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16. Abstract In the past decade the population of Texas, as well as traffic volumes within Texas, have steadily increased. Registration of both passenger cars and light trucks has also increased to reflect the growing population. However, during the same period, registration of heavy trucks and trailers has either remained the same or decreased slightly. One reason for this disparity may be "jurisdiction shopping" by owners of heavy trucks and trailers. "Jurisdiction shopping" is when a company attempts to benefit from easier registration policies and procedures or lower taxes and fees by headquartering businesses or registering vehicles in other states or jurisdictions. As a result of jurisdiction shopping, Texas does not receive its fair share of registration dollars. The purpose of this project is to focus on jurisdictional policies, procedures, licensing requirements, and fees/taxes of Texas and other jurisdictions. A comparison of this information identified reasons for the disparity in Texas registrations and those of other jurisdictions and provided recommended solutions.					
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DISCLAIMER

The contents of this report reflect the views of the authors, who are responsible for the facts and the accuracy of the data presented herein. The contents do not necessarily reflect the official view or policies of the Federal Highway Administration (FHWA) or the Texas Department of Transportation (TxDOT). This report does not constitute a standard, specification, or regulation. The researcher in charge of this project was Debbie Jasek.

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GLOSSARY

AAMVA	American Association of Motor Vehicle Administrators
AMSA	American Moving and Storage Association
ATA	American Trucking Association
CDL	Commercial Drivers License
CRBF	County Road and Bridge Fee
CVET	Commercial Vehicle Excise Tax
CVIEW	Commercial Vehicle Information Exchange Window System
CVISN	Commercial Vehicle Information Systems and Networks
CVRA	Commercial Vehicle Registration Act
FHWA	Federal Highway Administration
FMCSA	Federal Motor Carrier Safety Administration
GVW	Gross Vehicle Weight
ID	Identification
IFTA	International Fuel Tax Agreement
IRP	International Registration Plan
IRS	Internal Revenue Service
LLC	Limited Liability Corporation
MVD	Motor Vehicle Division
NPTC	National Private Truck Council
OOIDA	Owner-Operator Independent Drivers Association
PRISM	Performance and Registration Information System
SAFER	Safety and Fitness Electronic Records
SSRS	Single State Registration System
TTI	Texas Transportation Institute
TMTA	Texas Motor Trucking Association
TxDOT	Texas Department of Transportation
TxDOT/VTR	Texas Department of Transportation Vehicle Titles and Registration Division

USDOT	United States Department of Transportation
VIN	Vehicle Identification Number
VLf	Vehicle License Fee

CHAPTER 1: INTRODUCTION AND METHODOLOGY

OVERVIEW

In the past decade the population of Texas, as well as traffic volumes within Texas, have steadily increased. Registration of both passenger cars and light trucks has also increased to reflect the growing population. However, during the same period, registrations of heavy trucks and trailers have either remained the same or decreased. One reason for this disparity may be “jurisdiction shopping” by owners of heavy trucks and trailers.

“Jurisdiction shopping” is when a company attempts to benefit from easier registration policies and procedures or lower taxes and fees by headquartering businesses or registering vehicles in other states or jurisdictions. There are other fees/taxes that fleet owners may be attempting to avoid. In addition, other jurisdictions may make it easier to register fleets (e.g. permanent license plate, online registration, etc). In many of these situations, the owners do not move their headquarters operation. In other words, the vehicles are still based in Texas but are registered in another jurisdiction. In other situations, fleet owners moved their headquarters to other jurisdictions. The end result for Texas in both situations is lost revenue.

RESEARCH FOCUS AND OBJECTIVES

This research focused on methods of registration and types of fees, registration dollars, and taxes levied on heavy trucks by various states. Information was also gathered about the procedures for registration used by other states. Once this information was collected, Texas truck registration requirements and procedures were compared to other states. The research team then identified methods that could be used to increase truck registration revenue in Texas. The general objectives of this research project included identifying why Texas heavy truck registration is declining and remedies to ensure Texas receives its fair share of registration dollars with respect to heavy trucks and trailers. Specific objectives included:

- conducting a state of the practice review of registration and licensing procedures for all states;
- reviewing recent legislation and legal issues regarding licensing and registration;

- developing a profile of industry views on registration and licensing;
- selecting specific states for an in-depth case study of registration and licensing;
- conducting case studies of registration, taxing, and licensing procedures for the selected states;
- analyzing the results of the case studies and creating a comparison document based on the analyses; and
- preparing documentation of the research findings.

RESEARCH METHODOLOGY

The work plan for this study consisted of seven specific objectives. A detailed description of the approach the research team used to accomplish the objectives is presented below.

Task 1. State of the Practice Review of Registration and Licensing for All States

The Texas Transportation Institute (TTI) research team reviewed the basic requirements for registration and licensing for all of the 48 contiguous states. Documented elements included fees, procedures, and requirements for registration. The team also documented the number of tractor and trailer units registered by each state in recent years. This information was placed in a matrix format, which provided the basis for the selection of states for the case studies described in Task 5.

Task 2. Review Recent and Ongoing Legislative and Legal Issues Regarding Registration and Licensing

The research team monitored and documented both legislative and legal actions. The team also documented other newsworthy items regarding registration and licensing nationwide. In addition to monitoring newspapers, truck publications and web sites such as TruckNet, The Trucker, Transport Topics, TruckingInfo, RoadStar, and The Heavy Duty Trucker were monitored as well. Online resources including the International Registration Plan (IRP), Inc., the American Association of Motor Vehicle Administrators (AAMVA) web site, and the American Moving and Storage Association (AMSA) web site were also monitored for information on legislative and legal issues.

Task 3. Develop a Profile of Industry Views on Registration and Licensing Issues

The research team conducted interviews of industry sources regarding truck registration and licensing issues, as well as gathering other industry information regarding these issues. This information was used to develop profiles of industry attitudes and opinions on truck registration, licensing, and associated topics. The research team also used the information in formulating recommendations and assessments of why some state jurisdictions may be preferred over other states when fees are not an issue. Contacts included motor carriers as well as state and national associations such as the American Trucking Association (ATA), Texas Motor Trucking Association (TMTA), Oklahoma Truck Association, the Owner-Operator Independent Drivers Association (OOIDA), the National Private Truck Council (NPTC), and AAMVA.

Task 4. Selection of States for Case Study

Based on the information assembled in Tasks 1 through 3, researchers selected 10 states for case study and in-depth review of policies and procedures. These states were used for the detailed and documented comparison with Texas: California, Indiana, Nebraska, Oklahoma, Oregon, Alabama, Tennessee, Illinois, and North Carolina. Criteria for selection included dramatic increases in tractor and/or trailer registrations, number of registrations versus state population, and number of registrations versus industry base.

Task 5. Case Study of Selected States

The case study of the selected states focused on all aspects of truck registrations. The information gathered in this task was used to augment and further develop the initial data sets collected in previous tasks. The in-depth reviews conducted during this task included state laws, regulations, registration policies, procedures, annual licensing fees, licensing requirements, enforcement practices, fuel taxes, insurance requirements, auditing practices, payment policies, and customer service. The information assembled in this task formed the basis for the detailed comparison document.

Task 6. Analysis of Results and Creation of a Detailed Comparison Document

Information gathered in the case study portion of the research project was combined with all other relevant information obtained, and a comparison document was drafted. This document contains a matrix of the 10 selected states that ranks the order each state for each element

reviewed in the case study. Supporting documentation outlines the basis of this ranking. For example, each state is ranked based on the cost of annual registration, with the supporting documentation being the registration fees. The research team then assessed an overall ranking for each state based on the rankings for each element. A condensed summary of findings for each state (1-3 pages) is also included as part of the comparison document.

Task 7. Prepare Documentation of Project Findings

The TTI research team prepared a technical research report to document the results of the state of the practice review of states, review of legislation, documentation of industry profiles, materials gathered from industry sources, and the case studies. Any recommendations and observations regarding the registration and licensing policies and procedures were also documented in the report. The research team also prepared a 3-4 page summary report that highlights the key findings and implementation items that resulted from the research. The team also developed a detailed comparison document of selected states and ranked various elements of the registration and licensing programs.

CHAPTER 2: STATE REGISTRATION AND LICENSING PRACTICES

The TTI research team reviewed the basic requirements for registration and licensing for all of the 48 contiguous states, including fees, procedures, and requirements for registration. The team also documented the number of tractor and trailer units registered by each state in recent years. The research team also gathered information from the AAMVA documents and statistics, the IRP, Inc. documents and statistics, current United States census statistics, and sources such as the Promover web site, which is maintained by AMSA.

The team gathered statistics on the number of power units registered in 2001, the number of power units per capita, the number of trailers, the number of trailers per capita, the registration cost ranking, and the ratio of new registrations to total registration (2001). States were then ranked. All of the rankings were summed, and an ordered score ranking was then made. A complete matrix of this initial ranking can be found in [Appendix A](#), and the following tables show the top 10 states in each category. These rankings weighed significantly in the selection of states that were used for the subsequent case studies.

Tables [2-1](#) through [2-7](#) depict the top states in each of the following categories: number of power units registered, number of power units per capita, number of trailers, number of trailers per capita, registration cost ranking, ratio of new registrations to total registration, and ordered score ranking. If Texas is not among the top states, Texas data are included for comparison purposes. [Table 2-1](#) illustrates the number of power units registered in 2001. It is interesting to note that the top four states are all located in the Midwest and that California is the only western state represented in the top 10. Oklahoma is ranked first with 202,890 power units. Oklahoma registered 30,000 more power units than Illinois—the second-ranked state.

[Table 2-2](#) depicts the number of power units per capita registered in 2001. This ranking table may be deceptive with states like North Dakota, Wyoming, Montana, and Utah being represented in the top 10 states. These states have a high per capita ranking due to low populations and economies strong in agriculture- and petroleum-related industries that utilize

trucks for moving products. It is also interesting to note that in addition to Texas ranking forty-first, California, New York, Florida, and Pennsylvania are all ranked in the bottom half of states, with California ranking forty-eighth. Oklahoma has the highest per capita rating with 0.059 power units per capita, which is more than twice as many as Nebraska (ranked second).

Table 2-1. States Ranked by Power Units Registered in 2001.

State	Power Units Registered	Ranking
Oklahoma	202,890	1
Illinois	172,806	2
Indiana	116,326	3
Ohio	79,384	4
Tennessee	78,981	5
Pennsylvania	71,549	6
Texas	69,472	7
North Carolina	65,335	8
New Jersey	61,786	9
California	57,815	10

Table 2-2. States Ranked by Power Units Per Capita in 2001.

State	Power Units Per Capita	Rank
Oklahoma	0.059	1
Nebraska	0.022	2
Indiana	0.019	3
North Dakota	0.017	4
Iowa	0.016	5
Montana	0.015	6
Utah	0.014	7
Illinois	0.014	8
Tennessee	0.014	9
Wyoming	0.014	10
Texas	0.003	41

Table 2-3 shows the number of trailers registered in each state in the year 2000. Oklahoma is once again ranked first with 266,350. With the exception of California, all of the states listed in the top rankings for trailer registrations are midwestern states. Texas is ranked twelfth. One state that is not ranked in the top ten for registered trailers is Maine. Maine has the

highest number of trailers registered by far; however, they are permanent registrations and were not reported in this survey. Other states that did not report trailer registrations in this survey were Kentucky, New Jersey, Louisiana, New Hampshire, Hawaii, and Alaska. [Table 2-4](#) illustrates that Oklahoma is also top ranked in trailers per capita. All of the states in the top 10 of most trailers per capita are midwestern and western states, with the exception of Tennessee. These states generally are lower in population and for the most part are agricultural- and petroleum-based economies.

Table 2-3. States Ranked by Trailers Registered in 2000.

State	Trailers Registered	Rank
Oklahoma	266,350	1
California	200,110	2
Illinois	180,391	3
Tennessee	82,588	4
Oregon	82,414	5
Nebraska	70,479	6
Iowa	63,161	7
Utah	43,545	8
Indiana	32,364	9
Missouri	31,033	10
Texas	23,184	12

Table 2-4. States Ranked by Per Capita Trailer Registration in 2000.

State	Trailers per Capita	Rank
Oklahoma	0.0772	1
Nebraska	0.0412	2
Oregon	0.0241	3
Iowa	0.0216	4
Utah	0.0195	5
Illinois	0.0145	6
Tennessee	0.0145	7
Wyoming	0.0145	8
South Dakota	0.0138	9
Montana	0.0123	10
Texas	0.0011	28

[Table 2-5](#) depicts the truck registration cost rankings in 2001 furnished by Promover. Promover is the web site for AMSA. The costs of fuel taxes, registration, licenses, and other

fees are combined into a commercial truck cost ranking. The lowest ranking is the most inexpensive state for commercial vehicle operations. When researchers conducted the initial review of licensing and registrations in the fall of 2002, they found a number of such rankings, both formal and informal. The Promover ranking was used because it was the most representative of all rankings reviewed. Although the rankings are not all encompassing, they do represent an industry view of taxes, registration, licensing, and fees. It is interesting to note that with only two exceptions, Oklahoma and Georgia, none of the top 10 states in this table are in the top 10 in any of the other comparisons.

Table 2-5. 2001 Truck Regulatory Cost Ranking.

State	Ranking
Alaska	1
Georgia	2
Oklahoma	3
South Carolina	4
Hawaii	5
New Hampshire	6
District of Columbia	7
Louisiana	8
Alabama	9
New Jersey	10
Texas	11

Table 2-6 is perhaps one of the most revealing tables for overall assessment of truck registration trends. Table 2-6 provides information and ranking of the ratio of new truck registrations to total truck registrations for 2001. The lowest rank shows the greatest growth rate in truck registrations. This table provides a snapshot of the growth of the trucking industry and the trends of 2001. Once again Oklahoma ranks the highest with a ratio of 0.416, however, the difference between Oklahoma and second-ranked Texas is only 0.068. A number of other midwestern states, which were ranked in actual units, did not appear in the top part of this ranking. Also appearing in tables of rankings for the first time are Maine, Florida, Maryland, and Michigan.

Table 2-6. Ratio of New Registrations to Total Registrations for 2001.

State	Ratio	Rank
Oklahoma	0.416	1
Texas	0.348	2
Maine	0.321	3
California	0.320	4
Florida	0.282	5
Georgia	0.230	6
Maryland	0.227	7
Tennessee	0.217	8
Oregon	0.211	9
Michigan	0.197	10

The previous six databases were the basis for creating nonbiased criteria for selection of case study candidates for the research study. All of the rankings of the first six databases were summed to provide a total of scores. These scores were then ordered with the lowest being the best candidate for possible selection for case study. The top 15 states according to ordered scores are listed in [Table 2-7](#).

Table 2-7. Sum of Ranked Scores and Ordered Ranking.

State	Sum of Rank Scores	Ordered Rank
Oklahoma	8	1
Tennessee	45	2
Illinois	81	3
Nebraska	81	4
Iowa	88	5
Utah	89	6
Indiana	98	7
Missouri	99	8
Oregon	100	9
Texas	101	10
North Carolina	104	11
Alabama	105	12
Georgia	113	13
Minnesota	114	14
Wisconsin	120	15

CHAPTER 3: REVIEW OF PRACTICES AND ISSUES

BACKGROUND

All motor vehicle registration and titling activities in Texas are the responsibility of the Texas Department of Transportation Vehicle Titles and Registration Division (TxDOT/VTR). The central office is in Austin, and there are 17 regional offices located around the state. The regional offices support the state's 254 county tax assessors-collectors, who serve as agents of the department based on statutory requirements placed on tax-assessor collectors. Motor carriers that are involved in intrastate operations are required to register their vehicles at the county tax assessor-collector's office. Motor carriers involved in interstate operations either register their vehicles under the International Registration Plan (IRP), register in a base jurisdiction that has regular interstate reciprocity with Texas or purchase a trip permit (*I*). Interstate Texas-based carriers must register at one of the 17 regional offices.

In recent years the number of heavy truck registrations for Texas has either declined or remained stagnant. Meanwhile, the population of the state has grown and traffic volume has increased steadily. Both passenger car and light truck registrations have also risen. Efforts to find the root causes for this stagnation or, in some years, decline of heavy truck registrations led to this project.

THE INTERNATIONAL REGISTRATION PLAN

With the burgeoning of interstate trucking in the latter half of the twentieth century, motor carriers and states sought more efficient means of registering heavy trucks that operated interjurisdictionally. Reciprocity agreements and other arrangements were initially established between individual jurisdictions to allow carriers from one state easy access to adjacent states. Bistate agreements eventually gave way to larger multistate and regional accords. The most prominent of these were the Uniform Proration and Reciprocity Agreement and the Multi-State Reciprocity Agreement. AAMVA began to explore the possibility of creating a heavy truck registration reciprocity agreement among North American jurisdictions in the 1960s. It was envisioned that such an agreement would enable more equitable distribution of revenue collected

from interjurisdictional motor carriers. Successful U.S. pilot agreements in the 1970s led to the program's expansion and subsequent establishment as the IRP.

The IRP is a program for licensing vehicles engaged in interstate operations. The fundamental principle is freedom of vehicle movement that is attained by authorizing “apportioned registration or apportionment” (2). Texas was one of the first states to join IRP on September 13, 1973, together with Kentucky, Tennessee, Missouri, Minnesota, Oregon, Nebraska, Utah, and Colorado (1). As of 2001, all 48 contiguous states and 10 Canadian provinces had joined the IRP. The three Canadian provinces that are not members of IRP are the Northwest Territories, Nunavut, and Yukon.

To qualify for an apportioned IRP registration, a motor carrier or owner-operator must meet the following conditions:

- operate a power unit that has two or more axles and a gross weight more than 26,000 lb,
- be engaged in interjurisdictional transportation, and
- accrue mileage in the base jurisdiction.

Base Jurisdiction

Under IRP regulations, trucking firms and owner-operators register vehicles in their “base” or home jurisdiction. The base jurisdiction by definition of the IRP is where *the registrant has an established place of business, where mileage is accrued by the fleet, and where operational records of such fleet are maintained or can be made available* (2).

The base jurisdiction issues an identification plate and a cab card to the vehicle for the purpose of registration. This identification plate is the only plate required for the vehicle by member states. The base jurisdiction then collects the appropriate registration fees and distributes them to the other jurisdictions in which the carrier has requested IRP registration. Registration fees are based on a prorated formula that accounts for the type of vehicle operation (private, for-hire, rental), the percentage of miles traveled in each jurisdiction, the registration rate in those jurisdictions, and the registered gross weight of the vehicle. The IRP, Inc. administers the

Clearinghouse, which distributes the registration revenue among the member jurisdictions, with each member jurisdiction receiving its proportional share of the registration fees for each vehicle registered under IRP. The IRP permits new registrants in all jurisdictions to estimate first-year mileage totals (1).

Satisfaction of the IRP's "established place of business" conditions requires the registrant to own, lease, or rent a physical structure in the jurisdiction of registration. The structure must be designated by a street number or road location, be open during normal business hours, and have located within it:

- telephone or telephones publicly listed in the name of the registrant,
- person or persons conducting the registrant's business, and
- operational records of the fleet (or means of making records available).

If the registrant is an owner-operator that cannot fully comply with the "established place of business" provisions set out in the plan, he or she must be able to furnish a street address and telephone number in the base jurisdiction where they can be located for the purposes of audit. The intent of this requirement is to ensure that owner-operators are legitimately based in the jurisdiction of record (3).

Jurisdiction Shopping

In today's competitive shipping industry, profit margins are reduced and competition has increased in the last decade. Any means of reducing costs increases both the viability of a trucking company as well as the bottom line. One method for cutting costs that resulted from the simplified registration process created by the IRP is jurisdiction or base plate shopping. Jurisdiction shopping refers to the carrier practice of searching for the cheapest, most convenient place to register heavy trucks that operate in two or more jurisdictions. The chief rationale for engaging in this activity is to reduce registration costs and administrative burden. Annual savings accruing to carriers that shop for base jurisdictions could total thousands of dollars per vehicle. Savings for large fleets may reach a million dollars or more per year. But there is a critical distinction in how these savings are achieved. Jurisdiction shopping is generally classified as either fraudulent or legitimate.

Fraudulent jurisdiction shopping occurs when an owner-operator or carrier exploits lax enforcement of IRP regulations in a jurisdiction to obtain a cheaper registration. Historically, this activity has involved fraudulent third-party registration agencies and complicit state IRP personnel. Legitimate jurisdiction shopping occurs when motor carriers with bona fide established places of business in multiple jurisdictions have the option of selecting where to register their fleets. This decision may have little to do with where the carrier's operations are focused. As long as one of the carrier's power units accrues mileage in the selected base state each year and the terminal meets the IRP's established place of business criteria, the carrier may register its entire fleet in that state. Some carriers also submit fraudulent documentation and report incorrect mileage at the time of renewal, and some carriers jump from state to state and show estimated miles to obtain registration.

LEGISLATIVE AND LEGAL DEVELOPMENTS AND ISSUES

When resources are restricted or the economy is slow, state governments and agencies look for ways to increase revenue sources. At the same time, businesses and industries look for cost-saving measures to increase their bottom line. Recent legislation, legal maneuvers, and debates may reflect these actions. There are two approaches to increasing revenue through motor carrier registration —increase the amount charged to register and license a vehicle or increase the number of registrations.

Oklahoma Legislation and Legal Issues

Over the years, Oklahoma regulations and the Oklahoma Tax Commission's interpretation of IRP base state requirements created a "truck friendly" atmosphere that led many truck owners to register their fleets in Oklahoma. IRP peer review teams in 1997 and 2001 found that the State of Oklahoma was not in compliance with the IRP.

The IRP, Inc. peer review program, created in 1993, conducts compliance reviews of member jurisdictions. The first peer reviews were conducted in 1994. The program uses a team consisting of two IRP administrators, one IRP auditor, and one IRP, Inc. staff member. The goal of the peer review program is to provide a medium within the IRP to review each member

jurisdiction's administrative procedures and audit programs on a periodic basis for compliance with the *Plan and Audit Procedures Manual* (4).

The 1997 peer review of Oklahoma found that the state does not require registrants to meet the requirements set out in the definition of base jurisdiction for their established place of business. Many of the addresses listed by registrants as an established place of business were service bureau or broker addresses. The peer review team found that the functions provided by these third-party brokers do not meet the criteria in the definition of established place of business (5). The peer review also found that mileage, in some instances, was being underestimated for higher fee jurisdictions and overestimated for jurisdictions with lower fees. The state did not conduct audits in the numbers necessary to comply with the requirements of the IRP (5).

In 1999 the IRP dispute resolution committee ruled that the IRP registrant must have an established place of business as defined in Section 218 and that established place of business cannot be provided for the registrant in the form of a third-party licensing provider (6). Truckers Bookkeeping Service, a third-party broker, contested this ruling in a lawsuit. The lawsuit challenged the IRP committee's authority to rule that a third-party broker's addresses could not be used to establish a trucking clients place of business (7). The lawsuit was later withdrawn after IRP, Inc. admitted in court documents that it did not have the power to enforce the ruling made by the dispute resolution committee (7).

The State of Illinois filed a dispute against Oklahoma at the November 2000 meeting of the IRP, Inc., dispute resolution committee. The dispute charged that Illinois lost substantial revenues because registrants previously apportioned and based in Illinois were changing their base of application to Oklahoma. Illinois further accused Oklahoma of failure to verify the following: a fleet's established place of business, a fleet's actual mileage, and the reasonableness of the initial application estimated mileage. Illinois further charged that Oklahoma would not cooperate with Illinois in preventing Illinois registrants from basing in Oklahoma. Illinois asked for a peer review of Oklahoma and filed a claim for \$15.5 million in lost revenue (8, 9).

The 2001 peer review of Oklahoma also found that Oklahoma registrants did not meet the requirements of established place of business for the purpose of fleet registration. The findings also noted that it appeared that the business addresses of many accounts were the addresses of truck permitting services. Many addresses had multiple registrants, and three addresses had over 1450 registrants (10). This peer review also found a pattern of imbalanced mileage estimates were utilized during the initial application process for IRP registrants. Estimates for travel in low-fee jurisdictions were high, while estimates for higher-fee jurisdictions were low, even though some of the high-fee jurisdictions bordered Oklahoma. These estimates were made without supporting documentation regarding the applicant's proposed operations. This peer review also found problems with the audit requirements for Oklahoma IRP auditors. Auditors were in noncompliance in the following areas: conducting audits with due professional care, exercising proper field work standards, maintaining auditor independence, and meeting auditor qualifications (10).

IRP ordered Oklahoma to come into compliance with the program or face sanctions. IRP Board of Directors suspended Oklahoma's voting privileges and imposed a February 15, 2002, deadline for compliance. Sanctions included suspension of payments of apportioned fees by other states (11). Oklahoma adopted an IRP-approved system for estimation of first-year mileage. The Oklahoma Tax Commission then began work on new rules to tighten the Oklahoma definition of an established place of business that would fulfill the IRP definition (11). The rule changes requiring registrant's established place of business have a physical address in the state where operations records can be made available for audit were slated to become effective in February 2002. The rules also stipulated that the established place of business must have a person, not a licensing agent, conducting business at the location and a telephone number in the registrant's name. The tax commission exempted owner-operators from the new established place of business rules (12).

In early February 2002, an Oklahoma District Court was asked in a lawsuit filed by ProCert Inc., a third-party brokerage firm, to issue a temporary restraining order blocking the new rules regarding established places of business. ProCert charged that the rules were unconstitutional. The court issued a temporary restraining order, until a hearing on the new rules

was conducted (13). This temporary restraining order was dissolved in April 2002 (14). The Oklahoma District Court ruled that the Oklahoma Tax Commission's new rules regarding established places of business were a lawful exercise of the commission's rule-making authority and that the rules do not infringe on the constitutional rights of the trucking industry (15).

On April 1, 2002, the board of directors of the IRP ordered sanctions against Oklahoma. The board ordered that all member jurisdictions "immediately suspend distribution of fees payable...to Oklahoma." The sanctions affected only fees collected after April 1, 2002, and would remain in place until further notice (16).

In April 2002, the State of Oklahoma asked that a US District Court issue a restraining order to prevent the IRP Dispute Resolution Committee from hearing a complaint against Oklahoma initiated by Illinois. The court denied the request on the basis that Oklahoma had agreed to the dispute resolution process when it joined the IRP (14).

During the hearing before the IRP Dispute Resolution Committee held in April 2002, Illinois contended that in 2000 more than 100,000 trucks were fraudulently registered in Oklahoma. This resulted in a loss to Illinois of \$8.2 million. Further estimates for 1999 and 2001 resulted in a total loss to Illinois of \$15.5 million in registration fees. The Oklahoma Tax Commission testified that it had tightened the rules regarding base state registration and that it had no way of collecting the money Illinois contended it was owed, because estimates cannot be audited. IRP, Inc. then ordered Oklahoma and Illinois to work out a plan to satisfy Illinois' claim of \$15.5 million in lost revenue (14).

The Oklahoma Tax Commission filed suit in December 2002 in Federal District Court against IRP, Inc. asking for suspension of the sanctions imposed on Oklahoma. The lawsuit was filed to protect more than \$16 million in fees Oklahoma stands to lose. Central to the suit is the \$15.5 million claim by Illinois over lost revenue. Also contributing to the lawsuit is the recent peer review. Oklahoma claims that the IRP, Inc. Dispute Resolution Committee exceeded its authority (17). The court heard the petition of the lawsuit on March 14, 2003, in Oklahoma City. On April 29, 2003, the following orders were issued: the court lifted the withholding sanction

imposed by the IRP against Oklahoma, all member states with the exception of Illinois are ordered to resume transmitting to Oklahoma all Oklahoma fees accrued after April 29, 2003, and all fees accrued between January 1 and April 29, 2003, are to be reported to the IRP. The court also ordered that both the IRP and Oklahoma submit briefs to the Court regarding the disposition of the suspended funds, the dispute between Illinois and Oklahoma, and any further proceeding that may be necessary regarding the case. The briefs were due to the court by June 10, 2003 (18). A final resolution regarding this court case was not published at the time this report was written.

Oregon Legislation and Legal Issues

In 1999 Oregon legislators proposed to eliminate the weight-distance tax for commercial vehicles. In place of the tax, a \$0.29/gallon diesel fuel tax and a substantially increased truck registration fee would be imposed. The legislation was supported by trucking interests but opposed by auto groups (19). The proposal failed and Oregon still incorporates a weight-distance tax.

In 2001 the American Trucking Association challenged the legality of the Oregon weight-distance tax system and the tax system's "flat-fee" alternative in Oregon Circuit Court. The alternative allows carriers of logs, wood chips, sand, and gravel to pay a flat annual fee. The ATA charged that the system was structurally invalid because it favored local Oregon-based carriers with tax savings. The State of Oregon argued that the flat-fee alternative does not provide carriers with a tax break and is merely an administrative convenience (20). The Oregon court ruled that the weight-distance tax system does not discriminate against interstate commerce. On September 9, 2002, the ATA Litigation Center filed a brief with the Oregon Court of Appeals challenging the lower court ruling (21). A ruling on the brief was not published at the time this report was written.

Louisiana Legislation

Louisiana proposed fee increases in 2000 that effectively tripled annual truck registration fees. The proposed legislation also doubled the penalty for overweight vehicles. The proposed increases were designed to make up for 2000-2001 state budget shortfalls (22). Louisiana did not enact the proposed legislation.

California Legislation

In December 2001, California changed registration fees regarding trailers and trailer fees. Under the new regulations California no longer charges separate trailer fees. Commercial trailers, regardless of base jurisdiction, are still required to display a current trailer registration under the California Permanent Trailer Identification Program (23).

The Commercial Vehicle Registration Act (CVRA) of 2001 also became effective on December 31, 2001. The CVRA requires that a commercial vehicle owner must declare the operating weight of the vehicle. A CVRA fee is then assessed in addition to other registration fees for trucks operating at a gross weight or combined gross weight of 10,001 pounds or more. If a driver drives a vehicle over the declared weight, the state may assess fines of up to \$2000 (24).

On July 24, 2003, California passed legislation regarding diesel emissions. The new regulations will add between \$0.04 and \$0.05/gallon to the cost of diesel fuel. Unlike national guidelines, California diesel regulations apply to both on- and off-road vehicles (25).

Alabama Legal Issues

The Alabama Trucking Association and ATA filed a joint suit against the State of Alabama in September 2002. The suit is an attempt to halt the ticketing of truckers that used third-party licensing agents to register their trucks using Oklahoma as a base jurisdiction. The suit contends that at the time of registration the tags and registration process used were legal and that it is unfair and illegal for Alabama to label them invalid (26). The multimillion-dollar lawsuit was dropped by the Alabama Trucking Association in return for the cancellation of tickets issued by the Revenue Department of Alabama. The settlement could affect as many as 400 truck companies. Truck companies involved in the case agreed to properly register in the jurisdiction in which they are actually based. Truck companies also may be obligated to pay property taxes, sales taxes, and other fees for the years they were registered in Oklahoma (27).

Michigan Legal Issues

Yellow Corporation, parent company of Yellow Freight, filed a lawsuit against the State of Michigan protesting the \$10 fee the state requires the company to pay for all its vehicles.

Yellow Corporation, headquartered in Overland, Kansas, based its argument on an interpretation of a 1991 federal law that froze registration fees. The company won the lawsuit and appeals in lower courts. However, the Michigan Supreme Court upheld the fees (28). The Supreme Court of the United States agreed to hear the case and heard arguments of the case on October 7, 2002. The court released their decision on November 5, 2002. The U.S. Supreme Court, in a unanimous ruling, reversed the decision by the Michigan Supreme Court and remanded the case back to the Michigan Supreme Court for further proceedings (29).

Arkansas Legislation and Legal Issues

Two bills addressing registration and taxes for commercial trucks were introduced in the 2003 Arkansas legislature. One bill (HB 1030) proposed to cap the amount of state use and sales taxes truckers pay on their trucks and trailers. The cap would be \$1,000 per truck and \$500 per trailer. The bill would also eliminate the requirement that truckers registering in the state pay 3 years worth of sales tax. This bill would act as amnesty for Arkansas truckers returning from Oklahoma registrations. The second bill (HB 1130) exempted commercial trucks and trailers from sales or use tax but increased registration fees by 20 percent (30).

The amnesty clause was stripped from HB 1030 in February 2003, after an opinion issued by the Arkansas Attorney General stated that the clause was, “constitutionally suspect.” Advocates of the clause stressed that many Arkansas truckers that were previously registered in Oklahoma would be forced out of business because of their inability to pay back taxes (31). Arkansas HB 1030 did not pass the Arkansas Senate. The bill, designed to make Arkansas truckers more competitive by capping sales taxes on commercial trucks and trailers, failed as a result of budget shortfalls (32).

On May 23, 2003, Wayne Smith Trucking, Inc., the Arkansas Trucking Association, and the American Trucking Association filed a lawsuit against the State of Arkansas in Pulaski County Circuit Court. The lawsuit seeks to prevent truckers from paying back taxes when changing base plating from Oklahoma to Arkansas. The Arkansas Department of Finance and Administration, named directly in the lawsuit, is looking at trucking purchases made for the past 3 years by companies with out-of-state registrations (33).

Missouri Legislation

As part of Missouri Governor Bob Holden's plan to close the state budget shortfall of \$1 billion, he plans to end a "tax loophole" available to common carriers. Missouri gives a tax break to common carriers, and those carriers pay no sales tax when they buy new trucks, truck parts, or get trucks repaired. More than 13,000 registrations took advantage of the Missouri tax exemption in the first 10 months of 2002. By tightening the exemption to legitimate beneficiaries, the state would raise an additional \$9.8 million (34).

Multistate Legal Issues

In March 1999 lawsuits were filed in the states of Illinois, Indiana, Ohio, and New York by the Owner-Operator Independent Drivers Association, charging that fuel-use taxes collected on toll roads amounted to double taxation of truckers. The class action lawsuit against toll authorities seeks to stop the practice of collecting fuel-use taxes on fuel used on toll roads (35). In October 2002, OOIDA announced that the United States Supreme Court has been asked to review the lawsuit filed in Indiana by Max Anderson (36). A search of the court docket did not reveal a disposition of the case at the time this report was written.

CHAPTER 4: PROFILE OF INDUSTRY AND STAKEHOLDER VIEWS

The research team conducted a number of interviews with industry sources regarding truck registration and licensing issues. The team also gathered other industry information regarding these issues through reading trade publications, as well as monitoring chat rooms and bulletin boards where industry members discuss popular issues. This information was used to develop a profile of industry attitudes and opinions on truck registration, licensing, and associated topics. This information greatly assisted the team in formulating recommendations and assessments of why some state jurisdictions may be preferred over other states when fees are not an issue. Anticipated contacts may include, but are not limited to:

- motor carriers;
- state and national associations such as ATA, TMTA, Oklahoma Truck Association, the Owner-Operator Independent Drivers Association, the National Private Truck Council, and the American Association of Motor Vehicle Administrators;
- truck publications and web sites, as well as
- other online resources.

Several motor carriers were randomly selected for interview regarding their views on IRP registration, fees, taxes, and costs associated with operating a commercial motor carrier company. The size of the carriers ranged from single owner-operators to a large company with more than 350 trucks. Although the companies interviewed varied in size, the comments were very uniform in content. Most companies recognize, either implicitly or explicitly, that registration costs may be higher in Texas, but the extra cost is just a part of doing business and “doing it the right way.” It should also be noted, however, that the companies that verbally expressed these sentiments have strong “Texas roots.” Companies that are more ambivalent in their sentiments have a more national or out-of-state grounding. Carriers also frequently acknowledged that many companies do “jurisdiction shop.” One issue repeatedly brought up regarding the cost of registering in Texas is the ad valorem tax.

Motor carrier association representatives interviewed for the project also mentioned the ad valorem tax as a disincentive for choosing Texas as a base jurisdiction. Representatives for two separate motor carrier associations were interviewed. Both representatives commented on the ad valorem tax, the ease and convenience of registration, and the issuance of plates. Texas currently issues a five-year plate. The representatives stressed that online registration and permanent plates would enhance the customer service of registration. One representative stated that he would like to see a one-stop shop for IRP and International Fuel Tax Agreement (IFTA) registrations. By creating a one-stop shop, customer service would be improved even if registration could not be done online. By changing plating to permanent plates that are only replaced when damaged or illegible, the representatives stated that Texas could save money and ease the administrative burden for the industry.

One motor carrier association representative stated that the stringent inspection standards for Texas are a disincentive for carriers to choose Texas as their base jurisdiction. By requiring independent inspectors and in-state inspections for vehicles that register in Texas, the carrier incurs extra expenses.

Discussions with personnel from county tax assessor offices highlighted the frustration and lack of knowledge that some new motor carriers feel about the registration process. Motor carriers are often under the impression that they can register for both IRP as well as intrastate registrations at the same office. They regularly come to the office unprepared for registration, missing proof of insurance or the Heavy Vehicle Highway Use Tax Form 2290. Carriers are unaware that the Form 2290 can be downloaded from the Internal Revenue Service (IRS) web site.

County tax assessor personnel remarked that some carriers become irritated when they are told that they will have to register at a regional office. Carriers are often unsure whether or not they need to become IRP registered or register just as a Texas carrier. They do not understand how apportionment or the IRP system works.

In order to speed processing and improve customer service for intrastate carriers who do register at the county tax office, Brazos County has created a step-by-step checklist. This checklist is sent to companies doing business with trucks during the renewal period. The checklist is a six-item list and is accompanied by a letter from the tax office regarding registration. The tax office personnel reported that carriers have remarked how much simpler the process seems by using the checklist as a reminder of what is needed for registration.

CHAPTER 5: SELECTION OF CASE STUDY STATES

Based on the information assembled in the first phase of the project, 10 states were selected for case study and in-depth review of policies and procedures. These states were used for the detailed and documented comparison. Criteria for selection included the number of power unit and trailer registrations, the per capita registration of power units and trailers, ratio of new to total registrations, exceptional multiyear registration growth rates, registration cost, percentage of fleets audited, involvement of IRP litigation, and geographical representation. As indicated by the criteria, the comparison matrix played a role as a valuable aide in the selection by providing a graphic and visual representation of a number of criteria. Also considered were industry interviews, initial input from TxDOT, and various legislative and legal issues that were simultaneously occurring during the course of the study.

Input from TxDOT prior to the beginning of the project dictated that Texas be selected as one of the 10 states. This would allow easy comparison with other case study states. Other states anticipated for selection by TxDOT and researchers as case study states included Arkansas, Oklahoma, California, Nebraska, Oregon, Indiana, and Pennsylvania. After a final analysis of all of the information gathered, the following states were selected for case study and comparison of issues:

- Texas,
- Alabama,
- California,
- Illinois,
- Indiana,
- Nebraska,
- North Carolina,
- Oklahoma,
- Oregon, and
- Tennessee.

Researchers and the TxDOT Committee also decided that Maine would be selected for a case study regarding trailer registrations only because of the large number of trailers registered in the state. [Figure 5-1](#) depicts a geographic representation of case study states and the United States as a whole.

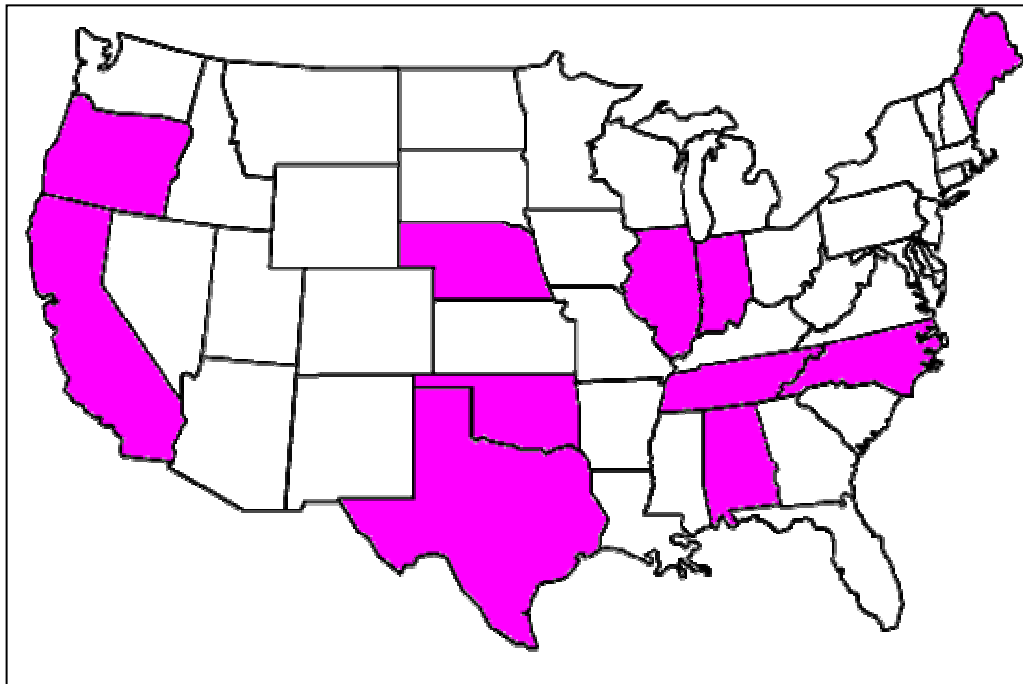


Figure 5-1. Geographic Representation of Case Study States.

CHAPTER 6: STATE CASE STUDIES

This chapter provides a point-by-point comparison of each of the selected case study states. These comparisons and the matrix found in [Appendix B](#) are intended to provide a stand-alone product.

ALABAMA

Power Units	40,004	Power Units per Capita	0.009
Trailers	7,903	Trailers per Capita	0.0059
Percentage of Fleets Audited in 2001	2.4		

Established Place of Business Regulations and State Stringency A carrier must have an established place of business in the state. If leased to an in-state carrier, plates are issued in the name of the carrier. Alabama has become very stringent regarding established place of business.

State Commercial Drivers License (CDL) Requirements The owner-operator is required to have a state CDL. Proof of residency is required and verification of tax payments as well as other checks may be required.

Insurance Requirements Proof of insurance is federally mandated for interstate carriers, however, it is not required as a prerequisite for registration. There is no insurance filing fee. Workers compensation insurance is not a prerequisite for registration.

Air Quality Testing Requirements There are no air quality testing requirements to register in Alabama.

Annual Registration Fees

As reported by state IRP office	\$780	(73,281-80,000 lb)
As reported by FHWA (2001)	\$781.25	(5-axle tractor-trailer)
As reported by Promover (2001)	\$800	

Frequency of Tractor Apportioned Plate Issuance New tractor plates with different numbers are currently issued every year to fleets of less than 50 vehicles. This practice may change in the future. Cab cards and stickers are also issued annually.

Frequency of Trailer Plate Issuance Trailer plates are physically issued every 3 or 4 years at the county level.

Trailer Registration and Renewal Fees The annual renewal fee is \$20 plus a \$1.25 to \$2.00 county plate issuance fee. The trailer must be titled in Alabama in order to register in Alabama.

Other Registration Fees \$1.25 for cab card, \$1.50 issuance fee, and \$2.00 per vehicle fee for mailing license plates

Tractor and Trailer Title Fees \$10

Other Taxes

Ad Valorem Tax 20 percent of the market value of the vehicle multiplied by local mileage rate. For example, for a \$100,000 truck in Montgomery (0.034 millage rate) the ad valorem tax would be approximately \$680. These fees are not apportioned to out-of-state carriers.

Sales Tax There is a 2 percent sales tax on purchased equipment and 1.5 percent sales tax on leased equipment (one-time payment, may be higher depending on county and municipality).

Franchise Tax None

IFTA Diesel Fuel Tax (4th Quarter 2002) \$0.17 per gallon

Registration Information and Procedures

Are all registration fees and taxes prorated and apportioned (paid by out-of-state carriers that travel through the state)? No. The legislature has considered this in the past, but efforts to apportion ad valorem taxes and other fees have thus far failed.

Registration Method Walk-in registration is available as are mail-in renewals. Online service will be implemented in the future (no indication when) and will reportedly allow the entire registration process to be conducted online and via mail with credit card payment.

Registration Turnaround Walk-in registrations are handled on first-come, first-serve basis at the Montgomery office. No appointment is necessary. Same-day registrations are possible. Registrations are usually mailed out the next day, but can take 2-3 days.

Payment Options Credit card payment of IRP fees is accepted. Electronic funds transfer, certified check, money order, and cash are also accepted.

Registration Fee Structure Flat rate per weight class plus any additional fees.

Registration Fee Collection Schedule/Grace Period Staggered January to October renewal, with a 30-day grace period.

Mandatory Vehicle Inspections None specifically related to IRP. Not prerequisite to registration, but federal requirement for interstate operation. In-house inspections permitted, but inspector must meet federal requirements.

IRP/IFTA

Joint Audits Joint IRP-IFTA audits are conducted when possible. Different offices oversee the programs; however, some information and forms are available at both locations. IFTA and IRP mileage totals are not cross-checked unless carrier is audited.

Joint Credentialing There has been movement toward program integration. This is in the preliminary stages and is scheduled to coincide with implementation with Commercial Vehicle Information Systems and Networks (CVISN) next year (all databases linked together at one web site).

Are IRP credentials withheld for outstanding IFTA accounts (and vice versa)? This is not currently done, but is planned for the near future.

Are carriers checked for continuous registration? Registrants are questioned about previous registration, but Schedule G is not used. Previous registration or notarized non-use affidavit must be provided to register in Alabama. Suspect cases may be denied registration or subject to audit. IRP survey response: No.

Electronic means of verification of carrier registration history None currently. Name and Vehicle Identification Number (VIN) checks will be enabled through implementation of IRP Clearinghouse. Performance and Registration Information System Management (PRISM) funding has been granted and implementation may occur this year or next.

First-year mileage estimates A reasonable operational estimate based on average mileage chart for Alabama interstate carriers must be used unless an alternative is justified.

Acceptance of on-board mileage and fuel use reporting systems? Yes

Operational plan for checking for contiguous jurisdictions Yes, contiguous jurisdictions are checked at time of registration.

Means of fee transmittal A paper-based system is currently used. State has completed IRP Clearinghouse training, and intends to fully implement the system in 2003.

Customer Service

Initiatives, Meetings, Publications, etc. Monthly meetings regarding future implementation of PRISM and CVISN are restricted to the public sector. No IRP newsletters or outreach indicated.

Convenience of Registration (provided by private sector interviews) Alabama IRP registration system is not considered user friendly. Implementation of PRISM/ CVISN next year may change this.

Number of IRP processing locations The Alabama Department of Revenue's Motor Vehicle Division (MVD) office in Montgomery handles new registrants. There are 10 temporary permitting offices located throughout the state (official documentation must be mailed in). Registration renewals are done through one of the 67 county offices in Alabama.

Internet-based credentialing and cab card printing Not currently. Planned for future (possibly later this year).

Bar-coded cab cards Not currently. Planned for future (possibly later this year).

CALIFORNIA

Power Units	57,815	Power Units per Capita	0.002
Trailers	200,110	Trailers per Capita	0.0059
Percentage of Fleets Audited in 2001	2.3		

Established Place of Business Regulations and State Stringency Carriers must have an established place of business in state (if leased to in-state carrier, plates are issued in name of carrier). California is very strict. They require all information set out in IRP.

State CDL Requirements Owner-operator is required to have a state CDL.

Insurance Requirements Insurance for interstate carriers is required under federal law, but it is not a prerequisite for IRP registration in this state. There is no insurance filing fee. Workers compensation or accidental insurance is required; however, this is not specific to IRP carriers.

Air Quality Testing Requirements There is no air quality testing requirements for trucks. Diesel vehicles are exempt from the smog check program.

Annual Registration Fees

As reported by state IRP office	\$1700	for 77,001-80,000 lb vehicle (\$1618 for 12-month registration plus \$82 for CVRA fee)
As reported by FHWA (2001)	\$952	(5-axle tractor-trailer)
As reported by Promover (2001)	\$2,759	

Frequency of Tractor Apportioned Plate Issuance Tractor plates are permanent; stickers and cab cards are issued annually.

Frequency of Trailer Plate Issuance Permanent trailer plate costs \$20 plus \$5-\$10 fee every 5 years.

Trailer Registration and Renewal Fees Permanent tag \$20 fee for first registration; renewal sticker costs \$10 every 5 years.

Other Registration Fees \$34 registration fee, \$3 Cargo Theft Interdiction Program fee, \$2/vehicle fee for license plates and credentials, and \$1 application fee (regardless of number of vehicles).

Tractor and Trailer Title Fees \$10 title fee. Tractors and trailers are typically registered in the same state.

Other Taxes

Ad Valorem Tax A 2 percent Vehicle License Fee (VLF) is assessed in lieu of ad valorem fee or property tax on vehicles. The California VLF is apportioned for out-of-state carriers and depreciates at 0.2 percent over 10 years, at which point it remains at a minimum yearly level of 0.3 percent per year. For example, 1st year = 2 percent, 2nd year = 1.8 percent, 3rd year = 1.6 percent, etc.

Sales Tax There is an exemption for carriers hauling interstate only (not for intrastate carriers). The sales tax range for intrastate carriers is between 4.75 percent and 7.75 percent of sale value (varies by county).

Franchise Tax None.

IFTA Diesel Fuel Tax (4th Quarter 2002) \$0.263 per gallon

Registration Information and Procedures

Are all registration fees and taxes prorated and apportioned (paid by out-of-state carriers that travel through the state)? The 2 percent VLF declines by 0.2 percent per year over 10 years and is apportioned. Additional registration fees may not be apportioned.

Registration Method Walk-in and mail-in registration and renewals accepted. No online renewal system is available.

Registration Turnaround Temporary permits are available same day. It may take considerably longer for cab cards to be mailed out.

Payment Options No credit card payment is accepted for IRP registrations. Electronic funds transfer, certified check, money order, and cash is accepted.

Registration Fee Structure Flat rate per weight class (plus any additional fees cited above).

Registration Fee Collection Schedule/Grace Period January to December calendar year registration schedule. Enforcement is delayed until March 31.

Mandatory Vehicle Inspections The California Highway Patrol conducts mandatory vehicle inspections every 90 days; however, this is not specific to IRP carriers.

IRP/IFTA

Joint Audits IRP and IFTA programs are handled by separate offices. Joint audits are not conducted.

Joint Credentialing Joint credentialing is not planned at this time.

Are IRP credentials withheld for outstanding IFTA accounts (and vice versa)? No.

Are carriers checked for continuous registration? Previous base states are not examined/contacted prior to registration. The carrier's word is accepted at time of registration. However, the carrier may be subsequently audited if there are suspicions. Documentation of previous registration may be requested or reviewed. Details regarding previous registrations are typically addressed in audits. IRP survey response: No.

Electronic means of verification of carrier registration history None. Funding, legislative and technology issues preclude PRISM planning and enrollment by California. CVISN and the Commercial Vehicle Information Exchange Window System (CVIEW) are currently in test phase to exchange data with the Safety and Fitness Electronic Records (SAFER) system.

First-year mileage estimates First-year operational plans are only checked for contiguous jurisdictions. A minimum mileage chart is available to first-year carriers, but alternative estimates are accepted if they can be justified by detailed business plans.

Acceptance of on-board mileage and fuel use reporting systems? Yes.

Operational plan for checking for contiguous jurisdictions? Contiguous jurisdictions are checked at time of registration.

Means of fee transmittal A paper-based system is used. California does not intend to enroll in IRP Clearinghouse for automated transmittal of IRP fees.

Customer Service

Initiatives, Meetings, Publications, etc. An annual IRP review meeting is held. Commercial vehicle industry meetings are held twice per year. Carriers attend and IRP issues are discussed.

Convenience of Registration (provided by private sector interviews) California IRP registrations and renewals are problematic. State funding shortfalls have resulted in antiquated technology and outdated paper-based systems. Temporary permits are often issued for several months because of registration backlogs. This creates problems for California IRP carriers in other jurisdictions.

Number of IRP processing locations. There are approximately 35 office locations throughout California where carriers can get apportioned IRP plates, stickers and temporary cab cards. It is possible for first-time registrants to mail in documentation.

Internet-based credentialing and cab card printing No

Bar-coded cab cards No

ILLINOIS

Power Units	172,806	Power Units per Capita	0.014
Trailers	180,391	Trailers per Capita	0.0145
Percentage of Fleets Audited in 2001	1.1		

Established Place of Business Regulations and State Stringency Carriers must have an established place of business in state (if leased to in-state carrier, plates are issued in name of carrier). Illinois is very strict. Three forms of acceptable identification (utility bills or tax receipts) must be presented. One receipt must be from publicly listed (not cell) land-based telephone number. Bills and receipts must have been issued within past 60 days.

State CDL Requirements Owner-operator is required to have a state CDL, unless the carrier it is leased to registers vehicle. Three forms of state identification (ID) are required for registrant to meet established place of business rules.

Insurance Requirements Insurance for interstate carriers is required under federal law, but it is not a prerequisite for IRP registration in this state. Workers compensation or accidental insurance is not required for registration.

Air Quality Testing Requirements Interstate carriers are exempt from air quality test requirements.

Annual Registration Fees

As reported by State IRP office \$3795 (77,001-80,000 lb) This fee amount takes effect on November 1, 2003, and includes a "Commercial Distribution Fee" imposed by the Illinois legislature. The previous registration fee for this weight class: \$2790.

As reported by FHWA (2001) \$2200 (5-axle tractor-trailer)

As reported by Promover (2001) \$2809

Frequency of Tractor Apportioned Plate Issuance Tractor plates are permanent. No plate stickers are issued; only the cab card is renewed annually. When plate becomes illegible, a \$6 replacement fee is charged.

Frequency of Trailer Plate Issuance Permanent trailer plate is issued with permanent trailer cab card.

Trailer Registration and Renewal Fees A permanent tag costs a one-time \$19 fee. There is no renewal fee but trailer must be titled in Illinois.

Other Registration Fees There are no additional Illinois IRP registration fees indicated. Additional registration fees may be assessed at the county level.

Tractor and Trailer Title Fees \$65 Tractors and trailers are typically registered in the same state.

Other Taxes

Ad Valorem Tax None

Sales Tax There is a sales tax exemption for apportioned carriers paying new (higher) fee (effective November 1, 2003).

Franchise Tax No

IFTA Diesel Fuel Tax (4th Quarter 2002) \$0.287 per gallon

Registration Information and Procedures

Are all registration fees and taxes prorated and apportioned (paid by out-of-state carriers that travel through the state)? Only the registration fee is currently apportioned. No ad valorem tax is assessed. The sales tax exemption for rolling stock will likely be revoked in 2003.

Registration Method Walk-in (by appointment) or mail-in registration is available. Online registration has been considered, but is currently not available.

Registration Turnaround First-time registrations can be done in person at the Springfield office or mailed in. Renewals are typically mailed to carrier in 2-3 weeks (7-10 days if courier is used). Online registration for large carriers and remitters has been tested for over a year in a pilot program, but has not been extended to others.

Payment Options Credit cards are accepted for IRP registrations. A \$75 convenience fee is assessed for paying with credit card over the phone. Certified check and money orders are also accepted.

Registration Fee Structure Flat rate per weight class (plus any additional fees cited above).

Registration Fee Collection Schedule/Grace Period April to March with no grace period.

Mandatory Vehicle Inspections Vehicle inspections are not a prerequisite to registration. Carriers must adhere to federal inspection requirements for interstate carriers.

IRP/IFTA

Joint Audits IRP and IFTA audits are normally conducted separately. IFTA belongs to Illinois Department of Revenue; IRP is in the Secretary of State's office. IRP and IFTA mileage are not compared at time of registration. There is limited crosscheck availability of program information.

Joint Credentialing Not planned.

Are IRP credentials withheld for outstanding IFTA accounts (and vice versa)? No, communication between the IRP and IFTA programs is limited.

Are carriers checked for continuous registration? Yes. Information concerning prior and continuous registration is required. Registrants must complete Schedule G of registration application. Corporation's databases are also checked, to ensure carrier is eligible for registration in Illinois. IRP survey response: Yes

Electronic means of verification of carrier registration history Illinois does not currently subscribe to the IRP Clearinghouse and has not implemented PRISM. It does not have the capability to check VIN numbers for vehicle registration histories. Registration personnel

may not conduct United States Department of Transportation (USDOT) number searches in the SAFER database, because information is not considered current/reliable.

First-year mileage estimates Realistic distribution of miles is ensured through the use of mileage charts (one for first-time registrants and one for expanded operations). Prescribed mileage charts must be used, unless an alternative plan can be justified.

Acceptance of on-board mileage and fuel use reporting systems? Yes

Operational plan for checking for contiguous jurisdictions Yes. Contiguous jurisdictions are checked at time of registration.

Means of fee transmittal Fee transmittal is paper based in Illinois and documented using CD-ROM. CD-ROM reduces the amount of paperwork and mail-outs related to fee transmittals. Interviewee reports that IRP Clearinghouse enrollment would cost Illinois approximately \$18,000 and may negatively affect interest accruing to state on transmittal fees.

Customer Service

Initiatives, Meetings, Publications, etc. A quarterly trucking newsletter is mailed out by Illinois —may contain IRP news. State IRP information is also posted on the Internet. Illinois Trucking Advisory Board is a well-organized committee that meets twice a year to discuss issues and policy affecting motor carrier industry. Carriers participate in these meetings.

Convenience of Registration (provided by private sector interviews) IRP registration in Illinois is expensive and reportedly not user friendly. Interviewee believes many carriers will move their offices to Indiana or other states if sales tax exemption on rolling stock is revoked.

Number of IRP processing locations. Illinois has one walk-in processing location in Springfield. IRP mail-in processing is also available.

Internet based credentialing and cab card printing No.

Bar-coded cab cards No, possibly implemented next year to facilitate enforcement.

INDIANA

Power Units	116,326	Power Units per Capita	0.019
Trailers	32,364	Trailers per Capita	0.0053
Percentage of Fleets Audited in 2001	1.5		

Established Place of Business Regulations and State Stringency Carrier must have an established place of business in state (if leased to in-state carrier, plates are issued in name of carrier). Indiana is very stringent regarding established place of business regulations.

State CDL Requirements Owner-operator is required to have a state CDL, unless the carrier it is leased to registers vehicle.

Insurance Requirements Carrier must provide proof of insurance prior to registration. There is a financial responsibility fee; however, workers compensation or accidental insurance is not required.

Air Quality Testing Requirements Indiana does not require an air quality test. Diesel vehicles are exempt.

Annual Registration Fees

As reported by State IRP office	\$1350	(over 78,000 lb)
As reported by FHWA (2001)	\$1350.75	(5-axle tractor-trailer)
As reported by Promover (2001)	\$1875	

Frequency of Tractor Apportioned Plate Issuance Tractor plates are permanent. No plate stickers are issued; only cab card is renewed annually. Yearly cab card renewal fee is \$5.

Frequency of Trailer Plate Issuance Indiana issues permanent trailer plates and cab cards (no stickers).

Trailer Registration and Renewal Fees Permanent trailer tag is issued for \$65, with a \$2 per year renewal fee. A 5-year tag is \$60 or a 1-year tag is \$30 (trailer must be titled in Indiana).

Other Registration Fees There is a \$25 business tax application fee, \$5 cab card Fee, \$0.75 public safety and proof of financial responsibility fee, and a mail-in fee. The mail-in fee as follows: 1 or 2 plates: \$1.50 each, 3 to 9 plates: \$1 each, and 10 or more plates: \$0.50 each.

Tractor and Trailer Title Fees The title fee is \$15 with a \$3.75 title transfer fee. Tractors and trailers are typically registered in the same state.

Other Taxes

Ad Valorem Tax There is an ad valorem tax; however, there is exemption for rolling stock.

Sales Tax The Commercial Vehicle Excise Tax (CVET) is \$579 (for tractor-trailer over 78,000 lb). CVET is apportioned/prorated for interstate carriers according to number of miles driven in Indiana.

Franchise Tax None.

IFTA Diesel Fuel Tax (4th Quarter 2002) \$0.16 per gallon

Registration Information and Procedures

Are all registration fees and taxes prorated and apportioned (paid by out-of-state carriers that travel through the state)? The registration fee and CVET are apportioned. However, administrative fees and smaller county fees are typically not apportionable.

Registration Method Walk-in, mail-in (online service with credit card payment to be implemented in near future). Large carriers register electronically via a modem-based system. Carrier is issued a stock of plates (e.g., 100) and submits registration information electronically as they are assigned. Fees are automatically calculated and paid by carrier. Cab cards and CD-ROM (for printing copies of cab cards) are sent to the carrier following day.

Registration Turnaround First-time walk-in registrations can be completed in same day if documentation is in order (plates and cab card issued upon payment).

Payment Options Credit card, wire transfer, check, money order, and cash are accepted.

Registration Fee Structure Flat rate per weight class (plus any additional fees cited above).

Registration Fee Collection Schedule/Grace Period Indiana has a staggered registration schedule with no grace period.

Mandatory Vehicle Inspections An annual Federal Motor Carrier Safety Association (FMCSA) inspection is required, but it is not IRP specific or a prerequisite to registration. Inspection may be done in-house if carrier's shop and mechanic are certified to federal requirements.

IRP/IFTA

Joint Audits IRP and IFTA are both handled by the Indiana Department of Revenue, Division of Motor Carrier Services. Joint audits are conducted. Forms for IRP, IFTA, Single State Registration System (SSRS), and Titling are all available at motor carrier services office.

Joint Credentialing Plan to examine this in future.

Are IRP credentials withheld for outstanding IFTA accounts (and vice versa)? Yes, Indiana has statutory authority to do this.

Are carriers checked for continuous registration? Yes. Prospective registrants must complete Schedule G of registration application and provide evidence of previous registration or bill of sale and title for new vehicles. Carriers previously registered in a foreign jurisdiction must account for the interim period, or registration will be backdated to expiry of previous registration. IRP survey response: Yes

Electronic means of verification of carrier registration history Indiana has signed the PRISM letter of intent but is not fully compliant in PRISM or CVISN. Registration personnel will be able to check carrier VIN numbers prior to registration once enrollment in IRP Clearinghouse is finalized in 2003.

First-year mileage estimates Yes. An established mileage chart is used for first-time registrants.

Acceptance of on-board mileage and fuel use reporting systems? Yes.

Operational plan for checking for contiguous jurisdictions? Yes. Computer automatically checks contiguous jurisdictions.

Means of fee transmittal A paper-based system is currently used. Indiana has completed IRP Clearinghouse training and intends to fully implement system in 2003.

Customer Service

Initiatives, Meetings, Publications, etc. Monthly and quarterly newsletters containing IRP and IFTA information are sent out. Annual motor carrier training sessions covering a variety of topics including IRP are held at six points throughout the state. Indiana Motor Transport Association also conducts several workshops and conferences per year.

Convenience of Registration (provided by private sector interviews) Indiana's one-stop shop initiative has been well received by carrier community. The state registration system is viewed as user friendly and proactive.

Number of IRP processing locations Indiana has one walk-in processing location in Indianapolis. Mail-in processing is also available.

Internet-based credentialing and cab card printing This is not currently available. Planned for future (possibly later this year).

Bar-coded cab cards No.

NEBRASKA

Power Units	37,450	Power Units per Capita	0.022
Trailers	70,479	Trailers per Capita	0.0412
Percentage of Fleets Audited in 2001	4.1		

Established Place of Business Regulations and State Stringency Carrier must have an established place of business in state (if leased to in-state carrier, plates are issued in name of carrier). Nebraska is very strict; publicly listed phone number is checked.

State CDL Requirements It is not a requirement that the owner-operator have a state CDL; however, it may be requested as a form of identification.

Insurance Requirements Insurance for interstate carriers is required under federal law, but it is not a prerequisite for IRP registration in this state. Workers compensation or accidental insurance is not specifically required for IRP registration.

Air Quality Testing Requirements No.

Annual Registration Fees

As reported by State IRP office	\$1280	(78,001-80,000 lb)
As reported by FHWA (2001)	\$932.50	(5-axle tractor-trailer)
As reported by Promover (2001)	\$1281	

Frequency of Tractor Apportioned Plate Issuance Tractor plates are permanent in Nebraska. No plate stickers are issued (discontinued 2-3 years ago); only cab card is renewed annually.

Frequency of Trailer Plate Issuance Permanent trailer plate and cab cards are issued (no stickers).

Trailer Registration and Renewal Fees A permanent tag is \$9.60 for first time trailer registration fee. A trailer can be registered in Nebraska without being titled there. The renewal fee is \$2 annually.

Other Registration Fees There are municipal sales and use taxes that range from 0 percent to 1.5 percent; a \$1.50 fee is assessed for each plate issued; a \$1 administration fee is assessed for each cab card issued; a \$1 postage fee per license plate mailed; a \$3 fee is assessed for each power unit the first time it is registered; and a power unit plate renewal fee that is \$2.

Tractor and Trailer Title Fees Title fees are \$10, or \$17 if there is a lien. Tractors and trailers are typically registered in the same state.

Other Taxes

Ad Valorem Tax None, for-hire carriers are exempt.

Sales Tax Exempt

Franchise Tax No

IFTA Diesel Fuel Tax (4th Quarter 2002) \$0.246 per gallon

Registration Information and Procedures

Are all registration fees and taxes prorated and apportioned (paid by out-of-state carriers that travel through the state)? Nebraska does not assess ad valorem or sales tax on carriers.

Registration Method Walk-in or mail-in registration is available. Mail-in renewals accepted.

Registration Turnaround Registration is available right away if documentation is in order.

Payment Options No credit card or electronic payment is currently accepted. Certified check, money order, or cash are accepted.

Registration Fee Structure Flat rate per weight class (plus any additional fees cited above).

Registration Fee Collection Schedule/Grace Period January to December
calendar year registration schedule with grace period ending February 1.

Mandatory Vehicle Inspections There are no inspections that are specifically related to IRP. Carrier must certify safety on IRP application.

IRP/IFTA

Joint Audits Joint audits are conducted. The Nebraska Department of Motor Vehicles Division administers IRP and IFTA together as a “one-stop” shop. Mileage from four IFTA quarters and IRP are compared for registration and audit purposes.

Joint Credentialing Programs do not currently allow for this. Greater IRP and IFTA program integration should be examined.

Are IRP credentials withheld for outstanding IFTA accounts (and vice versa)? Yes, credentials may be withheld for carriers with Nebraska IRP and IFTA accounts.

Are carriers checked for continuous registration? Proof of previous registration is required. If truck is not new and previous registration is not available, registration can be backdated until January of current year. IRP survey response: No

Electronic means of verification of carrier registration history IRP processing personnel may check for previous registrations in Nebraska. They do not currently check VIN numbers and USDOT numbers in other states. If potential registrant indicates previous registrations, they are verified by phone. Nebraska plans to implement PRISM in future and has signed letter of intent with FMCSA. The state is also in the initial stages of setting up CVISN/CVIEW.

First-year mileage estimates Nebraska IRP processing personnel manually review estimates to ensure that they are realistic. Nebraska has developed a mileage chart that the vast majority of first-year carriers use. The chart is based on average mileage for Nebraska interstate carriers during previous year. Carriers are not obliged to use chart if they can justify alternative plan.

Acceptance of on-board mileage and fuel use reporting systems? Yes, for larger carriers.

Operational plan for checking for contiguous jurisdictions Contiguous

registration may be checked at time of registration.

Means of fee transmittal Nebraska has fully implemented IRP Clearinghouse (fee netting and electronic transmittals).

Customer Service

Initiatives, Meetings, Publications, etc. Program information is included in quarterly and annual IFTA/IRP mail outs. A video explaining IRP/IFTA registration is also available to carriers free of charge. Motor carrier industry meetings are held once per year.

Convenience of Registration (provided by private sector interviews) IRP process in Nebraska is reportedly user friendly.

Number of IRP processing locations Nebraska has one walk-in processing location in Lincoln. First-time IRP registrants are also permitted to mail in their documentation.

Internet-based credentialing and cab card printing No

Bar-coded cab cards No

NORTH CAROLINA

Power Units	65,335	Power Units per Capita	0.008
Trailers	10,188	Trailers per Capita	0.0013
Percentage of Fleets Audited in 2001	3.8		

Established Place of Business Regulations and State Stringency Carrier must have an established place of business in state (if leased to in-state carrier, plates are issued in name of carrier). North Carolina has a strict policy. Publicly listed land-based phone number is required. Utility receipts may also be requested.

State CDL Requirements Owner-operator is required to have a state CDL; proof of residency may also involve verification of tax payments and other checks.

Insurance Requirements Insurance for interstate carriers is required under federal law, but it is not a prerequisite for IRP registration in this state. Workers compensation or accidental insurance is not specifically required for IRP registration.

Air Quality Testing Requirements No.

Annual Registration Fees

As reported by State IRP office	\$963	(79,001-80,000 lb)
As reported by FHWA (2001)	\$963	(5-axle tractor-trailer)
As reported by Promover (2001)	\$973	

Frequency of Tractor Apportioned Plate Issuance Tractor plates are permanent. No plate stickers are issued; only cab card is renewed annually.

Frequency of Trailer Plate Issuance Permanent trailer plate is issued.

Trailer Registration and Renewal Fees One-time fee of \$75 for a permanent plate or a permanent tag with a \$10 annual renewal fee.

Other Registration Fees Additional county fees may be assessed.

Tractor and Trailer Title Fees \$30 (\$50 for an instant titling fee)

Other Taxes

Ad Valorem Tax Ad valorem tax rate depends on county, but all counties assess these fees on local carriers. Fees commonly range from \$600-\$700.

Sales Tax North Carolina collects a 3 percent highway use tax on vehicles in lieu of a state sales tax. The tax is assessed, upon sale of the vehicle or when the title is transferred in state. The maximum tax for commercial vehicles is \$1000. It is not apportioned.

Franchise Tax No.

IFTA Diesel Fuel Tax (4th Quarter 2002) \$0.234 per gallon

Registration Information and Procedures

Are all registration fees and taxes prorated and apportioned (paid by out-of-state carriers that travel through the state)? Ad valorem and other additional registration fees are not apportioned. Some efforts to apportion all fees to out-of-state carriers running in North Carolina have been made in legislature, but none have passed.

Registration Method Walk-in or mail-in registration is available. Online renewals have been possible for 3 years. State now handles several million dollars in truck renewals over the Internet.

Registration Turnaround Plates issued on the spot. Cab cards are normally sent following business day. Some carriers have reported delays of up to 3 weeks to receive all documentation.

Payment Options Credit cards are not accepted. Check, money order, and electronic funds transfer are most common payment methods.

Registration Fee Structure Flat rate per weight class (plus any additional fees cited above).

Registration Fee Collection Schedule/Grace Period January to December
calendar year registration schedule with grace period ending February 15.

Mandatory Vehicle Inspections Vehicle inspections are mandatory but are not specifically related to IRP. In-house inspectors may be utilized if they meet federal criteria.

IRP/IFTA

Joint Audits IRP and IFTA programs are handled by separate offices. Joint audits are not conducted.

Joint Credentialing Not planned.

Are IRP credentials withheld for outstanding IFTA accounts (and vice versa)? No. IRP and IFTA information is not shared.

Are carriers checked for continuous registration? No. Registration history is not reviewed. The Secretary of State may check a carriers' legal name and other information, but North Carolina relies primarily on other jurisdictions to inform them of delinquent IRP carriers. IRP survey response: No

Electronic means of verification of carrier registration history Prospective North Carolina registrants are not screened by VIN number or USDOT number. State is in initial stages of setting up CVISN - CVIEW so that it can run VIN number checks on commercial vehicles prior to registration. North Carolina is also a PRISM grant state.

First-year mileage estimates North Carolina's estimated distance chart is based on average mileage of North Carolina interstate carriers, but it is not mandatory for first-year carriers. The 2002 IRP Peer Review Committee noted that some explanations of estimated distance provided by North Carolina registrants were not reasonable.

Acceptance of on-board mileage and fuel use reporting systems? Yes, for larger carriers.

Operational plan for checking for contiguous jurisdictions Yes. Contiguous jurisdictions are checked at time of registration.

Means of fee transmittal North Carolina has fully implemented IRP Clearinghouse (fee netting and electronic transmittals).

Customer Service

Initiatives, Meetings, Publications, etc. None.

Convenience of Registration (provided by private sector interviews) State IRP process in North Carolina is inconvenient.

Number of IRP processing locations North Carolina has two full-service locations and 37 limited-service locations for commercial vehicle registrations.

Internet-based credentialing and cab card printing Registration renewals can be done online.

Bar-coded cab cards Yes

OKLAHOMA

Power Units	202,890	Power Units per Capita	0.059
Trailers	266,350	Trailers per Capita	0.0772
Percentage of Fleets Audited in 2001	2.5		

Established Place of Business Regulations and State Stringency Carrier must have an established place of business in state (if leased to in-state carrier, plates are issued in name of carrier). An owner-operator can set up an account with plates in their name if they provide proof of in-state residence. Oklahoma is very strict. A publicly listed phone number is required. Place of business must have employee(s), lease contracts, or tax payments. Stringency has increased recently. Registrant must present one of the following: federal employers identification number, an Oklahoma sales tax permit number, or a copy of Schedule C from last year's federal income tax return.

State CDL Requirements An owner-operator can have an out-of-state CDL, if he is leased to a carrier located in Oklahoma. The owner-operator can set up an account to obtain registration in his own name, but must provide three forms of identification verifying that he is resident of Oklahoma.

Insurance Requirements Carrier must provide proof of insurance prior to registration. Workers compensation or accidental insurance is not required for registration.

Air Quality Testing Requirements No.

Annual Registration Fees

As reported by State IRP office	\$954	(79,001-80,000 lb)
As reported by FHWA (2001)	\$953.50	(5-axle tractor-trailer)
As reported by Promover (2001)	\$996	

Frequency of Tractor Apportioned Plate Issuance Tractor plates are permanent. No plate stickers are issued; only cab card is renewed annually.

Frequency of Trailer Plate Issuance Permanent trailer plate is issued.

Trailer Registration and Renewal Fees A one-time trailer registration fee of \$46 is levied for a permanent trailer plate. An annual trailer renewal fee is \$4 plus \$1.25 processing fee.

Other Registration Fees Tractor excise tax of \$10, lien fee of \$10 if required.

Tractor and Trailer Title Fees Titling fee is \$11. Tractor and trailers are typically titled in the same state.

Other Taxes

Ad Valorem Tax None. Motor carriers are exempt.

Sales Tax None.

Franchise Tax None.

IFTA Diesel Fuel Tax (4th Quarter 2002) \$0.13 per gallon

Registration Information and Procedures

Are all registration fees and taxes prorated and apportioned (paid by out-of-state carriers that travel through the state)? No ad valorem or sales taxes are levied on carriers in Oklahoma.

Registration Method Registration can be mailed in or done in person. Service agents in Oklahoma are authorized to issue Oklahoma IRP license plates to carriers on a walk-in basis. Mail-in registration and renewals are also permitted. Many large carriers use a dial-in computer system to electronically register their fleets.

Registration Turnaround If registration is done at the Oklahoma Tax Commission, plates and credentials are not issued over the counter. Due to large volume of registrations, issuance of credentials may take days or weeks.

Payment Options Discover Card only is accepted (not Visa, MasterCard or American Express). Money order, certified check and cash also accepted as payment.

Registration Fee Structure Flat rate per weight class (plus any additional fees cited above).

Registration Fee Collection Schedule/Grace Period Oklahoma has a staggered registration schedule with a 2-month grace period.

Mandatory Vehicle Inspections Inspections are mandatory but are not specifically related to IRP registration. In-house inspectors may be used if they meet the federal criteria.

IRP/IFTA

Joint Audits IRP and IFTA operate out of the same office and joint audits are undertaken between programs with other states (as requested). IRP and IFTA forms for both programs are available at each office.

Joint Credentialing Not planned.

Are IRP credentials withheld for outstanding IFTA accounts (and vice versa)? Yes. Accounts with outstanding balances in either program are flagged in the computer and renewals are suspended until outstanding bill is paid.

Are carriers checked for continuous registration? Yes. Registrant must present receipt indicating when tractor was purchased or must provide evidence of previous registration. If last registration expired within two previous years and no explanation of gap is provided, Oklahoma may reportedly backdate new registration to expiry of previous registration (up to 2 years). IRP survey response: No

Electronic means of verification of carrier registration history USDOT number may be checked in SAFER database. Oklahoma is in the process of implementing CVISN and is a PRISM grant state.

First-year mileage estimates Oklahoma has two estimated mileage charts: one for first-year estimates and one for added jurisdictions. Carriers must use these charts or provide a detailed explanation of alternative estimate.

Acceptance of on-board mileage and fuel use reporting systems? Yes.

Operational plan for checking for contiguous jurisdictions Yes. Contiguous jurisdictions are checked at time of registration.

Means of fee transmittal Oklahoma is not enrolled in the IRP Clearinghouse. A paper-based system is currently used for transmitting IRP fees. Future enrollment in Clearinghouse is anticipated. CD-ROM mail outs are currently being considered in lieu of monthly paper transactions.

Customer Service

Initiatives, Meetings, Publications, etc. Annual motor carrier industry meeting addresses IRP and other issues.

Convenience of Registration (provided by private sector interviews) IRP processing personnel report positive feedback from registrants.

Number of IRP processing locations There are between 16 and 25 (number is constantly changing) private registration agents that have been authorized to process IRP applications and issue IRP apportioned license plates in Oklahoma. The Oklahoma Motor Vehicle Division can also perform this service.

Internet-based credentialing and cab card printing No.

Bar-coded cab cards No.

OREGON

Power Units 34,153 (Note: Peer review reports 54,002 power units in 2001)

Power Units per Capita 0.010

Trailers 82,414 **Trailers per Capita** 0.0241

Percentage of Fleets Audited in 2001 2.7

Established Place of Business Regulations and State Stringency Carrier must have an established place of business in state (if leased to in-state carrier, plates are issued in name of carrier). Oregon is very strict.

State CDL Requirements Owner-operator is required to have a State CDL.

Insurance Requirements Insurance for interstate carriers is required under federal law, but it is not a prerequisite for IRP registration in this state. Workers compensation or accidental insurance is not specifically required for IRP registration.

Air Quality Testing Requirements There are no air quality testing requirements; heavy-duty diesel powered units (over 8,500 lb) are exempt.

Annual Registration Fees

As reported by State IRP office \$320 plus mileage tax rate of \$0.01197 per mile traveled in Oregon (78,001-80,000 lb).

As reported by FHWA (2001) \$320 (5-axle tractor-trailer)

As reported by Promover (2001) \$345

Frequency of Tractor Apportioned Plate Issuance Tractor plates are permanent. Plate stickers and cab cards are issued annually.

Frequency of Trailer Plate Issuance Permanent trailer plate and cab card issued. No stickers are necessary, but a \$90 titling fee and a \$10 one-time issuance fee are charged.

Trailer Registration and Renewal Fees. Permanent tag costs \$10 one-time registration fee and \$2 issuance fee (trailer must be titled in Oregon).

Other Registration Fees \$7.50 for one plate (tractor) or \$10 for two plates (tractors) and IRP membership fees of \$1.20.

Tractor and Trailer Title Fees \$90 titling fee. Tractors and trailers are typically titled in the same state.

Other Taxes

Ad Valorem Tax None.

Sales Tax Exempt.

Franchise Tax None.

IFTA Diesel Fuel Tax (4th Quarter 2002) None.

Registration Information and Procedures

Are all registration fees and taxes prorated and apportioned (paid by out-of-state carriers that travel through the state)? Not applicable - No sales tax or ad valorem tax is assessed.

Registration Method Oregon has walk-in registration; an appointment is necessary for fleets with more than 10 vehicles. Mail-in renewal service is available. Online Internet renewal service will be implemented this year.

Registration Turnaround Can be completed same day.

Payment Options Credit card payment is accepted up to \$2500. Check and money order are also accepted.

Registration Fee Structure Flat rate per weight class plus weight- mile tax rate.

Registration Fee Collection Schedule/Grace Period January through December
calendar year registration schedule with grace period ending March 15. Staggered registration is available on a quarterly basis.

Mandatory Vehicle Inspections None.

IRP/IFTA

Joint Audits Joint IRP and IFTA audits are not conducted, but forms for either program are available at both offices. Mileage from four IFTA quarters and IRP are compared in audits.

Joint Credentialing Not planned.

Are IRP credentials withheld for outstanding IFTA accounts (and vice versa)? No.

Are carriers checked for continuous registration? No. Previous/continuous registration is not checked upon registration in Oregon. May be addressed in audit. IRP survey response: Yes

Electronic means of verification of carrier registration history IRP processing personnel currently do not have capacity to electronically verify carrier registration histories. A state proprietary system is used for Oregon IRP and IFTA registrations. CVISN/CVIEW may be employed in future. Oregon was one of the PRISM pilot study states.

First-year mileage estimates Mileage estimation chart is available, but carriers are not obliged to use it.

Acceptance of on-board mileage and fuel use reporting systems? Yes.

Operational plan for checking for contiguous jurisdictions Yes. Contiguous jurisdictions are checked and enforced.

Means of fee transmittal Oregon distributes IRP fees to other jurisdictions using a paper-based system. State anticipates joining the IRP Clearinghouse in 2005.

Customer Service

Initiatives, Meetings, Publications, etc. Quarterly/monthly newsletters sent out to carriers cover IRP, IFTA, and trucking safety issues. Newsletters and trucking advisory

committee meetings have generated positive feedback from carrier industry. Publicity campaign to curb fraudulent and illegal registrations is ongoing in Oregon.

Convenience of Registration (provided by private sector interviews) Weight-distance tax (the only one left in the country) complicates IRP registration.

Number of IRP processing locations Oregon has one main IRP processing office and 5 other locations, where major routes cross the state's borders.

Internet-based credentialing and cab card printing Implemented this year for large carriers.

Bar-coded cab cards Not currently used. Has been considered due to possible benefits accruing to enforcement agencies.

TENNESSEE

Power Units	78,981	Power Units per Capita	0.014
Trailers	23,184	Trailers per Capita	0.0145
Percentage of Fleets Audited in 2001	2.8		

Established Place of Business Regulations and State Stringency Carrier must have an established place of business in state (if leased to in-state carrier, plates are issued in name of carrier). State has recently become more stringent regarding established place of business regulations.

State CDL Requirements Owner-operator must have a state CDL if IRP plates are issued in their name (not name of carrier they are leased to).

Insurance Requirements Insurance for interstate carriers is required under federal law, but it is not a prerequisite for IRP registration in this state. Workers compensation or accidental insurance is not required for IRP registration.

Air Quality Testing Requirements Diesel vehicles are exempt from air quality testing requirements.

Annual Registration Fees

As reported by state IRP office	\$1366	(80,000 lb)
As reported by FHWA (2001)	\$1334.25	(5-axle tractor-trailer)
As reported by Promover (2001)	\$1417	

Frequency of Tractor Apportioned Plate Issuance Every 5 years power unit plates with new numbers are issued. Plate stickers are issued annually with cab card.

Frequency of Trailer Plate Issuance Permanent trailer plate is issued.

Trailer Registration and Renewal Fees One-time license plate issuance fee \$75 (trailer must be titled in state in order to be registered).

Other Registration Fees None indicated.

Tractor and Trailer Title Fees \$5

Other Taxes

Ad Valorem Tax Common carriers are exempt.

Sales Tax Common carriers are exempt.

Franchise Tax No.

IFTA Diesel Fuel Tax (4th Quarter 2002) \$0.17 per gallon

Registration Information and Procedures

Are all registration fees and taxes prorated and apportioned (paid by out-of-state carriers that travel through the state)? Common carriers are exempt from sales and ad valorem taxes.

Registration Method Walk-in registrations at Nashville office conducted until 2 p.m. on weekdays. New mail-in registration service is available. Renewals can be done on a walk-in basis as well. Online registration renewal system just launched but currently available to a limited number of carriers.

Registration Turnaround Walk-in registrations can be completed on same day if documentation is in order.

Payment Options Not currently accepting credit cards. However, this is planned for future.

Registration Fee Structure Flat rate per weight class (plus any additional fees cited above).

Registration Fee Collection Schedule/Grace Period Staggered registration schedule with no grace period.

Mandatory Vehicle Inspections Vehicle inspections are not specifically related to IRP.

IRP/IFTA

Joint Audits IRP, IFTA, and SSRS are handled by the Tennessee Department of Public Safety. Joint audits are common. Moving toward a “one-stop” shop concept. Forms for IRP and IFTA programs are available at office.

Joint Credentialing Not planned.

Are IRP credentials withheld for outstanding IFTA accounts (and vice versa)? Yes.

Are carriers checked for continuous registration? Yes. Previous registration is checked to ensure continuous registration. Title and bill of sale are required for registration of new vehicles. IRP survey response: Yes

Electronic means of verification of carrier registration history Tennessee registration personnel are currently not able to electronically check carrier registration histories. Tennessee is a PRISM grant state and as a pilot began in January 2000. No follow-up indicated.

First-year mileage estimates Tennessee IRP processing personnel manually review estimates to ensure they are realistic. Tennessee's estimated distance chart is based on average mileage of Tennessee interstate carriers. Registrants not using chart must provide explanation of estimated distance. Carriers are charged more than 100 percent of chart fees if second year estimates are submitted.

Acceptance of on-board mileage and fuel use reporting systems? Yes.

Operational plan for checking for contiguous jurisdictions Yes. Registration system automatically checks for contiguous jurisdictions.

Means of fee transmittal Tennessee is currently not enrolled in IRP Clearinghouse.

Customer Service

Initiatives, Meetings, Publications, etc. No meetings or outreach programs indicated.

Convenience of Registration (provided by private sector interviews) Carriers are generally happy with service. Online registration will be expanded. Carriers have requested acceptance of IRP credit card payment.

Number of IRP processing locations Tennessee has one walk-in processing office located in Nashville.

Internet-based credentialing and cab card printing Online registration is not currently available, but is planned for future.

Bar-coded cab cards Bar-coded cab cards are not currently used, but they have been discussed.

TEXAS

Power Units	69,472	Power Units per Capita	0.003
Trailers	23,184	Trailers per Capita	0.0011
Percentage of Fleets Audited in 2001	21		

Established Place of Business Regulations and State Stringency Carrier must have an established place of business in state (if leased to in-state carrier, plates are issued in name of carrier). Texas is stringent; a utility bill or phone bill in registrant's name is required.

State CDL Requirements Owner-operator must have a state CDL if IRP plates are issued in their name (not name of carrier they are leased to).

Insurance Requirements Carrier must provide proof of insurance at registration. Workers compensation or accidental insurance is required.

Air Quality Testing Requirements Diesel vehicles are exempt.

Annual Registration Fees

As reported by state IRP office	\$840	(80,000 lb)
As reported by FHWA (2001)	\$840.30	(5-axle tractor-trailer)
As reported by Promover (2001)	\$855	

Frequency of Tractor Apportioned Plate Issuance New tractor plates with different numbers are issued every 5 years. No plate stickers are issued; only cab card is renewed annually.

Frequency of Trailer Plate Issuance Token trailer plate (used with apportioned tractors) is replaced every 5 years.

Trailer Registration and Renewal Fees An annual fee of \$21.30-\$27.80 depending on county (\$16.30 token trailer registration fee plus a County Road and Bridge Fee [CRBF] between \$5 and \$11.50). The CRBF may include a Child Safety Fee of \$0.75-\$1.50. Stickers are issued annually.

Other Registration Fees Emissions Reduction Plan surcharge (10 percent of total fees) is incorporated into registration fees (not charged on top); \$1 handling fee for mailed registration renewals. There is also a cab card fee of \$2.

Tractor and Trailer Title Fees A \$28 or \$33 Texas Title Application Fee. Tractor and trailer are typically registered in same state.

Other Taxes

Ad Valorem Tax Ad valorem tax is a property tax assessed on power units and trailers at the county level. The rate varies from county to county (e.g., carrier based in Bryan would pay 2.763 percent, the average is 2.5 percent). Depreciation is taken into consideration and taxes may be prorated to mileage at request of carrier. Ad valorem tax is not apportioned to out-of-state carriers operating in Texas unless they have a local business establishment.

Sales Tax Texas apportioned carriers are exempt from paying sales tax in all counties.

Franchise Tax A franchise tax is charged only to companies that are incorporated or are limited liability corporations (LLCs). The tax rate is greater of 0.25 percent (.0025) per year of privilege period of net taxable capital or 4.5 percent (.0450) of net taxable earned surplus. For the initial report, the net taxable capital rate is prorated over the initial period.

IFTA Diesel Fuel Tax (4th Quarter 2002) \$0.20 per gallon

Registration Information and Procedures

Are all registration fees and taxes prorated and apportioned (paid by out-of-state carriers that travel through the state)? Not applicable. No statewide sales tax or ad valorem tax is apportioned.

Registration Method Texas has walk-in registration for first-time registrants (first-time registrants may fax or mail in new applications in advance of the office visit), mail-in service only available for renewals. Moving toward online registration/renewals, but system is not currently available.

Registration Turnaround Can be completed same day.

Payment Options No credit cards are accepted. Certified check, cashier's check, or money order are the most common payment methods. Business or personal checks are also accepted. Cash may also be used for partial payment of IRP fees (some fees cannot be paid in cash).

Registration Fee Structure Texas registration fees are a flat rate per weight class (plus any additional fees cited above).

Registration Fee Collection Schedule/Grace Period Staggered registration schedule with 5-working-day grace period.

Mandatory Vehicle Inspections An annual independent, in-state vehicle inspection is required.

IRP/IFTA

Joint Audits IRP and IFTA are handled by separate offices. The TxDOT Vehicle Titles and Registration Division conducts IRP audits, and the Texas State Comptroller is responsible for IFTA audits.

Joint Credentialing Not planned.

Are IRP credentials withheld for outstanding IFTA accounts (and vice versa)? No.

Are carriers checked for continuous registration? Registrants are asked for proof of continuous registration, but carriers with gaps in registration history are not immediately subject to backdated registrations (dealt with through audit). IRP survey response: No

Electronic means of verification of carrier registration history Resources have been allocated to CVISN level 1 compliance. No involvement in PRISM indicated.

First-year mileage estimates Texas has two types of estimated mileage charts, one for first-year mileage estimates; the other chart is for expanded operations.

Acceptance of on-board mileage and fuel use reporting systems? Yes.

Operational plan for checking for contiguous jurisdictions Yes, contiguous jurisdictions are manually checked by processing personnel.

Means of fee transmittal Texas has fully implemented the IRP Clearinghouse fee transmittal system.

Customer Service

Initiatives, Meetings, Publications, etc. IRP booklet with useful credentialing contacts and related information is distributed. Additional information is available at TxDOT web site and at regional title and registration branches. No newsletters, meetings, or outreach programs indicated. Regional offices hold meetings when necessary.

Convenience of Registration (provided by private sector interviews) Frequent issuance of IRP tractor plates (every 5 years) is time consuming and expensive for carriers. Lack of current online registration/renewal opportunities. Texas counties assess an ad valorem tax on trucking equipment. Annual, independent inspections are required in Texas (not in other states).

Number of IRP processing locations Texas has 17 regional offices that process IRP registration. There are 254 county tax assessor-collector offices responsible for local fees and trailer registrations.

Internet-based credentialing and cab card printing Not currently available. Planned for future (possibly late 2003).

Bar-coded cab cards No.

MAINE

As indicated in [Chapter 5](#) it was determined that Maine would be included as a special case study for trailers only.

Trailers Registered Millions of trailers are registered (there are over 600,000 registrants)

Established Place of Business Regulations Maine requires a statutory (service) agent for trailer registrants that do not have a place of business in Maine and wish to plate trailers in the state for a 5-12 year period, a 20-year period, or a 25-year period. Out-of-state registrants who wish to plate trailers for only 1 or 2 years can register directly with the state of Maine via mail without using a statutory agent.

Frequency of Trailer Issuance Maine will register trailers from any jurisdiction in North America. Trailer fees are not apportioned (Connecticut and some other states require trucking firms to register tractors and trailers in same state). Registrant is responsible for understanding registration regulations in their base state.

Fees for less than 5 trailers:

Annual or two-year registration is \$10.50 per year/trailer with tare weight of 2000 lb or less, \$18 per year/trailer if more than 2000 lb.

Long-term trailer registration:

5-12 years (any number of trailers),

Up to 20 years (company must register at least 1000 trailers), and

25 years (company must register at least 30,000 trailers).

Fees for 5-12 year and up to 20-year registrations are:

\$5/year/trailer (Gross Vehicle Weight [GVW] 2000 lb or less) and

\$10/year/trailer (GVW over 2000 lbs).

Carriers registering a minimum of 30,000 trailers in Maine are charged a flat rate of \$80/trailer for a 25-year registration.

The vast majority of registrations are from out-of-state carriers. Most common registrations are 5-12 years and 20 years. Several large out-of-state carriers have in excess of 65,000 trailers registered in Maine.

Trailer Titling Maine charges \$23 to title a trailer. Original documents must be sent by mail or submitted in person or by agent. Maine does not title trailers with a tare weight of less than 3000 lb. Trailers weighing more than 3000 lb do not have to be titled in Maine to be registered there. Trailers can be registered for a \$5 title transfer fee if required.

Other Taxes

Ad Valorem Tax None

Sales Tax There is a sales tax exemption, if one of following applies: trailer has previously been registered in another state, trailer was not purchased from a dealer, or trailer will be used in interstate commerce more than 80 percent of the time.

Franchise Tax None.

Registration Information and Procedures

Registration Method Applicant may use a statutory agent, walk-in registration in Augusta, mail-in, or phone and fax application (if a Maine title is not required).

Payment Options Credit cards are accepted. There is no charge for using VISA or MasterCard; there is a \$7 fee if American Express or Discover cards are used. Check, money order, or cash is accepted.

Registration Fee Collection Schedule/Grace Period All Maine trailer registrations expire on the last day of February in the assigned year.

CHAPTER 7: FINDINGS AND RECOMMENDATIONS

As previously discussed, fraudulent jurisdiction shopping occurs when an owner-operator or carrier exploits lax enforcement of IRP regulations in a jurisdiction to obtain a cheaper registration. Legitimate jurisdiction shopping occurs when motor carriers with bona fide established places of business in multiple jurisdictions have the option of selecting where to register their fleets. This decision may have little to do with where the carrier's operations are focused. For those unfamiliar with apportioned heavy truck registration practices, the preponderance of Oklahoma-plated tractors and trailers on highways throughout the nation is one of the great enigmas of the trucking industry. Fraudulent practices have significantly contributed to this phenomenon, but they only partially explain what has happened. A hypothetical scenario demonstrates the importance of other factors.

A large for-hire trucking firm accrues most of its mileage in the U.S. Midwest. It owns maintenance facilities, terminals, and sales offices throughout this region and in several other states. Included among these assets is a terminal in Oklahoma. As long as one of the carrier's power units accrues mileage in Oklahoma each year and the terminal meets the IRP's established place of business criteria, the carrier may register its entire fleet in that state. But the benefits of this strategy are not readily apparent if one assumes that the carrier files accurate mileage reports. Indeed, there would be no direct financial advantage to the carrier for jurisdiction shopping if only apportioned registration fees were taken into account. All IRP carriers, irrespective of where they are registered, must pay the share of a jurisdiction's registration fee that corresponds to the percentage of their total mileage that was operated in that jurisdiction as depicted in [Table 7-1](#).

The justification for legal base plate shopping lies primarily in the disparity among non-apportioned fees and taxes that some jurisdictions assess on motor carriers. These expenses may include registration-related taxes, surcharges, accessorial fees, and incidental charges that are levied on top of the apportioned registration fee. Non-apportioned fees deter registrations because only carriers that base plate in a jurisdiction, not those traveling through it, incur them. Differing levels of customer service and registration convenience may also influence a carrier's

decision on where to base plate, but these issues are generally secondary considerations that figure more prominently in a jurisdiction’s success in retaining carriers as opposed to attracting them.

The financial stakes involved in a carrier’s base plate decision highlight the importance of jurisdiction shopping issues for both industry and the public sector. Trucking firms saving thousands of dollars per vehicle rationalize their choice of where to register as a business decision; one that they are entitled to under the provisions of the IRP. Certain states, counties, and municipalities, on the other hand, stand to lose a significant amount of revenue as a result of the shift in heavy truck registrations to more attractive locations. Jurisdictions with uncompetitive motor carrier fee structures are most vulnerable to this threat. In many cases they have already lost registrants to “low-fee” jurisdictions and face possible further weakening of their registration base in the absence of change.

Table 7-1. Sample Apportioned Fee Calculation for 80,000 lb Tractor-Trailer.

State	Mileage	Percent Total Miles		Full Year Fees	=	Apportioned Fee
Oklahoma	40,000	40	x	\$954.00	=	\$381.60
Kansas	30,000	30	x	\$1,735.00	=	\$520.50
Arkansas	30,000	30	x	\$1,350.00	=	\$405.00
Totals	100,000	100				\$1,307.10

Source: Adapted from TxDOT *Apportioned Registration Instruction Manual* (37)

In the last 4 years for which data are available, one-half of U.S. IRP states gained apportioned power unit registrations and one-half lost registrations. Given that the fraudulent established place of business and mileage estimation practices that contribute to jurisdiction shopping are being addressed, an examination of other factors that may be responsible for the persistence of this activity is in order. The main justifications for legitimate jurisdiction shopping can be grouped into two broad categories: non-apportioned fees and registration convenience.

NON-APPORTIONED FEES

Ad Valorem Tax

The ad valorem tax is an annual property tax that some jurisdictions, including Texas, assess on motor carriers. The tax is levied on the purchase price or depreciated value of the carrier's vehicle(s) and varies from state to state and among individual counties and municipalities. Rates ranging from 0.5 percent to 3 percent are common in many states.

In Texas ad valorem taxes are locally assessed taxes. The county appraisal district appraises property located in the county, while local taxing units set tax rates and collect property taxes based on those values. Property taxes provide more tax dollars for local services in Texas than any other source—they help pay for public schools, city streets, county roads, police, fire protection, and many other services. In Texas the ad valorem or property tax accounts for 59 percent of local revenues.

Because the ad valorem tax rate is a local and not a state tax, it varies from county to county. For example, a carrier based in Brazos County is subjected to county taxes and school district taxes, in this case either Bryan Independent School District or A&M Consolidated School District. If the carrier is located in a city it is subject to taxes for that city, in this example either Bryan or College Station taxes. If the carrier is located outside city limits in Brazos County, the carrier may be subjected to rural fire district taxes. Therefore, a carrier based in Bryan, Texas, which is located in Brazos County, would pay 2.763 percent; these taxes would go to Brazos County, Bryan Independent School District, and the City of Bryan. In some locations in Texas there are also special taxing districts for hospital districts, junior colleges, and road districts. The average ad valorem tax in Texas is 2.5 percent.

A number of states, including the only three states with over 100,000 apportioned power unit registrations, either do not have an ad valorem tax or exempt motor carriers from paying it. Where the tax is assessed, the county in which the vehicle is based normally collects the tax. The county prorates the tax to the percentage of total mileage that the carrier operates in the state. Property tax codes normally define the vehicle's base as its situs or primary place of

location between use elsewhere. However, large interstate trucking operations whose vehicles are constantly moving between terminals in different jurisdictions exercise some discretion in assigning the base for their vehicles. The tax implications of this are important.

While the rate of ad valorem taxation on motor carriers may appear insignificant, the capital-intensiveness and thin profit margins of the trucking industry mean that even minor disparities can acutely impact a carrier's bottom line. For example, a small trucking firm registering 50 late-model power units in a jurisdiction that assesses a 2 percent ad valorem tax may have to pay upward of \$100,000 in ad valorem fees. Large carriers with relatively new fleets could owe millions of dollars in annual ad valorem fees. These are costs that might otherwise be avoided if the vehicles were registered and assigned by the carrier to a terminal located in a jurisdiction with no ad valorem tax. Although the carrier may be required to undertake some operational adjustments to realize these benefits, the magnitude of the potential savings may justify these changes. This is particularly true where large discrepancies in ad valorem tax rates occur within relatively confined geographic areas such as interstate regions and state border zones.

Counties, municipalities, and other taxing entities that assess ad valorem taxes may not find it politically or financially viable to repeal them. As in the case of Texas, the ad valorem tax may be the chief taxing method for those jurisdictions. Some states have tried to diminish or discourage ad valorem tax evasion by instituting higher fines for offenses and tightening the definition of the vehicle's operational base. Whether these policies will ultimately be successful is uncertain given the breadth of interstate trucking operations and the resources that would be required for effective audit and enforcement.

Recommendation

However, opportunities do exist for more equitable assessment of ad valorem taxes. Some states, such as Colorado and Maine, have apportioned their ad valorem fees in the same fashion as their registration fees. California apportions a 2 percent vehicle license fee in lieu of an ad valorem tax. Such measures ensure that carriers based in these states are not disadvantaged vis-à-vis out-of-state carriers with respect to the assessment of ad valorem tax. Evasion of

apportioned ad valorem taxes by carriers traveling in Colorado, Maine, or California would require falsification of IRP mileage reports. This would be a risky endeavor considering the IRP reforms introduced in the wake of the Oklahoma jurisdiction shopping scandal. Another benefit of the apportionment of ad valorem fees is that it levels the registration playing field for jurisdictions by removing local disincentives that may previously have deterred carriers from basing there. Whatever the implementation strategy, the apportionment of ad valorem taxes should be a priority for any jurisdiction that assesses them.

Accessorial and Incidental Fees

Accessorial and incidental registration fees are added expenses that carriers incur as a result of registering in a given jurisdiction. Individual charges of this kind often range from less than \$1 to \$50. Excise fees, application fees, and emissions surcharges are examples of accessorial and incidental fees that carriers in some jurisdictions are subject to at the time of registration. While the low value of these fees makes it unlikely that they alone would justify jurisdiction shopping, they do handicap carriers registering in certain states. The key to eliminating this disadvantage is fee apportionment. California imposes an \$82 motor vehicle fee, \$34 registration fee and \$3 Cargo Theft Interdiction Program fee on all apportioned carriers entering the state (38).

Recommendation

Texas incorporates a 10 percent diesel vehicle emissions reduction surcharge into its annual apportioned registration fee. This approach to fee apportionment is favored by industry and the public sector because it prorates charges according to in-state mileage and does not complicate registration fee payment or revenue transmittal with separate line items. By apportioning ad valorem taxes and other registration-related fees, states create a more competitive registration environment for interstate trucking firms. This philosophy is consistent with growing jurisdictional efforts to accommodate carriers and enhance IRP administration through the implementation of user-friendly and cost-effective registration systems.

REGISTRATION CONVENIENCE

The user friendliness of a jurisdiction's IRP registration process has been viewed by some as having little or no bearing on where a carrier chooses to base plate. This mindset has changed in recent years as IRP registrants that were formerly plated in Oklahoma have begun to register in their jurisdiction of residence or other states in which they qualify for an apportioned plate. Anecdotal reports from these carriers and IRP processing personnel suggest that convenient, hassle-free registration regimes may encourage these carriers to base plate in the jurisdiction of least resistance. Similarly, registrants contemplating renewal of their IRP credentials may be less inclined to jurisdiction shop if their current registration process is user friendly. States that leverage new registration technologies and procedures to enhance customer service can simultaneously improve the cost effectiveness and integrity of their IRP programs.

Joint Program Administration

The IRP is one of several programs in which carriers enroll to obtain interstate operating credentials and authority. A sister program called the International Fuel Tax Agreement was developed to streamline the reporting, collecting, and distribution of state fuel taxes. As in the IRP, fees for this program are calculated according to jurisdictional mileage and are paid to a single base state, which redistributes the revenue as appropriate. Both the IRP and IFTA require three percent of a jurisdiction's renewing registrants to undergo audit for mileage accuracy and program compliance. A third program called the Single State Registration System enables carriers to file their USDOT authority and proof of insurance with a base state that transmits fees to other jurisdictions in a manner similar to the IRP and IFTA. Despite commonalities and overlap in these programs, they are frequently administered separately by states. Registrants are required to travel to various offices, wait in multiple queues, and submit several copies of the same information in order to obtain required credentials. Lack of administrative coordination between the IRP, IFTA, and SSRS imposes a costly burden on interstate trucking firms. The scale and prevalence of this problem are evidenced by the fact that it consistently ranks among carriers' foremost complaints regarding the interstate credentialing process.

The experience of states like Nebraska, which developed a "one-stop" shop for registration-related carrier services, indicates that this is a worthwhile customer service

endeavor. The concept entails provision of forms, manuals, applications, and other information pertaining to all interstate trucking programs at unified, easily accessible processing locations. Merging disjointed state programs enables the implementation of a more streamlined credentialing process that reduces costs for registrants and agencies alike.

The electronic sharing of information also strengthens the integrity of programs by limiting data entry errors and allowing processing personnel shared-screen access to a carrier's IRP, IFTA, and SSRS information. Registrants with IRP and IFTA mileage disparities can immediately be red-flagged and targeted for subsequent audit. Joint IRP-IFTA audits made possible through consolidated program management are desirable because they maximize the utility of resources and minimize intrusion on the carrier. Other technology tools lending themselves to joint program administration include the Performance and Registration Information Systems and Management program and the Commercial Vehicle Information Systems and Networks initiative. These systems discourage jurisdiction shopping by enabling agency personnel to screen prospective registrants by vehicle identification numbers and other permanent identifiers that cannot be altered when a carrier changes its name and is issued a new USDOT number.

Registration Options

The diversity of interstate trucking operations in the United States underscores the need for efficient and flexible state IRP programs. Many jurisdictions do not offer registration options that apportioned motor carriers seek. Although walk-in registrations are processed in all states, online registrations and renewals and first-time registrations by mail are not widely available. For interstate trucking firms in jurisdictions with only a handful of processing locations, the lack of electronic or mail-in registration options translates into increased down time and additional administrative costs. These disadvantages are exacerbated by service limitations in other areas. For example, over a dozen states do not offer the staggered IRP registration schedules that are preferred by industry (39).

Indiana, North Carolina, Oklahoma, Oregon, and Tennessee provide online or electronic registration or renewals to some or all carriers. Indiana offers an interesting example: they not

only enable large carriers to register electronically via a modem-based system, they have streamlined the process even further for those carriers by issuing them a stock of plates. The carrier submits registration information electronically as plates are assigned to tractors in the fleet. Fees are automatically calculated and paid by the carrier. The Indiana IRP sends cab cards and a CD-ROM for printing copies of the cab cards to the carrier the following day.

Credit card payment of registration fees is restricted or unavailable in many jurisdictions. Alabama, Indiana, Oregon, Oklahoma, and Maine accept partial or full credit card payment for registration fees. Texas does not currently accept credit card payment and in some cases cash payment is restricted. Interestingly enough, Texas does allow credit card payment for driver license renewal, sales tax payments, and property tax payment.

Florida and Alabama still require their IRP carriers to re-plate power units each year with newly numbered tags, regardless of the condition of existing plates. Frequent, mandatory license plate renewals and the aforementioned service deficiencies increase carrier costs, complicate fleet management, and discourage registration in certain jurisdictions.

Recommendation

Innovative registration solutions enhance carrier operations, lower IRP agency costs and increase productivity through the reduction in manual processing and paperwork exchange. By modernizing and consolidating state IRP, IFTA, and SSRS programs and addressing the needs of the carrier community, Texas can diminish the incentives that contribute to jurisdiction shopping among their registrants. Carriers want a one-stop shop that is streamlined for quicker service. Texas should also explore credit card payment in conjunction with online or first-time mail-in registration to create an atmosphere of customer service and ease of registration for the carriers.

TRAILER REGISTRATIONS

Trailer registration fees are no longer apportioned. Under the IRP, trailers that are registered in a member jurisdiction are granted full and free reciprocity in all other member jurisdictions. Motor carriers are not obliged to register their tractors and trailers in the same jurisdiction. This essentially allows carriers, especially large carriers and pool operators, to

register trailers in the least expensive jurisdiction. Maine has by far the most number of trailers registered of any jurisdiction. This is essentially because Maine has made trailer registration very easy and inexpensive. They also offer long-term registrations where one registration can for all intents and purposes last the life of the trailer. Texas, on the other hand, issues token trailer plates every 7 years, requires an annual renewal sticker fee, and charges an ad valorem tax on the trailer.

Recommendation

Frequent plate issuance for both power units and trailers imposes added administrative costs and burdens for carriers. This inconvenience increases with the size of the carrier. By moving to permanent plates that only need to be replaced when they become illegible, Texas can save money for both the state and the carrier. Texas should also reconsider how plates, especially trailer plates, are issued. Texas should also look at trailer plate renewal fees. Currently, carriers are registering trailers in jurisdictions where the cost is low and convenience is high. An assessment should be made whether it is more beneficial for the state to register more trailers for smaller fees or to register fewer trailers for the fees currently being charged.

PROGRAM ADMINISTRATION

Texas is at the forefront of administering the IRP program as it was originally intended. The percentage of fleet audits conducted by Texas, 15 percent as compared to most other states at 2-4 percent, is exemplary. Texas is also very stringent with respect to the annual vehicle safety inspections required for interstate carriers. Many states allow carriers to conduct in-house inspections, as long as a qualified mechanic does them. Texas, on the other hand, requires inspections by an independent mechanic. Although this may burden the carrier, it most likely pays safety dividends in the long run and in reality provides the carrier with a quality control check for its maintenance operation.

Texas is also more stringent than most states in that it requires IRP registrants to provide proof of insurance, and payment of the heavy vehicle use tax before an apportioned registration is processed. Texas has also enforced the established place of business regulations as well as first-year mileage estimates in a fair and meticulous manner.

Recommendations

Texas should consider requiring new registrations to verify previous registration history. Although Texas is not currently a participant in PRISM, the implementation of CVISN will enable IRP processing personnel to check VIN and USDOT numbers. The VIN number check is especially critical because the legal name and USDOT numbers can be changed. Although carriers with previous registration problems or registration histories that may be questionable should not be rejected outright, processing personnel should have tools to obtain declarations and histories as well as the ability to flag the carrier for subsequent audit.

CUSTOMER SERVICE

Customer service is an intangible that is created by communications and interaction between a service provider (TxDOT) and the customer (carriers). Effective customer service goes a long way in both the public and private sector to create positive interaction between the two parties and to give the customer a satisfactory experience. Communications and outreach seem to be the most effective way of creating positive customer feedback. Initiatives that have been employed by other jurisdictions include newsletters, online newsletters, advisory workshops, conferences, videos, and publicity campaigns.

Recommendation

It is important to remember that customer service is a process itself that has an objective of making the “process” a satisfactory experience for the customer, in this case the motor carrier. The majority of the service-related problems that are experienced on a daily basis in all industries are, in most cases, “an opportunity for creative management.” The research team recommends that Texas evaluate the initiatives undertaken by other jurisdictions that have received positive response by the motor carriers such as the newsletters published, an online newsletter, more participation in workshops and at conferences, and videos. Texas should also evaluate current customer service initiatives to better understand what works best for Texas and its customers.

In order to understand customer service it may help to look at the retail or private sector to understand customer views on service. In a 1997 survey by Yankelovich Partners, a top research and consulting firm, customers were asked what would cause dissatisfaction to the point of walking out of a store. The customers reported that 64 percent would walk out of a store if the checkout lines were too long, 26 percent would leave because of the attitude of the salesperson, and 22 percent would leave because they do not receive assistance. A number of the motor carriers that provided input on registration at various jurisdictions echoed similar feelings. The motor carriers want to be able to have ready access to information, be able to register in a convenient manner, conduct transactions with ease and minimum disruption to their business, and have someone who can answer their questions. Although Texas is doing many things in the customer service area, publicity about the availability of these tools for the motor carrier may be lacking. By evaluating and publicizing initiatives already in use, Texas can produce more positive feedback from motor carriers. This in turn will create more opportunities to produce outreach initiatives that will be successful.

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APPENDIX A: COMPARISON OF STATES

State	Power Units 2001	Rank (lowest = most)	Power Units Per Capita 2001	Rank (lowest = most)	Trailers 2000	Rank (lowest = most)	Trailers Per Capita 2000	Rank (lowest = most)	Promover 2001 Truck Reg. Cost Ranking (lowest = cheapest)	Ratio of New to Total Reg. (2001)	Rank (lowest = greatest growth rate)	Sum of Rank Scores (lowest = best candidate)	State	Ordered Scores (best candidates to worst)	Rank
Alabama	40,004	16	0.009	17	7,903	22	0.0018	22	9	0.157	19	105	Oklahoma	8	1
Alaska		49	0.000	51		51	0.0000	51	1		51	254	Tennessee	45	2
Arizona	10,256	40	0.002	47	8,991	20	0.0018	23	47	0.070	44	221	Illinois	81	3
Arkansas	6,801	44	0.003	43	4,308	32	0.0016	24	20	0.164	17	180	Nebraska	81	4
California	57,815	10	0.002	48	200,110	2	0.0059	14	44	0.320	4	122	Iowa	88	5
Colorado	10,233	41	0.002	44	8,210	21	0.0019	21	48	0.188	13	188	Utah	89	6
Connecticut	12,004	35	0.004	38	617	38	0.0002	38	14	0.104	34	197	Indiana	98	7
Delaware	4,906	48	0.006	28	40	42	0.0001	40	16		48	222	Missouri	99	8
Dist. of Col.		50	0.000	49		48	0.0000	49	7		49	252	Oregon	100	9
Florida	32,177	20	0.002	46	16,275	15	0.0010	29	31	0.282	5	146	Texas	101	10
Georgia	47,977	11	0.006	31	4,569	31	0.0006	32	2	0.230	6	113	North Carolina	104	11
Hawaii		51	0.000	50		50	0.0000	50	5		50	256	Alabama	105	12
Idaho	14,644	32	0.011	12	9,411	19	0.0073	12	51	0.076	41	167	Georgia	113	13
Illinois	172,806	2	0.014	8	180,391	3	0.0145	6	46	0.166	16	81	Minnesota	114	14
Indiana	116,326	3	0.019	3	32,364	9	0.0053	16	38	0.115	29	98	Wisconsin	120	15
Iowa	46,736	12	0.016	5	63,161	7	0.0216	4	28	0.108	32	88	California	122	16
Kansas	22,297	26	0.008	19	19,160	14	0.0071	13	27	0.117	28	127	Kansas	127	17
Kentucky	17,482	31	0.004	35		45	0.0000	47	40	0.117	27	225	North Dakota	131	18
Louisiana	18,421	30	0.004	36		47	0.0000	48	8	0.189	12	181	South Dakota	133	19
Maine	11,741	36	0.009	16		44	0.0000	45	41	0.321	3	185	Ohio	141	20
Maryland	23,740	25	0.004	34	186	39	0.0000	41	25	0.227	7	171	Wyoming	143	21
Massachusetts	22,029	27	0.003	39	87	41	0.0000	43	17	0.133	24	191	South Carolina	144	22
Michigan	31,011	23	0.003	42	6,343	27	0.0006	31	36	0.197	10	169	Florida	146	23
Minnesota	33,419	19	0.007	26	25,123	11	0.0051	17	21	0.150	20	114	Montana	146	24
Mississippi	20,487	29	0.007	23	7,684	23	0.0027	20	34	0.104	35	164	New Jersey	158	25
Missouri	42,431	15	0.008	21	31,033	10	0.0055	15	15	0.136	23	99	Pennsylvania	163	26

State	Power Units 2001	Rank (lowest = most)	Power Units Per Capita 2001	Rank (lowest = most)	Trailers 2000	Rank (lowest = most)	Trailers Per Capita 2000	Rank (lowest = most)	Promover 2001 Truck Reg. Cost Ranking (lowest = cheapest)	Ratio of New to Total Reg. (2001)	Rank (lowest = greatest growth rate)	Sum of Rank Scores (lowest = best candidate)	State	Ordered Scores (best candidates to worst)	Rank
Montana	13,177	32	0.015	6	11,114	16	0.0123	10	35		47	146	Mississippi	164	27
Nebraska	37,456	17	0.022	2	70,479	6	0.0412	2	24	0.115	30	81	Idaho	167	28
Nevada	9,969	42	0.005	32	5,738	29	0.0029	19	45	0.039	46	213	Michigan	169	29
New Hampshire	12,557	33	0.010	13		49	0.0000	44	6	0.076	42	187	Maryland	171	30
New Jersey	61,786	9	0.007	22		46	0.0000	46	10	0.126	25	158	Virginia	179	31
New Mexico	12,422	34	0.007	25	1,505	35	0.0008	30	32	0.107	33	189	Arkansas	180	32
New York	42,955	14	0.002	45	2,054	34	0.0001	39	49	0.194	11	192	Louisiana	181	33
North Carolina	65,335	8	0.008	20	10,188	18	0.0013	26	18	0.172	14	104	Maine	185	34
North Dakota	10,596	39	0.017	4	6,108	28	0.0095	11	13	0.100	36	131	New Hampshire	187	35
Ohio	79,384	4	0.007	24	6,489	26	0.0006	32	29	0.122	26	141	Colorado	188	36
Oklahoma	202,890	1	0.059	1	266,350	1	0.0772	1	3	0.416	1	8	Washington	188	37
Oregon	34,153	18	0.010	15	82,414	5	0.0241	3	50	0.211	9	100	New Mexico	189	38
Pennsylvania	71,549	6	0.006	30	4,653	30	0.0004	34	42	0.146	21	163	Massachusetts	191	39
Rhode Island	5,135	47	0.005	32	31	43	0.0000	42	32	0.086	38	234	New York	192	40
South Carolina	25,309	24	0.006	27	1,336	36	0.0003	35	4	0.160	18	144	Connecticut	197	41
South Dakota	8,739	43	0.012	11	10,405	17	0.0138	9	22	0.110	31	133	West Virginia	207	42
Tennessee	78,981	5	0.014	9	82,588	4	0.0145	7	12	0.217	8	45	Nevada	213	43
Texas	69,472	7	0.003	41	23,184	12	0.0011	28	11	0.348	2	101	Vermont	214	44
Utah	32,049	21	0.014	7	43,545	8	0.0195	5	26	0.146	22	89	Arizona	221	45
Vermont	6,087	46	0.010	14	139	40	0.0002	36	33	0.068	45	214	Delaware	222	46
Virginia	31,989	22	0.004	33	3,044	32	0.0004	33	19	0.083	40	179	Kentucky	225	47
Washington	20,581	28	0.003	40	7,440	24	0.0013	27	30	0.085	39	188	Rhode Island	234	48
West Virginia	10,890	38	0.006	29	2,333	33	0.0013	25	39	0.073	43	207	Dist. of Col.	252	49
Wisconsin	46,024	13	0.009	18	22,540	13	0.0042	18	43	0.166	15	120	Alaska	254	50
Wyoming	6,708	45	0.014	10	7,164	25	0.0145	8	23	0.107	32	143	Hawaii	256	51

APPENDIX B: CASE STUDY MATRIX

Category	Alabama	California	Illinois	Indiana	Nebraska	North Carolina	Oklahoma	Oregon	Tennessee	Texas	Maine
Apportioned Power Units Registered 2001	40,004	57,815	172,806	116,326	37,456	65,335	202,890	34,153 (Peer Review reports 54,002 power units in 2001)	78,981	69,472	
Apportioned Power Units Per Capita 2001	0.009	0.002	0.014	0.019	0.022	0.008	0.059	0.010	0.014	0.003	
Trailers Registered 2000	7,903	200,110	180,391	32,364	70,479	10,188	266,350	82,414	82,588	26,633	Millions of trailers registered in Maine (over 600,000 registrants)
Trailers Per Capita 2000	0.0018	0.0059	0.0145	0.0053	0.0412	0.0013	0.0772	0.0241	0.0145	0.0011	Not Available
Percentage of Fleets Audited 2001	2.4%	2.3%	1.1%	1.5%	4.1%	3.8%	2.5%	2.7%	2.8%	21%	
Ratio of New to Total Registrations 2001	0.157	0.320	0.166	0.115	0.115	0.172	0.416	0.211	0.217	0.348	
Change in Number of IRP Registrations: 1998-2001	2,437	1,590	-1,386	47,217	8,171	-1,515	40,258	-3,737	-337	-1,189	
Proof of Insurance Required Prior to IRP Registration in State?	Insurance for interstate carriers is required under federal law, but it is not a prerequisite for IRP registration in this state.	Insurance for interstate carriers is required under federal law, but it is not a prerequisite for IRP registration in this state.	Insurance for interstate carriers is required under federal law, but it is not a prerequisite for IRP registration in this state.	State requires proof of insurance prior to registration.	Insurance for interstate carriers is required under federal law, but it is not a prerequisite for IRP registration in this state.	Insurance for interstate carriers is required under federal law, but it is not a prerequisite for IRP registration in this state.	State requires proof of insurance prior to registration.	Insurance for interstate carriers is required under federal law, but it is not a prerequisite for IRP registration in this state.	Insurance for interstate carriers is required under federal law, but it is not a prerequisite for IRP registration in this state.	State requires proof of insurance prior to registration.	

Category	Alabama	California	Illinois	Indiana	Nebraska	North Carolina	Oklahoma	Oregon	Tennessee	Texas	Maine
Annual Registration Fee Reported by State IRP Office	\$780 (73,281-80,000 lb)	\$1,700 for a 75,001-80,000 lb vehicle. (\$1,618 for 12-month registration plus additional \$82 Commercial Vehicle Registration Act motor vehicle fee).	\$3,795 (77,001-80,000 lb). Fee takes effect on 11/01/03 and includes a Commercial Distribution Fee. Previous registration fee for this weight class: \$2,790.	\$1,350 (over 78,000 lb)	\$1,280 (78,001-80,000 lb)	\$963 (79,001-80,000 lb)	\$954 (79,001-80,000 lb)	\$320 plus mileage tax rate of \$0.1197 per mile traveled in Oregon (78,001-80,000 lb)	\$1,366 (80,000 lb)	\$840 (80,000 lb)	
Frequency of Apportioned Tractor Plate Issuance (trailers no longer apportioned)	New tractor plates with different numbers are currently issued every year to fleets of less than 50 vehicles. Practice may change in future. Cab cards and stickers are also issued annually.	Tractor plates are permanent, stickers and cab cards are issued annually.	Tractor plates are permanent. No plate stickers are issued.	Tractor plates are permanent. No plate stickers are issued.	Tractor plates are permanent. No plate stickers are issued.	Tractor plates are permanent. No plate stickers are issued.	Tractor plates are permanent. No plate stickers are issued.	Tractor plates are permanent. Plate stickers are issued annually with cab cards.	Every 5 years power unit plates with new numbers are issued. Plate stickers are issued annually with cab cards.	Every 5 years power unit plates with new numbers are issued. No plate stickers are issued.	
Apportioned Tractor Plate, Cab card Renewal Fee	None indicated	None indicated	When plate becomes illegible, a \$6 replacement fee is charged.	Yearly cab card renewal fee is \$5.	\$3 fee is assessed for each power unit the first time it is registered (plus \$2 annual renewal fee).	None indicated	None indicated	None indicated	None indicated	None indicated	

Category	Alabama	California	Illinois	Indiana	Nebraska	North Carolina	Oklahoma	Oregon	Tennessee	Texas	Maine
Frequency of Trailer Plate Issuance	Trailer plates issued every 3-4 years. Handled at county level.	Permanent trailer plate is issued with permanent trailer cab card.	Permanent trailer plate is issued with permanent trailer cab card.	Permanent trailer plate is issued with permanent trailer cab card.	Permanent trailer plate is issued with permanent trailer cab card.	Permanent trailer plate is issued with permanent trailer cab card.	Permanent trailer plate is issued with permanent trailer cab card.	Permanent trailer plate is issued with permanent trailer cab card.	Permanent trailer plate is issued with permanent trailer cab card.	Token trailer plate is replaced every 7 years. Handled at county level.	
Trailer Registration and Renewal Fees	\$20 annual renewal fee. \$1.25-\$2.00 County Plate Issuance Fee (trailer must be titled in Alabama)	Permanent plate \$20 fee for first-time registration plus \$10 renewal fee every 5 years.	Permanent plate \$19 one-time fee (no renewal fee but trailer must be titled in Illinois).	Options: Permanent plate \$65; 5-year plate is \$60; 1-year plate is \$30; plus \$2 annual renewal fee for all options (trailer must also be titled in Indiana).	Permanent plate \$9.60 first-time trailer registration plus \$2 annual trailer renewal fee (trailer can be registered in Nebraska without being titled there).	Options: Permanent trailer plate for \$75 or annual plate for \$10/year.	Permanent plate \$46 plus annual trailer renewal fee of \$4 (and \$1.25 processing fee).	Permanent plate \$10 one-time registration fee and \$2 issuance fee (trailer must be titled in Oregon).	Permanent plate \$75 (trailer must be titled in state in order to be registered there).	Annual fee of \$21.30-\$27.80 depending on county (comprised of \$16.30 token trailer registration fee plus a County Road and Bridge Fee of \$5 - \$11.50).	Maine offers various trailer registration options. Annual or two-year: \$18/year/trailer, 5-12 years: \$10/year/trailer, up to 20 years (minimum 1,000 trailers): \$10/year/trailer, 25 years (minimum 30,000 trailers): flat rate \$80/trailer. Vast majority of registrations are from out-of-state carriers. Most common registrations are 5-12 years and 20 years. Several large out-of-state carriers have in excess of 65,000 trailers registered in Maine. Trailers do not have to be titled in Maine to be registered there.

Category	Alabama	California	Illinois	Indiana	Nebraska	North Carolina	Oklahoma	Oregon	Tennessee	Texas	Maine
State Tractor/ Trailer Titling Fee?	\$10	\$10	\$65	\$15, \$3.75 title transfer fee	\$10 (or \$17 if lien exists)	\$30 (\$50 for instant titling)	\$11	\$90	\$5	\$13 one-time TX Title Application Fee plus \$2 mail-in title fee (\$5.45 for walk-in title).	\$23
Ad Valorem (Property Tax) or Similar Charge	20% of market value of vehicle multiplied by local millage rate; e.g., a \$100,000 truck in Montgomery (.034 millage rate) the Ad Valorem would be approx. \$680.	2% Vehicle License Fee assessed in lieu of ad valorem fee or property tax on vehicles. California VLF depreciates at .2% over 10 years at which point it remains at a minimum yearly level of .3% per year (i.e. 1st year = 2%, 2nd year = 1.8%, 3rd year = 1.6% etc.)	None	Ad valorem tax exemption for rolling stock registered in state.	For-hire carriers exempt.	Ad valorem tax rate depends on county, but all counties assess Ad Valorem on local carriers. There are 120 counties in North Carolina. Total annual ad valorem costs often range from \$600-700 per vehicle.	Motor carriers exempt.	None	Common carriers exempt.	Ad valorem tax is assessed on power units and trailers at the county level in Texas. The rate varies by county and municipality (e.g., carrier based in Bryan would pay 2.763%). Depreciation is considered. Taxes may be prorated to mileage at request of carrier.	None

Category	Alabama	California	Illinois	Indiana	Nebraska	North Carolina	Oklahoma	Oregon	Tennessee	Texas	Maine
Additional Registration Fees, Taxes	\$1.25 for cab card, \$1.50 (issuance fee), \$2/vehicle fee for mailing license plates.	\$82 Commercial Vehicle Registration Act motor vehicle fee, a \$34 registration fee, and a \$3 Cargo Theft Interdiction Program (CTIP) fee are apportioned to carriers but not prorated based on in-state mileage.	None. Additional registration fees may be assessed at county level.	Commercial Vehicle Excise Tax is assessed on tractor-trailers over 78,000 lb. CVET is \$579 and is apportioned/prorated for interstate carriers according to mileage in Indiana. \$25 Business Tax Application Fee, \$5 Cab Card Fee and various other accessorial fees apply.	Municipal sales and use taxes range from 0% to 1.5%, \$1.50 fee is assessed for each plate issued, \$1 administration fee is assessed for each cab card issued, \$1 postage fee per license plate mailed.	3% highway use tax on vehicles in lieu of a state sales tax. Assessed upon sale of the vehicle or when the title is transferred in state. The maximum tax for commercial vehicles is \$1,000. It is not apportioned. Additional county fees may be assessed.	Tractor excise tax of \$10, lien fee of \$10 if required.	\$7.50 for one plate (tractor) and \$10 for two plates (tractors), IRP membership fees \$1.20	None indicated.	Emissions Reduction Plan surcharge (10% of total fees) is incorporated into registration fees (not additional fee) \$1 handling fee for mailed registration renewals. \$2 cab card fee.	
Are All Registration Fees and Taxes Apportioned (i.e. paid by out-of-state carriers that accrue mileage in state)?	No. Legislature has considered this in the past, but efforts to apportion ad valorem fees have thus far failed. Admin. fees, county fees and other accessorial fees are typically not apportioned.	Vast majority are. VLF (assessed in lieu of ad valorem tax), CVRA, Registration Fee, and CTIP are all apportioned. Some small accessorial fees such as \$2 vehicle fee or \$1 license plate fee are not apportioned.	Only registration fee is currently apportioned. No ad valorem tax is assessed. Admin. fees, county fees and other accessorial fees are typically not apportioned.	Registration fee and CVET are apportioned. Admin. fees, county fees and other accessorial fees are typically not apportioned.	Nebraska does not assess an ad valorem tax on carriers. Admin. fees, county fees and other accessorial fees are typically not apportioned.	Ad valorem and other additional registration fees are not apportioned. Efforts to apportion these fees to out-of-state carriers have been made in legislature, but have not succeeded.	No ad valorem taxes are levied on carriers in Oklahoma. Admin. fees, county fees and other accessorial fees are typically not apportioned.	No ad valorem tax assessed. Admin. fees, county fees and other accessorial fees are typically not apportioned.	Common carriers are exempt from ad valorem tax. Admin. fees, county fees and other accessorial fees are typically not apportioned.	Emissions Reduction Surcharge is incorporated into registration fee and is apportioned. Ad valorem tax and accessorial registration fees are not apportioned to out-of-state carriers.	

Category	Alabama	California	Illinois	Indiana	Nebraska	North Carolina	Oklahoma	Oregon	Tennessee	Texas	Maine
Registration Method	Walk-in registration, mail-in renewals. Online service to be implemented in future (but no indication of timeline provided). System will reportedly allow entire registration process to be conducted online and via mail with credit card payment.	Walk-in and mail-in registration and renewals accepted. No online renewal system available or planned.	Walk-in (by appointment) or mail-in registration available. Online registration has been considered, but is currently not available.	Walk-in, mail-in registration available. Online service with credit card payment to be implemented in near future. Large carriers can presently register electronically via modem system; e.g. carrier is issued a stock of plates and submits registration information as plates are assigned. Fees automatically calculated and paid by carrier. Cab cards and CD-ROM (for printing copies) sent to carrier following day.	Walk-in or mail-in registration is available. Mail-in renewals are also accepted.	Walk-in, mail-in registration available. Online renewals have been possible for 3 years. State now handles several million dollars in truck renewals over the internet.	Walk-in, mail-in and limited electronic dial-in registration service is available. Service Agents in Oklahoma are authorized to issue Oklahoma IRP license plates to carriers on a walk-in basis. Mail-in registration and renewals are also permitted. Many large carriers are able to register their fleets electronically via a dial-in computer system.	Walk-in, mail-in registration service and online renewal service available. Appointment is necessary for walk-in registrations of fleets with more than 10 vehicles. Mail-In renewal service also available. Online internet renewal service was implemented in 2003.	Walk-in and mail-in registrations and renewals available. Online registration renewal system recently launched, but currently restricted to a limited number of carriers.	Walk-In registration for 1st-time registrants, mail-in service used for renewals. First-time registrants may fax or mail in information in advance of office visit. Online registration has been considered, but is currently not available.	For trailer registration: statutory agent, walk-in, mail in, phone and fax services are available.

Category	Alabama	California	Illinois	Indiana	Nebraska	North Carolina	Oklahoma	Oregon	Tennessee	Texas	Maine
Credit Card and Other Payment Options	Credit card payment of IRP fees is accepted. Electronic funds transfer, certified check, money order and cash are also accepted.	No credit card payment is accepted for IRP registrations. Electronic funds transfer, certified check, money order, cash also accepted.	Credit card payment is accepted for apportioned registrations. \$75 convenience fee assessed if paying with credit card over the phone. Certified check and money orders also accepted.	Credit card, wire transfer, check, money order, cash accepted.	No credit card or electronic payment currently accepted. Certified check, money order or cash payment options offered.	No credit card payment is accepted. Check, money order and electronic funds transfer are most common payment methods.	Discover Card accepted, but VISA, MasterCard and American Express not accepted. Money order, certified check and cash also accepted.	Credit card payment accepted up to \$2500. Check, money order also accepted.	No credit cards are currently accepted, but this payment option is planned for future. Certified check, money order or cash accepted.	No credit cards accepted. Certified check, cashier's check or money order most common payment methods. Personal or business checks accepted also. Cash may also be used for partial payment of Texas IRP fees (but some fees cannot be paid in cash).	Credit cards accepted. No charge for using Visa or MasterCard, \$7 fee if American Express or Discover Card used. Check, money order or cash also accepted.
Registration Fee Structure	Flat rate per weight class (plus any additional fees cited above).	Flat rate per weight class (plus any additional fees cited above).	Flat rate per weight class (plus any additional fees cited above).	Flat rate per weight class (plus any additional fees cited above).	Flat rate per weight class (plus any additional fees cited above).	Flat rate per weight class (plus any additional fees cited above).	Flat rate per weight class (plus any additional fees cited above).	Weight-mile registration fee calculation (plus any additional fees cited above).	Flat rate per weight class (plus any additional fees cited above).	Flat rate per weight class (plus any additional fees cited above).	
Registration Fee Collection Schedule and Grace Period	Staggered Jan-Oct renewal month with 30-day grace period.	Jan-Dec calendar year registration schedule. Enforcement delayed until March 31.	Apr-Mar registration schedule with no grace period.	Staggered registration schedule with no grace period.	Jan-Dec calendar year registration schedule with grace period ending February 1.	Jan-Dec calendar year registration schedule with grace period ending February 15.	Staggered registration schedule with 2-month grace period.	Jan-Dec calendar year registration schedule with grace period ending March 15. Staggered registration available on quarterly basis.	Staggered registration schedule with no grace period.	Staggered registration schedule with 5-working-day grace period.	All trailer registrations expire on the last day of February in the assigned year.

Category	Alabama	California	Illinois	Indiana	Nebraska	North Carolina	Oklahoma	Oregon	Tennessee	Texas	Maine
Have Carriers Returned to State Following Resolution of IRP-Oklahoma Dispute?	Many carriers have returned to state in last 12 months.	Many carriers are returning to state.	Many carriers are returning to state from Oklahoma following IRP crackdown on questionable registration practices.	Many carriers are returning to state.	A few carriers have returned from Oklahoma, but not as many as had been anticipated.	A large number of carriers have returned to North Carolina from Oklahoma in recent months/year.	Not Applicable	No comment	Many carriers have returned to state from Oklahoma. Recently, an increase in calls inquiring about Tennessee residency requirements has also been noted.	Many carriers are returning to state from other jurisdictions. No additional comment.	
Are Returning or New Carriers Being Audited to Verify Accuracy of Previous Registrations?	Many returning carriers are being audited.	Carriers returning to California from other jurisdictions may be targeted for audit to verify mileage reporting accuracy and ensure fees are not owed to California.	Yes, some auditors are focusing exclusively on carriers returning from Oklahoma. Suspect accounts (including carriers previously registered in Oklahoma) may be audited.	All returning carriers are typically targeted for audits in which accuracy of previous registrations and mileage is checked.	Returning carriers have not been audited yet.	Yes. Previous registration problems are being dealt with through audit.	Not Applicable	Yes, carriers suspected of previous registration problems are targeted for audit.	Yes, returning carriers may be targeted for audit.	Carriers may be selected for audit when renewing registrations. Previous registrations in Oklahoma are examined as potential audit candidates.	
Have Back Taxes or Fees Been Levied Against Returning Registrants (for improper registrations elsewhere)?	Retroactive ad valorem taxes are not assessed. Retroactive sales and use taxes may be levied in future (based on audit), but this has not occurred yet.	Most state registration fees are apportioned, but California has relatively high fees. Returning registrants may be audited to ensure state mileage is not under-reported.	Illinois is currently involved in IRP Class 1 dispute with Oklahoma over lost registration fees due to inaccurate mileage reporting practices in that state.	Back taxes may be charged in the form of prorated mileage for carriers with missing information. Previous registrations that are suspect may be audited.	No	No	No	No	No	Problems regarding an applicant's previous registrations are dealt with through audit, not at time of registration.	

Category	Alabama	California	Illinois	Indiana	Nebraska	North Carolina	Oklahoma	Oregon	Tennessee	Texas	Maine
Joint IRP - IFTA Audits/ Administration, Mileage Reports Compared?	Joint IRP-IFTA audits are conducted when possible. Programs overseen by different offices, but some information and forms available at both locations. IFTA and IRP mileage totals are not cross checked unless carrier is audited.	Separate offices handle IRP and IFTA programs. Joint audits are not conducted.	IRP and IFTA audits are conducted separately. IFTA falls under Department of Revenue; IRP is part of Secretary of State. IRP and IFTA mileage reports not compared at time of registration. Cross-availability of information is limited.	IRP and IFTA both handled by Department of Revenue, Division of Motor Carrier Services. Joint audits are conducted. Forms for IRP, IFTA, SSRS and Titling are all available at one Motor Carrier Services office.	Joint audits are conducted. IRP, IFTA administered together as part of "one-stop shop" by Department of Motor Vehicles division. Mileage from four IFTA quarters and annual IRP compared for registration and audit purposes.	Separate offices handle IRP and IFTA programs. Joint audits are not conducted. Program mileage not compared.	IRP and IFTA operate out of same department and joint audits are undertaken between programs and with other states (by request). Forms for both programs are available at processing locations.	Joint IRP and IFTA audits are not conducted, but forms for both programs are available at either office. Mileage from four IFTA quarters and IRP are only compared in audits.	Department of Public Safety handles all IRP, IFTA, and SSRS. Joint audits are common. Moving toward "one-stop shop" concept. Forms for IRP and IFTA programs are available at processing office.	Separate departments handle IRP and IFTA. Vehicles Titles and Registration undertakes IRP audits. State Comptroller is responsible for IFTA audits. Forms for both programs are normally available at regional IRP offices.	
IRP Credentials Withheld for Outstanding IFTA Accounts (& vice versa)?	Not currently done, but is planned for near future.	No	No, communication and coordination between IRP and IFTA programs is limited.	Yes, Indiana has statutory authority to do this.	Yes, this may be done if carrier in question has both IRP and IFTA accounts in Nebraska.	No. IRP and IFTA credential information is not shared.	Yes. Accounts with outstanding balances in either program are flagged by system and renewals are suspended until outstanding bill is paid.	No	Yes	No	

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Customer Service Initiatives, Registration Aids, Meetings, Publications	Monthly meetings regarding future roll out of PRISM and CVISN restricted to public sector. No IRP newsletters or other outreach initiatives were indicated.	An annual IRP review meeting is held. Commercial vehicle industry meetings are also organized twice per year. Carriers attend these meetings and IRP issues are discussed.	Quarterly trucking newsletter includes IRP news. State IRP updates are also posted on the internet. The Illinois Trucking Advisory Board meets twice a year with carriers to discuss related policy and issues.	Monthly and quarterly newsletters containing IRP, IFTA information distributed. Annual motor carrier training sessions throughout state cover IRP and other topics. Motor Transport Association conducts several workshops per year.	Program information is included in quarterly and annual IFTA/IRP mail outs. A video explaining IRP/IFTA registration procedures, requirements is available to carriers free of charge. Motor carrier industry meetings are held once per year.	No meetings or outreach programs indicated.	Annual motor carrier industry meeting addresses IRP and other issues of interest to carrier community.	Quarterly/monthly newsletters sent out to carriers address IRP, IFTA, and trucking safety issues. Newsletters and trucking advisory committee meetings have generated positive feedback from carrier community.	No meetings or outreach programs indicated.	IRP booklet with useful credentialing contacts and related information is available. Additional registration information can be accessed via TxDOT website and at regional Vehicle Titles and Registration branches.	
Industry Views Regarding Convenience of State Apportioned Registration System	Alabama IRP registration system not considered user friendly by some respondents. License plate issuance too frequent. Roll out of PRISM/ CVISN in 2004 may facilitate and streamline registration process.	California IRP registration and renewal problematic. State funding shortfalls have resulted in antiquated technology and outdated paper-based systems. Temporary permits used for several months because of registration backlogs - creates problems for carriers in other states.	Illinois IRP registration is among costliest in nation and is not considered user friendly by some respondents. Carriers may be inclined to move offices to Indiana or elsewhere if tax-exempt status for rolling stock is repealed.	Indiana's "one- stop shop" initiative has been well received by carrier community. State registration process is viewed as user friendly.	IRP registration process in Nebraska is viewed as user friendly.	Some respondents characterized state IRP process in North Carolina as inconvenient.	IRP processing personnel report positive feedback from registrants with respect to Oklahoma apportioned registration system.	Weight-distance tax (unique to Oregon) complicates IRP registration, frustrates apportioned carriers.	Carriers contacted were generally satisfied with Tennessee apportioned registration service. Carriers anticipate expansion of online registration system in coming years. Carrier community has also requested that state accept credit card payment of IRP fees.	Frequent issuance of plates imposes additional costs and administrative burden on carriers. Non-apportioned ad valorem tax and lack of online registration/ renewal opportunities also cited as drawbacks to registration in Texas.	

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Number of IRP Processing Locations for 1st-Time registrants	Department of Revenue's Motor Vehicle Division office in Montgomery handles new registrants. Alabama has 10 temporary permitting offices and 67 county registration offices.	There are 35 office locations where carriers can obtain apportioned IRP plates, stickers and temporary cab cards. 1 st time mail-in processing available.	Illinois has 1 walk-in processing location in Springfield. 1 st time mail-in processing available.	Indiana has 1 walk-in processing location in Indianapolis. 1 st time mail-in processing available.	Nebraska has 1 walk-in processing location in Lincoln. 1 st time mail-in processing is available.	North Carolina has 2 full-service locations and 37 limited-service locations for commercial vehicle registrations.	16 to 25 registration agents are authorized to process IRP applications and issue IRP plates. Oklahoma Motor Vehicle Division also performs this service. 1 st time mail-in processing is available.	Oregon has one main IRP processing office, and 5 others located at major state border crossings. 1 st time mail-in processing is available.	Tennessee has 1 walk-in processing office located in Nashville. 1 st time mail-in processing is available.	Texas processes IRP registrations at 17 regional offices. County tax assessor-collector offices are responsible for ad valorem tax, local fees and trailer registrations (there are 254 counties in Texas).	Maine has 1 walk-in office for trailer registrations in Augusta. Statutory agent, mail-in, phone and fax trailer registration services are also available.
Carriers Checked for Continuous Registration (i.e., gaps in registration history)?	Applicants questioned about previous registration, however, Schedule G (declaration registration history) not employed. Previous registration, sales receipt, or notarized non-use affidavit must be provided. Suspect cases may be denied registration or selected for audit.	Previous base states are not examined/ contacted at time of registration. Schedule G not utilized. Carrier word accepted at registration. Proof of previous registration may be requested/ reviewed. Problems typically addressed in audit.	Information concerning prior and continuous registration is required at registration. Registrants must complete Schedule G (declaration registration history for first-year applicants). Corporations database also checked to ensure carrier is eligible for registration in Illinois.	Prospective registrants must complete Schedule G and provide evidence of previous registration or bill of sale and title for new vehicles. Carriers previously registered in another jurisdiction must account for the interim period or registration is backdated.	Proof of previous registration is required. If vehicle is not new and no previous registration is provided, registration may be back-dated to January of current year.	Registration history is not reviewed at time of registration. Schedule G not used. Secretary of State may check carrier's legal name and other information, but North Carolina relies largely on other jurisdictions to inform them of delinquent IRP registrants.	Registrant must present receipt indicating when tractor was purchased or evidence of previous registration. If registration expired and explanation of gap is not provided, Oklahoma may backdate new registration to expiry of previous registration.	Previous/ continuous registration is not checked upon registration. Schedule G (declaration registration history for first-year applicants) is not utilized. Registration history may be examined in audit.	Carriers previously registered elsewhere are checked to ensure they remain continuously registered. If most recent registration has expired, Tennessee backdates new registration to expiry date. A "delinquent carriers" list is maintained for audit purposes.	Registrants are asked for proof of continuous registration, but carriers with gaps in registration history do not immediately have registration backdated. Schedule G (declaration registration history) is not employed. Registration gaps and associated problems are dealt with through audit.	Bill of Sale requested. Legal name and USDOT# may be checked in Corporations and SAFER databases. Previous base states may be contacted or registration may be denied.

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Electronic Means of Verifying Carrier Registration History (Official Carrier Name, VIN, USDOT#, other)?	None currently. Name and VIN checks will be enabled through implementation of IRP Clearinghouse. PRISM funding has been granted and roll out is planned for 2003 or 2004.	None. Funding, legislative and technology issues preclude PRISM planning and enrollment. CVISN and CVIEW are currently in test phase to exchange registration data with SAFER system.	Illinois does not currently subscribe to the IRP Clearinghouse and has not implemented PRISM. It does not have the capability to check VINs for registration histories. USDOT# searches in the SAFER database are not conducted by registration personnel because information is considered outdated, unreliable.	Indiana has signed PRISM letter of intent, but is not fully compliant in PRISM or CVISN. Registration personnel will be able to check carrier VINs prior to registration once enrollment in IRP Clearinghouse is finalized in 2003.	IRP processing personnel may check for previous registrations in Nebraska using legacy system. If applicant indicates previous registrations, they are verified with jurisdiction by phone. Nebraska has signed letter of intent with FMCSA to implement PRISM and is in initial stages of setting up CVISN-CVIEW.	Prospective North Carolina registrants are not screened by VIN or USDOT#. State is in initial stages of setting up CVISN – CVIEW. North Carolina is also a PRISM grant state.	A carrier's USDOT # may be checked in SAFER database for information concerning previous registrations. Oklahoma is in the process of implementing CVISN and is a PRISM grant state.	IRP processing personnel currently do not have the means to electronically verify carrier registration histories. State system is used for Oregon IRP and IFTA registrations. CVISN-CVIEW may be employed in future to enable verification of carrier registration histories. Oregon was one of the PRISM pilot study states.	Tennessee registration personnel are currently not able to electronically check carrier registration histories. Tennessee is a PRISM grant state - pilot began in Jan 2000. No pilot follow up was indicated.	Resources have been allocated to achieve CVISN Level 1 compliance, which will facilitate verification of carrier and vehicle registration histories.	
Operational Plan Checked for Contiguous Jurisdictions	Yes. Contiguous jurisdictions are checked at time of registration.	Yes. Contiguous jurisdictions are checked at time of registration.	Yes. Contiguous jurisdictions are checked at time of registration.	Yes. Registration system automatically checks for contiguous jurisdictions.	Contiguous registration may be checked at time of registration.	Yes. Contiguous jurisdictions are checked at time of registration.	Yes. Contiguous jurisdictions are checked at time of registration.	Yes. Contiguous jurisdictions are checked at time of registration.	Yes. Registration system automatically checks for contiguous jurisdictions.	Yes, contiguous jurisdictions manually checked by processing personnel.	

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Means of Fee Transmittal	Paper-based system currently used. Alabama has completed IRP Clearing-house training and intends to fully implement system in 2003.	Paper-based system used. California does not intend to enroll in IRP Clearing-house for automated transmittal of apportioned fees.	Fee transmittal is paper-based. Transmittals documented using CD ROM. This reduces amount of paperwork produced and mailed to other states.	Paper-based system currently used. State completed IRP Clearing-house training and intends to fully implement system in 2003.	Nebraska has fully implemented IRP Clearing-house (fee netting and electronic transmittals).	North Carolina has fully implemented IRP Clearing-house (fee netting and electronic transmittals).	A paper-based system is currently used for transmitting IRP fees. Future enrollment in Clearing-house is anticipated.	Oregon distributes IRP fees to jurisdictions using a paper-based system. State anticipates joining the IRP Clearing-house in 2005.	Tennessee is currently not enrolled in IRP Clearing-house. A paper-based system is currently used to transmit IRP fees.	Texas has fully implemented the IRP Clearing-house fee transmittal system (fee netting and electronic transmittals).	
Additional Interviewee Comments, Suggestions	PRISM system is anticipated to help improve registration process once installed. Back-tax issue related to registrants returning from Oklahoma remains a sensitive issue to be resolved.	Lack of communication between Sacramento office and DMV field offices is a critical problem that results in lack of service standardization and reliability. Policies and procedures may vary according to office. Registration technology, processes outmoded. Process re-engineering and online registration are required.	IRP staff require better training. Personnel are often unfamiliar with program details and procedures. Plates, permanent credentials and titles must be issued more quickly - current process typically takes weeks. Allowing more carriers and agents to register online would help solve this problem.	Allow online filing of IFTA reports to reduce carrier and agency workload (paper filing, photo copying, check issuance, etc.) Overall, state registration policies and procedures are reportedly very advanced and work well. Excellent customer service noted.	Electronic payment is scheduled to be implemented in near future. Satisfactory registration service is provided.	IRP crackdown on Oklahoma registration practices has resulted in many carriers returning to state. A similar problem with 3rd party registration agents in Louisiana began to surface recently, but Louisiana IRP refused to register carriers and problem has been resolved.	Some former Oklahoma registrants have not renewed their IRP registrations due to dispute with IRP and subsequent reforms. Respondents complained of having to go to several locations: IRP-IFTA, SSRS, payment office, to obtain registration. Carrier community would like "one-stop shop" that consolidates services.	Excellent customer service noted. Online renewals available. Weight-mile tax is problematic (has existed in Oregon for 50 years). Industry wants this changed to achieve uniformity with other states. There are ongoing lawsuits and lobbying efforts aimed at abolishing weight-distance fee structure, but public opposes these efforts.	All public-sector motor vehicle offices related to registration are centralized in Nashville; however, lack of program integration is costly and time-consuming for registrants. Carriers from outlying areas must make special trip to Nashville for registrations and occasionally for renewals. Process should be streamlined.	Ad valorem is detrimental to apportioned carrier registrations in state because it creates an uneven playing field. Locally based carriers are disadvantage vis-à-vis carriers based in other states. Texas should fully apportion fees, enhance payment options, reduce plate issuance frequency, jointly administer IRP-IFTA and enable online registration.	

