

1 **MOTOR CARRIER FEE AMENDMENTS**

2 2003 GENERAL SESSION

3 STATE OF UTAH

4 **Sponsor: John W. Hickman**

5 **This act modifies the Motor Vehicles Code and the Revenue and Taxation Code by**
6 **providing dedicated credits to the State Tax Commission to provide for electronic**
7 **credentialing of motor carriers for compliance with vehicle registration and special fuel**
8 **tax provisions. This act increases the motor carrier fee and the temporary registration**
9 **permit fee that are paid by motor carriers by \$5. This act establishes the fee for a special**
10 **fuel trip permit at \$25. This act allows \$5 of each of these fees to be used as dedicated**
11 **credits. This act takes effect on July 1, 2003.**

12 This act affects sections of Utah Code Annotated 1953 as follows:

13 AMENDS:

14 **41-1a-301**, as last amended by Chapters 8 and 322, Laws of Utah 1998

15 **41-1a-1201**, as last amended by Chapter 1, Laws of Utah 2003

16 **41-1a-1219**, as enacted by Chapter 170, Laws of Utah 1996

17 **59-13-301**, as last amended by Chapter 232, Laws of Utah 2001

18 **59-13-303**, as last amended by Chapter 128, Laws of Utah 2002

19 ENACTS:

20 **41-1a-303**, Utah Code Annotated 1953

21 *Be it enacted by the Legislature of the state of Utah:*

22 Section 1. Section **41-1a-301** is amended to read:

23 **41-1a-301. Apportioned registration and licensing of interstate vehicles.**

24 (1) (a) An owner or operator of a fleet of commercial vehicles based in this state and
25 operating in two or more jurisdictions may register commercial vehicles for operation under the
26 International Registration Plan or the Uniform Vehicle Registration Proration and Reciprocity
27 Agreement by filing an application with the division.



28 (b) The application shall include information that identifies the vehicle owner, the
29 vehicle, the miles traveled in each jurisdiction, and other information pertinent to the
30 registration of apportioned vehicles.

31 (c) Vehicles operated exclusively in this state may not be apportioned.

32 (2) (a) If no operations were conducted during the preceding year, the application shall
33 contain a statement of the proposed operations and an estimate of annual mileage for each
34 jurisdiction.

35 (b) The division may adjust the estimate if the division is not satisfied with its
36 correctness.

37 (c) At renewal, the registrant shall use the actual mileage from the preceding year in
38 computing fees due each jurisdiction.

39 (3) The registration fee for apportioned vehicles shall be determined as follows:

40 (a) divide the in-jurisdiction miles by the total miles generated during the preceding
41 year;

42 (b) total the fees for each vehicle based on the fees prescribed in Section 41-1a-1206;
43 and

44 (c) multiply the sum obtained under Subsection (3)(b) by the quotient obtained under
45 Subsection (3)(a).

46 (4) Trailers or semitrailers of apportioned fleets may be listed separately as "trailer
47 fleets" with the fees paid according to the total distance those trailers were towed in all
48 jurisdictions during the preceding year mileage reporting period.

49 (5) (a) (i) When the proper fees have been paid and the property tax or in lieu fee has
50 been cleared under Section 41-1a-206 or 41-1a-207, a registration card, annual decal, and
51 where necessary, license plate, will be issued for each unit listed on the application.

52 (ii) An original registration must be carried in each vehicle at all times.

53 (b) Original registration cards for trailers or semitrailers may be carried in the power
54 unit.

55 (c) (i) In lieu of a permanent registration card or license plate, the division may issue
56 one temporary permit authorizing operation of new or unlicensed vehicles until the permanent
57 registration is completed.

58 (ii) Once a temporary permit is issued, the registration process may not be cancelled.

59 Registration must be completed and the fees and any property tax or in lieu fee due must be
60 paid for the vehicle for which the permit was issued.

61 (iii) Temporary permits may not be issued for renewals.

62 (d) (i) The division shall issue one distinctive license plate that displays the letters
63 APP for apportioned vehicles.

64 (ii) The plate shall be displayed on the front of an apportioned truck tractor or power
65 unit or on the rear of any apportioned vehicle.

66 (iii) Distinctive decals displaying the word "apportioned" and the month and year of
67 expiration shall be issued for each apportioned vehicle.

68 (e) A nonrefundable administrative fee, determined by the [~~Tax~~] commission pursuant
69 to Section 63-38-3.2, shall be charged for each temporary permit, registration, or both.

70 (6) Vehicles that are apportionally registered are fully registered for intrastate and
71 interstate movements, providing the proper interstate and intrastate authority has been secured.

72 (7) (a) Vehicles added to an apportioned fleet after the beginning of the registration
73 year shall be registered by applying the quotient under Subsection (3)(a) for the original
74 application to the fees due for the remainder of the registration year.

75 (b) (i) The owner shall maintain and submit complete annual mileage for each vehicle
76 in each jurisdiction, showing all miles operated by the lessor and lessee.

77 (ii) The fiscal mileage reporting period begins July 1, and continues through June 30 of
78 the year immediately preceding the calendar year in which the registration year begins.

79 (c) (i) An owner-operator, who is a lessor, may be the registrant and the vehicle may be
80 registered in the name of the owner-operator.

81 (ii) The identification plates and registration card shall be the property of the lessor and
82 may reflect both the owner-operator's name and that of the carrier as lessee.

83 (iii) The allocation of fees shall be according to the operational records of the
84 owner-operator.

85 (d) (i) The lessee may be the registrant of a leased vehicle at the option of the lessor.

86 (ii) If a lessee is the registrant of a leased vehicle, both the lessor's and lessee's name
87 shall appear on the registration.

88 (iii) The allocation of fees shall be according to the records of the carrier.

89 (8) (a) Any registrant whose application for apportioned registration has been accepted

90 shall preserve the records on which the application is based for a period of three years after the
91 close of the registration year.

92 (b) The records shall be made available to the division upon request for audit as to
93 accuracy of computations, payments, and assessments for deficiencies, or allowances for
94 credits.

95 (c) An assessment for deficiency or claim for credit may not be made for any period for
96 which records are no longer required.

97 (d) Interest in the amount prescribed by Section 59-1-402 shall be assessed or paid
98 from the date due until paid on deficiencies found due after audit.

99 (e) Registrants with deficiencies are subject to the penalties under Section 59-1-401.

100 (f) The division may enter into agreements with other International Registration Plan
101 jurisdictions for joint audits.

102 (9) [AH] (a) Except as provided in Subsection (9)(b), all state fees collected under this
103 section shall be deposited in the Transportation Fund.

104 (b) Five dollars of each temporary registration permit fee paid under Subsection (12)
105 may be used by the commission as a dedicated credit to cover the costs of electronic
106 credentialing as provided in Section 41-1a-303.

107 (10) If registration is for less than a full year, fees for apportioned registration shall be
108 assessed according to Section 41-1a-1207.

109 (a) (i) If the registrant is replacing a vehicle for one withdrawn from the fleet and the
110 new vehicle is of the same weight category as the replaced vehicle, the registrant must file a
111 supplemental application.

112 (ii) A registration card that transfers the license plate to the new vehicle shall be issued.

113 (iii) When a replacement vehicle is of greater weight than the replaced vehicle,
114 additional registration fees are due.

115 (b) If a vehicle is withdrawn from an apportioned fleet during the period for which it is
116 registered, the registrant shall notify the division and surrender the registration card and
117 license plate of the withdrawn vehicle.

118 (11) (a) An out-of-state carrier with an apportionally registered vehicle who has not
119 presented a certificate of property tax or in lieu fee as required by Section 41-1a-206 or
120 41-1a-207, shall pay, at the time of registration, a proportional part of an equalized highway

121 use tax computed as follows:

122 (i) Multiply the number of vehicles or combination vehicles registered in each weight
123 class by the equivalent tax figure from the following tables:

124 Vehicle or Combination

125 Registered Weight	Age of Vehicle	Equivalent Tax
126 12,000 pounds or less	12 or more years	\$10
127 12,000 pounds or less	9 or more years but less than 12 years	\$50
128 12,000 pounds or less	6 or more years but less than 9 years	\$80
129 12,000 pounds or less	3 or more years but less than 6 years	\$110
130 12,000 pounds or less	Less than 3 years	\$150

131 Vehicle or Combination Equivalent

132 Registered Weight Tax

133 12,001 - 18,000 pounds \$150

134 18,001 - 34,000 pounds 200

135 34,001 - 48,000 pounds 300

136 48,001 - 64,000 pounds 450

137 64,001 pounds and over 600

138 (ii) Multiply the equivalent tax value for the total fleet determined under Subsection
139 (11)(a)(i) by the fraction computed under Subsection (3) for the apportioned fleet for the
140 registration year.

141 (b) Fees shall be assessed as provided in Section 41-1a-1207.

142 (12) (a) Commercial vehicles meeting the registration requirements of another
143 jurisdiction may, as an alternative to full or apportioned registration, secure a temporary
144 registration permit for a period not to exceed 96 hours or until they leave the state, whichever is
145 less, for a fee of \$20 for a single unit and \$40 for multiple units.

146 (b) A state temporary permit or registration fee is not required from nonresident owners
147 or operators of vehicles or combination of vehicles having a gross laden weight of 26,000
148 pounds or less for each single unit or combination.

149 Section 2. Section **41-1a-303** is enacted to read:

150 **41-1a-303. Cooperation for electronic credentialing.**

151 The commission shall cooperate with the Department of Transportation and federal

152 agencies to assist in providing electronic credentialing of motor carriers to facilitate
153 implementation, compliance, and enforcement of vehicle registration, special fuel tax payment,
154 and other registration or taxation provisions including the provisions of the International
155 Registration Plan and the International Fuel Tax Agreement.

156 Section 3. Section **41-1a-1201** is amended to read:

157 **41-1a-1201. Disposition of fees.**

158 (1) All fees received and collected under this part shall be transmitted daily to the state
159 treasurer.

160 (2) Except as provided in Subsections (3), (4), and (6), and Section 41-1a-422, and in
161 Section 41-1a-1220, all fees collected under this part shall be deposited in the Transportation
162 Fund.

163 (3) (a) Funds generated under Subsections 41-1a-1211(1)(a), (6)(a), and (7) and
164 Section 41-1a-1212 may be used by the commission as a dedicated credit to cover the costs
165 incurred in issuing license plates under Part 4, License Plates and Registration Indicia.

166 (b) Fees for statehood centennial license plates shall be collected and deposited in the
167 Transportation Fund, less production and administrative costs incurred by the commission.

168 (c) Five dollars of each motor carrier fee paid under Section 41-1a-1219 may be used
169 by the commission as a dedicated credit to cover the costs of electronic credentialing as
170 provided in Section 41-1a-303.

171 (4) All funds available to the commission for purchase and distribution of license
172 plates and decals are nonlapsing.

173 (5) Except as provided in Subsection (3) and Section 41-1a-1205, the expenses of the
174 commission in enforcing and administering this part shall be provided for by legislative
175 appropriation from the revenues of the Transportation Fund.

176 (6) The following portions of the registration fees imposed under Section 41-1a-1206
177 for each vehicle shall be deposited in the Centennial Highway Fund created under Section
178 72-2-118:

179 (a) \$10 of the registration fees imposed under Subsections 41-1a-1206(1)(a), (1)(b),
180 (2), and (5);

181 (b) \$1 of the registration fees imposed under Subsections 41-1a-1206(1)(c)(i),
182 (1)(c)(ii), and (1)(d)(ii);

- 183 (c) \$2 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(ii);
184 (d) \$3 of the registration fee imposed under Subsection 41-1a-1206(1)(d)(i); and
185 (e) \$4.50 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(i).

186 Section 4. Section **41-1a-1219** is amended to read:

187 **41-1a-1219. Motor carrier fee.**

188 (1) At the time application is made for registration or renewal of registration of a motor
189 vehicle or combination of motor vehicles over 12,000 pounds gross laden weight, the applicant
190 shall pay a motor carrier fee of [~~\$6~~] \$11 for each motor vehicle or combination of motor
191 vehicles.

192 (2) This fee is in addition to the registration fees under Subsections 41-1a-1206(1)(d)
193 and (e).

194 Section 5. Section **59-13-301** is amended to read:

195 **59-13-301. Tax basis -- Rate -- Exemptions -- Revenue deposited with treasurer**
196 **and credited to Transportation Fund -- Reduction of tax in limited circumstances.**

197 (1) (a) Except as provided in Subsections (2), (3), and (11) and Section 59-13-304, a
198 tax is imposed at the same rate imposed under Subsection 59-13-201(1)(a) on the:

- 199 (i) removal of undyed diesel fuel from any refinery;
200 (ii) removal of undyed diesel fuel from any terminal;
201 (iii) entry into the state of any undyed diesel fuel for consumption, use, sale, or
202 warehousing;
203 (iv) sale of undyed diesel fuel to any person who is not registered as a supplier under
204 this part unless the tax has been collected under this section;
205 (v) any untaxed special fuel blended with undyed diesel fuel; or
206 (vi) use of untaxed special fuel, other than a clean special fuel.
207 (b) The tax imposed under this section shall only be imposed once upon any special
208 fuel.

209 (2) (a) No special fuel tax is imposed or collected upon dyed diesel fuel which:

- 210 (i) is sold or used for any purpose other than to operate or propel a motor vehicle upon
211 the public highways of the state, but this exemption applies only in those cases where the
212 purchasers or the users of special fuel establish to the satisfaction of the commission that the
213 special fuel was used for purposes other than to operate a motor vehicle upon the public

214 highways of the state; or
215 (ii) is sold to this state or any of its political subdivisions.
216 (b) No special fuel tax is imposed on undyed diesel fuel which:
217 (i) is sold to the United States government or any of its instrumentalities or to this state
218 or any of its political subdivisions;
219 (ii) is exported from this state if proof of actual exportation on forms prescribed by the
220 commission is made within 180 days after exportation;
221 (iii) is used in a vehicle off-highway;
222 (iv) is used to operate a power take-off unit of a vehicle;
223 (v) is used for off-highway agricultural uses;
224 (vi) is used in a separately fueled engine on a vehicle that does not propel the vehicle
225 upon the highways of the state; or
226 (vii) is used in machinery and equipment not registered and not required to be
227 registered for highway use.
228 (3) No tax is imposed or collected on special fuel if it is:
229 (a) purchased for business use in machinery and equipment not registered and not
230 required to be registered for highway use; and
231 (b) used pursuant to the conditions of a state implementation plan approved under Title
232 19, Chapter 2, Air Conservation Act.
233 (4) Upon request of a buyer meeting the requirements under Subsection (3), the
234 Division of Air Quality shall issue an exemption certificate that may be shown to a seller.
235 (5) The special fuel tax shall be paid by the supplier.
236 (6) (a) The special fuel tax shall be paid by every user who is required by Sections
237 59-13-303 and 59-13-305 to obtain a special fuel permit and file special fuel tax reports.
238 (b) The user shall receive a refundable credit for special fuel taxes paid on purchases
239 which are delivered into vehicles and for which special fuel tax liability is reported.
240 (7) (a) ~~AH~~ Except as provided under Subsections (7)(b) and (c), all revenue received
241 by the commission from taxes and license fees under this part shall be deposited daily with the
242 state treasurer and credited to the Transportation Fund.
243 (b) An appropriation from the Transportation Fund shall be made to the commission to
244 cover expenses incurred in the administration and enforcement of this part and the collection of

245 the special fuel tax.

246 (c) Five dollars of each special fuel trip permit fee paid under Section 59-13-303 may
247 be used by the commission as a dedicated credit to cover the costs of electronic credentialing as
248 provided in Section 41-1a-303.

249 (8) The commission may either collect no tax on special fuel exported from the state
250 or, upon application, refund the tax paid.

251 (9) (a) The United States government or any of its instrumentalities, this state, or a
252 political subdivision of this state that has purchased special fuel from a supplier or from a retail
253 dealer of special fuel and has paid the tax on the special fuel as provided in this section is
254 entitled to a refund of the tax and may file with the commission for a quarterly refund in a
255 manner prescribed by the commission.

256 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
257 commission shall make rules governing the application and refund provided for in Subsection
258 (9)(a).

259 (10) (a) The purchaser shall pay the tax on diesel fuel purchased for uses under
260 Subsections (2)(b)(i), (iii), (iv), (v), (vi), and (vii) and apply for a refund for the tax paid as
261 provided in [~~Subsections~~] Subsection (9) and this Subsection (10).

262 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
263 commission shall make rules governing the application and refund for off-highway and
264 nonhighway uses provided under Subsections (2)(b)(iii), (iv), (vi), and (vii).

265 (c) A refund of tax paid under this part on diesel fuel used for nonhighway agricultural
266 uses shall be made in accordance with the tax return procedures under Section 59-13-202.

267 (11) (a) Beginning on April 1, 2001, a tax imposed under this section on special fuel is
268 reduced to the extent provided in Subsection (11)(b) if:

269 (i) the Navajo Nation imposes a tax on the special fuel;

270 (ii) the tax described in Subsection (11)(a)(i) is imposed without regard to whether the
271 person required to pay the tax is an enrolled member of the Navajo Nation; and

272 (iii) the commission and the Navajo Nation execute and maintain an agreement as
273 provided in this Subsection (11) for the administration of the reduction of tax.

274 (b) (i) If but for Subsection (11)(a) the special fuel is subject to a tax imposed by this
275 section:

276 (A) the state shall be paid the difference described in Subsection (11)(b)(ii) if that
277 difference is greater than \$0; and

278 (B) a person may not require the state to provide a refund, a credit, or similar tax relief
279 if the difference described in Subsection (11)(b)(ii) is less than or equal to \$0.

280 (ii) The difference described in Subsection (11)(b)(i) is equal to the difference
281 between:

282 (A) the amount of tax imposed on the special fuel by this section; less

283 (B) the tax imposed and collected by the Navajo Nation on the special fuel.

284 (c) For purposes of Subsections (11)(a) and (b), the tax paid to the Navajo Nation on
285 the special fuel does not include any interest or penalties a taxpayer may be required to pay to
286 the Navajo Nation.

287 (d) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
288 commission shall make rules governing the procedures for administering the reduction of tax
289 provided under this Subsection (11).

290 (e) The agreement required under Subsection (11)(a):

291 (i) may not:

292 (A) authorize the state to impose a tax in addition to a tax imposed under this chapter;

293 (B) provide a reduction of taxes greater than or different from the reduction described
294 in this Subsection (11); or

295 (C) affect the power of the state to establish rates of taxation;

296 (ii) shall:

297 (A) be in writing;

298 (B) be signed by:

299 (I) the chair of the commission or the chair's designee; and

300 (II) a person designated by the Navajo Nation that may bind the Navajo Nation;

301 (C) be conditioned on obtaining any approval required by federal law;

302 (D) state the effective date of the agreement; and

303 (E) state any accommodation the Navajo Nation makes related to the construction and
304 maintenance of state highways and other infrastructure within the Utah portion of the Navajo
305 Nation; and

306 (iii) may:

307 (A) notwithstanding Section 59-1-403, authorize the commission to disclose to the
308 Navajo Nation information that is:

309 (I) contained in a document filed with the commission; and

310 (II) related to the tax imposed under this section;

311 (B) provide for maintaining records by the commission or the Navajo Nation; or

312 (C) provide for inspections or audits of suppliers, distributors, carriers, or retailers
313 located or doing business within the Utah portion of the Navajo Nation.

314 (f) (i) If, on or after April 1, 2001, the Navajo Nation changes the tax rate of a tax
315 imposed on special fuel, any change in the amount of the reduction of taxes under this
316 Subsection (11) as a result of the change in the tax rate is not effective until the first day of the
317 calendar quarter after a 60-day period beginning on the date the commission receives notice:

318 (A) from the Navajo Nation; and

319 (B) meeting the requirements of Subsection (11)(f)(ii).

320 (ii) The notice described in Subsection (11)(f)(i) shall state:

321 (A) that the Navajo Nation has changed or will change the tax rate of a tax imposed on
322 special fuel;

323 (B) the effective date of the rate change of the tax described in Subsection
324 (11)(f)(ii)(A); and

325 (C) the new rate of the tax described in Subsection (11)(f)(ii)(A).

326 (g) If the agreement required by Subsection (11)(a) terminates, a reduction of tax is not
327 permitted under this Subsection (11) beginning on the first day of the calendar quarter after a
328 30-day period beginning on the day the agreement terminates.

329 (h) If there is a conflict between this Subsection (11) and the agreement required by
330 Subsection (11)(a), this Subsection (11) governs.

331 Section 6. Section **59-13-303** is amended to read:

332 **59-13-303. Bond requirements -- Special fuel permits -- Application -- Revocation**
333 **of permits under certain circumstances.**

334 (1) The commission may require a user to furnish a bond.

335 (2) (a) Except as provided in Subsection (2)(b), each user shall, prior to the use of the
336 fuel in a qualified motor vehicle, apply to the commission on forms prescribed by the
337 commission for a special fuel permit. When the application is approved by the commission, a

338 single special fuel permit shall be issued to the user.

339 (b) In place of the special fuel permit issued under Subsection (2)(a), a user may
340 purchase a special fuel trip permit. A special fuel trip permit is valid for 96 hours or until the
341 qualified vehicle leaves the state, whichever occurs first.

342 (c) The fee for the special fuel trip permit is \$25.

343 (3) A special fuel permit number shall be assigned to each licensed user and is
344 nontransferable and valid until surrendered by the user for nonuse or until revoked by the
345 commission.

346 (4) The special fuel user permit expires December 31 of each year. Special fuel permits
347 for the calendar year shall be honored until February 28 of the following year. An application
348 shall be filed with the commission each year for a new special fuel permit for vehicles operated
349 by a licensed user.

350 (5) (a) The special fuel vehicle permit shall be kept in the passenger compartment of
351 each vehicle, or as otherwise authorized by the commission.

352 (b) A user that does not comply with the requirements of this section may be required
353 to purchase a special fuel trip permit.

354 (6) The commission may revoke the special fuel permit issued under this section from
355 any person refusing or neglecting to comply with this part.

356 (7) Any user reporting Utah special fuel tax liability under Part 5, Interstate
357 Agreements, is exempted from the permit requirements of this section.

358 Section 7. **Effective date.**

359 This act takes effect on July 1, 2003.

Legislative Review Note
as of 2-13-03 12:09 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel