

*Subsection 7.3: Resolution C – Commercial Trucking Vehicle Registration Fees*

On December 13, 2016, the Governor’s Task Force on Transportation unanimously adopted the following resolution to recommend increasing revenue through vehicle registration fees for the commercial trucking industry as a bondable means of financing for a statewide bridge improvement program:

*WHEREAS, bridge conditions in Louisiana are such that more than 220 bridges are currently closed, over 1,000 bridges have load-posted weight limits, more than 750 bridges have exceeded their useful life of 50 years, and nearly 2,500 bridges still have timber components; and*

*WHEREAS, without additional revenue to fund a bridge improvement program in Louisiana, additional bridges will continue to be closed and weight restricted, at an accelerating rate, disrupting commerce through lengthy detour routes in both urban and rural areas; and*

*WHEREAS, vehicle registration fees for the commercial trucking industry were identified by attendees of regional meetings as a means of increasing revenue for transportation infrastructure in Louisiana; and*

*WHEREAS, the Task Force has determined that vehicle registration fees for the commercial trucking industry provide for inequity with respect to specific commodities and do not correlate with impacts to the transportation system; and*

*WHEREAS, the Task Force has determined that establishing vehicle registration fees for the commercial trucking industry based on impact to the transportation system rather than with respect to the commodity being transported to be sound public policy; and*

*WHEREAS, such revisions to the existing fee structure would have commercial trucks with more impact to the transportation system invest more than those with less impact; and*

*WHEREAS, the Task Force has determined the use of additional revenue from commercial trucking vehicle registration fees for a bondable bridge improvement program that targets all 64 parishes to be appropriate, as bridges in rural areas are particularly susceptible to impacts from heavy loads that can result in closure or weight restrictions that impede commerce; and*

*WHEREAS, revisions to the existing fee structure could increase additional revenue to justify increasing the diesel tax a rate lower than the gasoline tax; and*

*WHEREAS, under the existing fee structures, vehicle registration for the commercial trucking industry generates approximately \$60 million annually; and*

*WHEREAS, vehicle registration fees for the commercial trucking industry were dedicated to transportation and authorized for bond issuance by Act 135 of the 2012 Regular Legislative Session providing for a one-time \$325 million capital investment that dedicated approximately \$23 million of the \$60 million to debt service annually over a 30-year period.*

*THEREFORE BE IT RESOLVED, the Governor's Task Force on Transportation Infrastructure Investment does hereby recommend increasing revenue through vehicle registration fees for the commercial trucking industry as a bondable means of financing for a statewide bridge improvement program; and*

*BE IT FURTHER RESOLVED, that revisions to the existing fee structure should increase additional revenue to justify increasing the diesel tax at an appropriate rate lower than the gasoline tax; and*

*BE IT FURTHER RESOLVED, that increases in vehicle registration fees for the commercial trucking industry should provide equity and ensure that commercial trucks with more impact to the transportation system invest more than those with less impact; and*

*BE IT FURTHER RESOLVED, a copy of this resolution and additional information supporting the findings contained herein shall be included in the submission to the Governor by January 1, 2017.*

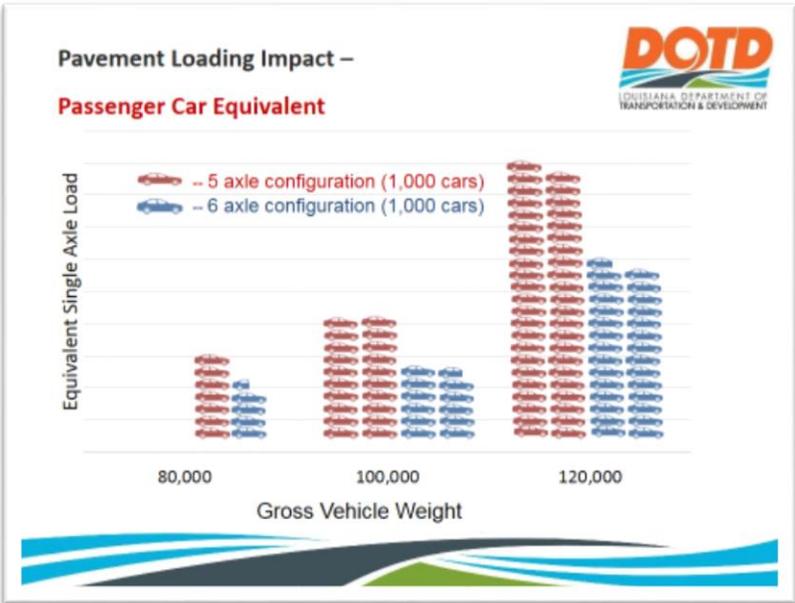
Like many states, Louisiana has dedicated vehicle registration fees from the commercial trucking industry to transportation. As indicated in the resolution, a sizeable portion of this revenue stream was bonded out in recent years to make enhancements to non-federal aid routes across rural Louisiana. This use of the funds was appropriate, enhancing pavement conditions on many routes used by the commercial trucking industry. While the dedication of these funds to transportation was sound public policy, the fee structure itself is similar to the special permitting fee structure in that fees are based on types of commodity rather than impact to the transportation system, as depicted in Graphic N. If improved to provide equity between the different commodities, revenue could be generated to help finance the aforementioned bondable statewide bridge improvement program.

**Graphic N: Weight is Weight. Why the Disparity in Fees between Commodities?**

Weight	Class 1	Class 2	Class 3	Class 4	Class 5
	Truck	Forestry	Gravel	City Use	Farm
6000	10.00	10.00	10.00	10.00	3.00
8000	28.00	20.00	28.00	20.00	3.00
10,000	36.00	25.00	35.00	25.00	3.00
20,000	76.00	50.00	70.00	50.00	10.00
26,000	156.00	72.80	156.00	78.00	20.00
36,000	216.00	100.80	216.00	108.00	20.00
55,000	346.50	154.00	330.00	165.00	30.00
80,000	504.00	224.00	480.00	240.00	40.00
88,000	563.00	246.40	528.00	264.00	40.00

**Graphic O: Trucks Impact the System More than Passenger Cars. It Makes Sense to Equitably Increase Truck Registration Fees for Transportation**

Acting upon this resolution would result in Louisiana implementing sound public policy by assessing weight as weight without respect to commodity. Similar to special permit fees, this resolution would put the investment burden on the vehicles that cause more impact to the transportation system. Through this and Resolution B, Louisiana would be leading the nation with a user-fee based bridge improvement program that would provide meaningful benefits to the industry making the investment. With trucks causing more impact to the transportation system than passenger cars as depicted in Graphic O, it makes sense not only to have vehicle registration fees from the commercial trucking industry supplement diesel tax revenues, but for the model to assess fair user fees based on overall impact to the system.



This resolution addresses the issue of vehicle registration fee inequity that has been in place for decades as it relates to commercial trucking. It was the right decision to dedicate these revenues to transportation years ago, but it is also very appropriate and necessary to eliminate the disparity between commodities and increase the overall revenue generation to help fund a statewide bridge improvement program.