

Senator John W. Hickman proposes the following substitute bill:

MOTOR CARRIER FEE AMENDMENTS

2003 GENERAL SESSION

STATE OF UTAH

Sponsor: John W. Hickman

This act modifies the Motor Vehicles Code and the Revenue and Taxation Code by providing dedicated credits to the State Tax Commission to provide for electronic credentialing of motor carriers for compliance with vehicle registration and special fuel tax provisions. This act increases the temporary registration permit fees that are paid by motor carriers by \$5 for a single unit and by \$10 for multiple units. This act establishes the fee for a special fuel user trip permit at \$25 which was previously set at \$20 by the State Tax Commission. This act allows the fee increases to be used as dedicated credits to the State Tax Commission. This act takes effect on July 1, 2003.

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

AMENDS:

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

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

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

ENACTS:

41-1a-303, Utah Code Annotated 1953

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

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

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

(1) (a) An owner or operator of a fleet of commercial vehicles based in this state and operating in two or more jurisdictions may register commercial vehicles for operation under the International Registration Plan or the Uniform Vehicle Registration Proration and Reciprocity



26 Agreement by filing an application with the division.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

57 (ii) Once a temporary permit is issued, the registration process may not be cancelled.
58 Registration must be completed and the fees and any property tax or in lieu fee due must be
59 paid for the vehicle for which the permit was issued.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

88 (8) (a) Any registrant whose application for apportioned registration has been accepted
89 shall preserve the records on which the application is based for a period of three years after the
90 close of the registration year.

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

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

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

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

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

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

103 (b) The following fees may be used by the commission as a dedicated credit to cover
104 the costs of electronic credentialing as provided in Section 41-1a-303:

105 (i) \$5 of each temporary registration permit fee paid under Subsection (12)(a)(i) for a
106 single unit; and

107 (ii) \$10 of each temporary registration permit fee paid under Subsection (12)(a)(ii) for
108 multiple units.

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

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

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

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

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

119 license plate of the withdrawn vehicle.

120 (11) (a) An out-of-state carrier with an apportionally registered vehicle who has not
 121 presented a certificate of property tax or in lieu fee as required by Section 41-1a-206 or
 122 41-1a-207, shall pay, at the time of registration, a proportional part of an equalized highway
 123 use tax computed as follows:

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

126 Vehicle or Combination		
127 Registered Weight	127 Age of Vehicle	127 Equivalent Tax
128 12,000 pounds or less	128 12 or more years	128 \$10
129 12,000 pounds or less	129 9 or more years but less than 12 years	129 \$50
130 12,000 pounds or less	130 6 or more years but less than 9 years	130 \$80
131 12,000 pounds or less	131 3 or more years but less than 6 years	131 \$110
132 12,000 pounds or less	132 Less than 3 years	132 \$150

133 Vehicle or Combination	133 Equivalent
134 Registered Weight	134 Tax
135 12,001 - 18,000 pounds	135 \$150
136 18,001 - 34,000 pounds	136 200
137 34,001 - 48,000 pounds	137 300
138 48,001 - 64,000 pounds	138 450
139 64,001 pounds and over	139 600

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

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

144 (12) (a) Commercial vehicles meeting the registration requirements of another
 145 jurisdiction may, as an alternative to full or apportioned registration, secure a temporary
 146 registration permit for a period not to exceed 96 hours or until they leave the state, whichever is
 147 less, for a fee of [~~\$20~~];

148 (i) \$25 for a single unit; and [~~\$40~~]

149 (ii) \$50 for multiple units.

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

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

154 **41-1a-303. Cooperation for electronic credentialing.**

155 The commission shall cooperate with the Department of Transportation and federal
156 agencies to assist in providing electronic credentialing of motor carriers to facilitate
157 implementation, compliance, and enforcement of vehicle registration, special fuel tax payment,
158 and other registration or taxation provisions including the provisions of the International
159 Registration Plan and the International Fuel Tax Agreement.

160 Section 3. Section **59-13-301** is amended to read:

161 **59-13-301. Tax basis -- Rate -- Exemptions -- Revenue deposited with treasurer**
162 **and credited to Transportation Fund -- Reduction of tax in limited circumstances.**

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

- 165 (i) removal of undyed diesel fuel from any refinery;
- 166 (ii) removal of undyed diesel fuel from any terminal;
- 167 (iii) entry into the state of any undyed diesel fuel for consumption, use, sale, or
168 warehousing;
- 169 (iv) sale of undyed diesel fuel to any person who is not registered as a supplier under
170 this part unless the tax has been collected under this section;
- 171 (v) any untaxed special fuel blended with undyed diesel fuel; or
- 172 (vi) use of untaxed special fuel, other than a clean special fuel.

173 (b) The tax imposed under this section shall only be imposed once upon any special
174 fuel.

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

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

- 181 (ii) is sold to this state or any of its political subdivisions.
- 182 (b) No special fuel tax is imposed on undyed diesel fuel which:
- 183 (i) is sold to the United States government or any of its instrumentalities or to this state
- 184 or any of its political subdivisions;
- 185 (ii) is exported from this state if proof of actual exportation on forms prescribed by the
- 186 commission is made within 180 days after exportation;
- 187 (iii) is used in a vehicle off-highway;
- 188 (iv) is used to operate a power take-off unit of a vehicle;
- 189 (v) is used for off-highway agricultural uses;
- 190 (vi) is used in a separately fueled engine on a vehicle that does not propel the vehicle
- 191 upon the highways of the state; or
- 192 (vii) is used in machinery and equipment not registered and not required to be
- 193 registered for highway use.
- 194 (3) No tax is imposed or collected on special fuel if it is:
- 195 (a) purchased for business use in machinery and equipment not registered and not
- 196 required to be registered for highway use; and
- 197 (b) used pursuant to the conditions of a state implementation plan approved under Title
- 198 19, Chapter 2, Air Conservation Act.
- 199 (4) Upon request of a buyer meeting the requirements under Subsection (3), the
- 200 Division of Air Quality shall issue an exemption certificate that may be shown to a seller.
- 201 (5) The special fuel tax shall be paid by the supplier.
- 202 (6) (a) The special fuel tax shall be paid by every user who is required by Sections
- 203 59-13-303 and 59-13-305 to obtain a special fuel permit and file special fuel tax reports.
- 204 (b) The user shall receive a refundable credit for special fuel taxes paid on purchases
- 205 which are delivered into vehicles and for which special fuel tax liability is reported.
- 206 (7) (a) ~~[AH]~~ Except as provided under Subsections (7)(b) and (c), all revenue received
- 207 by the commission from taxes and license fees under this part shall be deposited daily with the
- 208 state treasurer and credited to the Transportation Fund.
- 209 (b) An appropriation from the Transportation Fund shall be made to the commission to
- 210 cover expenses incurred in the administration and enforcement of this part and the collection of
- 211 the special fuel tax.

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

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

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

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

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

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

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

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

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

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

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

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

242 (A) the state shall be paid the difference described in Subsection (11)(b)(ii) if that

243 difference is greater than \$0; and

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

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

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

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

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

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

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

257 (i) may not:

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

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

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

262 (ii) shall:

263 (A) be in writing;

264 (B) be signed by:

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

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

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

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

269 (E) state any accommodation the Navajo Nation makes related to the construction and
270 maintenance of state highways and other infrastructure within the Utah portion of the Navajo
271 Nation; and

272 (iii) may:

273 (A) notwithstanding Section 59-1-403, authorize the commission to disclose to the

274 Navajo Nation information that is:

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

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

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

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

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

284 (A) from the Navajo Nation; and

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

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

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

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

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

292 (g) If the agreement required by Subsection (11)(a) terminates, a reduction of tax is not
293 permitted under this Subsection (11) beginning on the first day of the calendar quarter after a
294 30-day period beginning on the day the agreement terminates.

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

297 Section 4. Section **59-13-303** is amended to read:

298 **59-13-303. Bond requirements -- Special fuel permits -- Application -- Revocation**
299 **of permits under certain circumstances.**

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

301 (2) (a) Except as provided in Subsection (2)(b), each user shall, prior to the use of the
302 fuel in a qualified motor vehicle, apply to the commission on forms prescribed by the
303 commission for a special fuel permit. When the application is approved by the commission, a
304 single special fuel permit shall be issued to the user.

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

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

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

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

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

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

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

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

324 Section 5. **Effective date.**

325 This act takes effect on July 1, 2003.