration fee for Class Seven trucks by 15%. This fee is currently set at \$1,350. The result is that Class Seven trucks will pay a total registration fee of 115% of \$1,350, or \$1,552.50.

The bill diverts the first \$2 million of the revenues derived from the registration fee to a new fund created by the bill, the Commercial Truck Safety and Education Fund (Fund). The bill does not have an effective date. The bill states that the transfer of the money diverted is to be made on the last business day of each month. However, it is unclear when the diversion of the \$2 million will begin. It is also unclear whether the \$2 million to be diverted is intended to be calculated on an annual/fiscal basis or otherwise.