

**MINUTES**  
**Approved by the Committee**  
**Commercial Vehicle Annual Registration Fee Committee**  
**Thursday, November 09, 2017**  
**9:00 A.M.**  
**Room EW41**  
**Boise, Idaho**

Co-chair Senator Brackett called the meeting to order at 9:04 a.m. and requested a silent roll call. Members present: Senators Anthon (by phone), Crabtree, and Nye; Co-chair Representative Joe Palmer and Representatives Monks, Kauffman, DeMordaunt (by phone), and Toone. Legislative Services Office staff Elizabeth Bowen, Christine Otto, and Jennifer Kish. Absent and excused: Senator Winder.

Other attendees: Jim Whitty, Scott Wilson - D'Artagnan Consulting, LLP; Clay Handy - Handy Truck Line, Inc.; Jerri Hunter, Ramon Hobdey-Sanchez, Bob Thompson, Matt Moore, Mollie McCarty - Idaho Transportation Department (ITD); Russell Westerberg - LAMAR; Graham Zickefoose - UI McClure Center; Skip Smyser; Julie Pipal - Idaho Trucking Assoc. (ITA); Elizabeth Criner - Simplot; Jerry Deckard - Associated Logging Contractors; Betsy Russell - The Spokesman-Review; Dennis Tanikuni - Idaho Farm Bureau; Ken Burgess - Compass; and Colby Cameron - Sullivan & Reberger.

NOTE: presentations and handouts provided by the presenters/speakers are posted to the Idaho Legislature website: <https://legislature.idaho.gov/sessioninfo/2017/interim/>; and copies of those items are on file at the legislative Services Office located in the State Capitol.

Co-chair Brackett asked for a motion for approval of the October 16 minutes. **Rep. Kauffman made a motion to approve the minutes of the October 16 meeting as printed; Sen. Crabtree seconded the motion; the minutes were approved by a majority voice vote.**

At 9:07 a.m., Co-chair Brackett called Elizabeth Bowen, Senior Research Analyst for the Research and Legislation Division of LSO, to the podium for her presentation to the committee. Ms. Bowen made note of the additional handouts for use during her presentation: a print out of the [table from Section 49-434\(8\)](#), Idaho Code, which listed the operating fees assessed to vehicles in excess of 60,000 pounds; and a [three-page handout](#) illustrating the possible compositions of commercial vehicles, the designated routes in Idaho for vehicles up to 129,000 pounds, and the weight capacity of various roadways in Idaho. Ms. Bowen's [presentation](#) provided a description of the process by which commercial vehicles over 60,000 pounds are assessed operating fees.

- Co-chair Brackett asked Ms. Bowen to clarify whether a vehicle registered in September only had to pay for the remainder of the year. Ms. Bowen explained that a vehicle registered at anytime other than the beginning of the year was charged a portion of the year, i.e. the remaining months within the calendar year. Co-chair Brackett asked whether a vehicle could be registered for only January, February, and March and receive a prorated fee. Ms. Bowen deferred the question to Jerri Hunter, Interstate Commercial Programs Supervisor for ITD. Ms. Hunter explained that a vehicle was assessed a fee accordingly from the month registered to the end of the calendar year; a vehicle could not be registered for only the beginning months of a year or a few months in the middle of a year. Co-chair Brackett commented that the exposed situation may warrant later discussion.
- Co-chair Palmer inquired whether the prorated fee was only applicable to farm-related vehicles. Ms. Hunter explained that the prorated fee was applied to any type of commercial vehicle, not just farm related vehicles.
- Sen. Nye queried whether the maximum gross weight was the stated permissible weight or the actual weight of the vehicle. Ms. Bowen noted that the maximum gross weight is declared by the operator as stated by the manufacturer of the vehicle. Mr. Clay Handy, owner of Handy Truck

Line, clarified that commercial vehicles were registered in increments of 2,000 pounds; and while a vehicle was listed by the manufacturer as able to haul up to 80,000 pounds, if an operator hauled a lesser load, then that was the maximum gross weight applicable for assessment.

- Rep. Toone asked whether the separate annual \$25 registration fee was also prorated when a vehicle participated in the IRP. Ms. Bowen believed that it was, per her Examples 7(A) thru 7(C).
- Sen. Nye inquired whether the fee outlined in the table from Section 49-434(8)(c) was in addition to gas tax fees paid by the operators. Ms. Bowen explained that the assessed registration fee was in addition to any gas tax. Sen. Nye then inquired whether the registration fee was for each vehicle operated by an owner. Ms. Bowen noted that the fee was indeed for each vehicle within a fleet.
- Co-chair Brackett asked whether calculations for the IRP were used for other types of fees, such as the IFTA (International Fuel Tax Agreement). Ms. Jerri Hunter (ITD) stated that the calculations performed for Idaho commercial registration fees were separate from the reporting that was completed for IFTA or for fuel tax. Sen. Crabtree proffered that the mileage was used for both purposes. Ms. Jerri Hunter explained that the mileage could be the same but also could be different; she clarified that IFTA reporting was for vehicles over 26,000 pounds, and there could be the instance where a commercial vehicle registered under the full fee or IRP was less than 26,000 pounds. Sen. Crabtree inquired as to the percentage of vehicles that were under the 26,000 pound category. Ms. Hunter did not know the percentage at the moment, but would research the information.
- Co-chair Brackett, in reference to the handout illustrating possible compositions of commercial vehicles, asked whether the number of axles utilized by a vehicle had any influence on the registration fee. Ms. Bowen reported that it did not have any influence.

At the conclusion of Ms. Bowen's presentation, Co-chair Brackett asked for a motion for approval of the October 4 minutes. **Rep. Kauffman made a motion to approve the minutes of the October 4 meeting as printed; Sen. Crabtree seconded the motion; the minutes were approved by a majority voice vote.**

At 9:57 a.m., Co-chair Brackett called upon representatives of D'Artagnan Consulting LLP, James Whitty and Scott Wilson, for the [presentation](#) of their response to the committee's RFI.

Key points of the presentation:

- Summarized the company's history and recent, related projects.
- Listed challenges to variety of systems in use worldwide.
- Outlined how to study the users, predict related maintenance costs, forecast desired improvements, and to identify terrain and weather impact.
- Identified types of revenue options and pros/cons of each.
- Explained the term Fourth Power Rule: every additional ton imposes damage exponentially ( $\text{ton}^4$ ).
- Noted that the only states using a weight-distance fee were New Mexico, Kentucky, New York and Oregon.
- Provided a brief overview of Oregon's current weight-mile system and New Zealand's user fee system.
- New Zealand system works on a pre-pay system for mileage, is based on weight of vehicle, and is only charged for in-network roadways as verified by the use of GPS; also, the addition of axles by operators lowers the fee.
- Provided a list of topics that the committee may wish the consultant to consider pertinent to Idaho's needs.

- Co-chair Palmer inquired about the fee for a study by D'Artagnan Consultants. Mr. Whitty explained that the fee would be relevant to the amount of work requested; a list of written topics would be the best place to start the discussion. Co-chair Brackett offered that at the minimum, the committee would request an evaluation of the current system's strengths and weaknesses, and expect at least one proposal on a better system - including the option of simply modifying the current system. Sen. Crabtree added that he would like to see how the current system is fair and equitable in relation to damage caused to the roadway. Mr. Wilson agreed that such ideas could be incorporated and that any proposal would offer alternatives with the forethought of future growth. Ms. Bowen commented that [D'Artagnan Consulting's response](#) to the RFI, which was provided to committee members by email and was included in this meeting's packet, explained how long a study would take and how in-depth the study would be (pages 9-10) given the budget from the RFI's solicitation.
- Rep. Monks asked whether Idaho's system was really any different than how the other states operated. Mr. Whitty commented that the problems were the same and the system was more in-line with how other states were addressing the issues; especially with the seemingly increasing amount of commercial vehicles using the roadways.
- Sen. Nye wondered whether the committee had enough time to put out an RFP for hiring a consultant. Ms. Bowen noted that the Legislature was exempt from the state purchasing laws of requiring a RFP; however, she reminded the committee that the Speaker of the House and the President Pro Tempore of the Senate would need to approve and sign any contract for hiring a consultant.
- Sen. Crabtree commented that a study needed to include opportunities for accommodating the future of transportation and the technological advances appearing on the horizon. Mr. Whitty commented that a proposal would include flexibility and adaptations in light of advances in technology in transportation, such as GPS, electric semis, and autonomous vehicles.
- Sen. Nye wondered how the time frame of 4-5 months, submitted by D'Artagnan, for the study would impact the committee's work. Co-chair Brackett commented that he would rather make arrangements to spend the necessary amount of time on the issue than to hurry a short fix. Co-chair Brackett asked Ms. Bowen to comment on the ability of the committee to complete its work before session. Ms. Bowen reported that the committee could continue its work beyond the beginning of session by recommending to the Legislature in its final report that a consultant be hired to further study the issue, and by submitting a concurrent resolution that the committee be reauthorized the following year.

Co-chair Brackett opened the floor to anyone from the audience who wished to provide comment to the committee.

- Mr. Clay Handy, Handy Truck Lines, Inc., commented that he desired a system that wasn't too expensive to administer and didn't make it too easy for people to evade. He embraced the idea of electronic reports and logs. He implored the committee to ensure that the fees paid by operators be used for the roadways and not squandered on superfluous studies, evasion prevention, and auditing systems. Mr. Handy reminded the committee that part of the settlement [between the state of Idaho and the American Trucking Association] was that efforts to prevent fuel tax evasion would be improved, hence more revenue would have been fairly collected, and he felt that there had not been much improvement. He commented on the frustration of road districts not allowing permitted, over-weight vehicles to operate because the roadways still had not received improvements to bear the loads. He commented that each state with which he worked had better advantages than Idaho, especially Utah, which allowed him to transfer the permit between trucks. He also felt it unfair that there were exemptions for certain types of commercial vehicles; likewise, he felt it unfair that there existed different fee tiers for use of the roadways.

At 10:44 a.m., the committee recessed for a break.

At 11:06 a.m., the committee reconvened and Co-chair Brackett called for the committee's discussion.

- Co-chair Brackett commented that the committee would take D'Artagnan Consulting's presentation and response under advisement but that no other action would be taken on it at this meeting.
- Co-chair Brackett noted that committee members had concerns that their appointments would expire at the end of November. He noted that an extension of their duties could be requested of the Speaker and President Pro Tempore if the members desired.
- Rep. Monks offered his thoughts that the committee was attempting to simplify the current system and was not focusing on increasing revenue. He also noted that the committee was not to focus on the fairness of fees between passenger vehicles and commercial vehicles, but rather the fairness of fees among commercial vehicles only. Rep. Monks summarized that the committee should focus on tweaking the current system in an attempt to create fairness rather than completely overhauling it. He agreed with other members that the committee was at a point where it should summarize what had been learned and accomplished during its meetings, and it should provide recommendations to the Legislature.

Co-chair Brackett requested that LSO staff prepare a final report for the committee to be circulated by email among the members for comments.

The meeting was adjourned at 11:15 a.m.