

Department of Finance and Administration

Legislative Impact Statement

Bill: SB1023

As Engrossed: 3/20/2013

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

Basic Change :

Sen. Ingram,

The bill creates a new fund, the Commercial Truck Safety and Education Fund and increases the annual fee for trucks registered with the International Registration Plan (IRP) hauling 73,281 lbs. through 80,000 pounds from \$1,350 to \$1,553. The first \$2,000,000 collected from the registration fees on trucks registered with the IRP would be deposited to the State Treasury as special revenues to the new fund. The bill as originally written did not specify when the beginning date for which the funds were to be transferred to the Arkansas State Treasury for benefit of the fund, or how often the funds would be transferred, and did not allow sufficient time for DFA to notify other states of the fee increase. The 3/20/13 Engrossment specifies that the date of the first transfer will begin is October 1, 2013 for the fiscal year 2014 and beginning July 1, 2014, the first \$2,000,000 per fiscal year will be transferred. The 3/20/13 Engrossment provides sufficient time to allow DFA to provide notice of the fee increase.

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 :

With the 3/20/13 Engrossment, adequate time is provided.

Procedural Changes :

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

Legal Analysis :

The S3/20/13 engrossment of SB1023 clarifies that the \$2 million diversion of the registration fees for Class Seven Trucks with a gross loaded weight between 73,281 pounds and 80,000 pounds will occur annually per fiscal year. The engrossment also adds an effective date of October 1, 2013 to allow sufficient time for notification of the new fee to owners of the affected trucks. Even though the first fiscal year affected by the bill (the fiscal year ending June 30, 2014) is not a full 12 months, the bill now clarifies the full \$2 million dollar diversion will be taken even for the first partial fiscal year.