



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #695

Proposed Increases to Transportation Fund Taxes and Fees (Transportation -- Transportation Finance)

[LFB 2019-21 Budget Summary: Page 405, #5, Page 406, #6 and #7,
Page 407, #8, and Page 408, #9]

CURRENT LAW

The state transportation fund is the largest source of funding for transportation programs, with actual revenues (including transfers from other funds) of \$1.99 billion in 2017-18. The motor vehicle fuel tax is the largest source of revenue in the transportation fund, accounting for 53.4% of gross revenues in 2017-18. Vehicle registration fee revenues, including titling and various other registration-related fees, made up another 35.5% of gross transportation fund revenues in that year. Some of the other lesser fee revenues to the fund include driver's license fees and airline and railroad ad valorem taxes, among others.

GOVERNOR

Increase a number of transportation fund taxes and fees. The following table summarizes the fiscal effect of these changes, which are described in more detail in subsequent entries.

<u>Tax and Fee Increases *</u>	<u>2019-20</u>	<u>2020-21</u>	<u>Biennium</u>
Motor Vehicle Fuel Tax Rate (8¢ per Gallon)	\$207,351,000	\$277,573,800	\$484,924,800
Annual Indexing of Motor Vehicle Fuel Tax Rate	6,911,700	34,696,700	41,608,400
Heavy Truck Fees (27% Increase)	15,579,800	20,773,100	36,352,900
Vehicle Title Fees (\$10 Increase)	<u>15,314,100</u>	<u>20,418,800</u>	<u>35,732,900</u>
Total	\$245,156,600	\$353,462,400	\$598,619,000

* The Governor's definition change to hybrid electric vehicles is addressed in a separate LFB paper.

DISCUSSION POINTS

Modifications to Governor's Recommendations

1. In an errata dated May, 1, 2019, the administration indicated that it had intended for the above registration fee modifications (a 27% increase) to apply only to vehicles with gross weights in excess of 8,000 pounds. As drafted, the bill would increase fees by the amounts shown for vehicles lighter than the 8,000 pound threshold, which includes a variety of lower-weight vehicle types, such as sport utility vehicles, pick-up trucks, and vans. The estimated revenue associated with the proposed fee change reflects the administration's intent to increase only the fees on vehicles with gross weights in excess of 8,000 pounds. A modification to the bill would be needed to capture the administration's intent. Further, the errata indicated that the increased fee amounts would first apply to an application for registration received by DOT on Monday of the third month after the effective date of the bill. Under the Governor's recommendation, these provisions would have been first effective on the effective date of the bill. However, the estimated revenues in the bill associated with this provision appear to reflect nine months of collections in 2019-20.

2. The Governor's recommendations would include three rate changes to the state's motor vehicle fuel tax rate: (a) an eight cents per gallon rate increase on October 1, 2019; (b) a 0.8 cents per gallon indexing adjustment on April 1, 2020; and (c) a second 0.8 cent per gallon indexing adjustment on April 1, 2021. The current law provisions related to the floor tax would apply to each of these proposed rate changes. Under these provisions, on the date any motor vehicle rate change becomes effective, a floor tax is imposed on any motor vehicle fuel held for sale or resale on which the prior motor vehicle fuel tax rate has already been imposed. The amount of the floor tax is determined by multiplying the number of gallons of motor vehicle fuel being held in inventory on which the prior tax rate has been paid by the difference between that rate already paid and the new rate. The Governor's recommendations did not include any revenues associated with the imposition of the floor tax. However, this office estimates that the floor tax revenues associated with the floor tax would under the recommended rate changes would be \$3,400,000 in 2019-20 and \$300,000 in 2020-21.

3. On May 15, 2019, this office informed the Joint Committee on Finance that current law revenues on the motor vehicle fuel tax would be higher in the biennium. Therefore, if the Committee adopts the Governor's recommended changes to the motor vehicle fuel rate, additional revenue would occur. It is estimated that the revenues associated with the Governor's recommended changes to the fuel tax rate would \$1.6 million higher in 2019-20 and \$1.4 million higher in 2020-21. It is estimated that the Governor's recommendation for a 27% increase to heavy truck registration fees would be \$10.1 million higher in 2019-20 and \$15.4 million higher in 2020-21. Finally, the Governor's recommendation for a \$10 increase to the vehicle title and title transfer fees would be \$3.2 million lower in 2019-20 and \$3.8 million lower in 2020-21.

Background

4. Issues and concerns relating to the long-term sustainability of the transportation fund have been well-documented and have been ongoing for several biennia. Recognizing the issues facing transportation finance in the state, the Legislature has established two, separate commissions over the past 10 years to, in part, study and recommend solutions to the fund's financial issues. The Joint

Legislative Committee on Transportation Needs and Financing (commonly referred to as the "Road to the Future Committee") was a special joint legislative committee that convened in 2006 to consider various issues related to surface transportation. The Wisconsin Transportation Finance and Policy Commission, established in the 2011-13 biennial budget, was required to develop a 10-year expenditure and revenue scenario for transportation programs.

5. Subsequently, 2015 Act 55 provided DOT \$1.0 million SEG to study methods for improving the fund's solvency. Specifically, the study was to detail the use of funds, describe the study and any results and conclusions and make any related statutory modifications that would be needed to improve the fund's solvency. The December, 2016, study outlined three expenditure levels scenarios (spending less, the same, or more than the 2015-17 budget had provided for transportation programming), identifying the cost of each scenario and the impact of each scenario on DOT programs and state infrastructure conditions. The study also looked briefly at potential revenue options within existing revenues sources, as well as a new mileage based fee. The report also did an extensive study of the potential of tolling in Wisconsin as a possible revenue source.

6. In January, 2019, the Governor announced a Transportation Task Force, which included a wide array of transportation stakeholders from various regions of the state to look at how the state could ensure adequate funds would be available to: (a) preserve and maintain the current transportation system; (b) make improvements to the system that support the mobility needs of the state's population and economic growth; and (c) share funds equitably with local units of government. In doing so, the Task Force was also tasked with looking at whether transportation revenues need to be expanded, how the state's delivery of transportation services could be modified so as to address changing needs, and whether the state's current multimodal balance supports the needs of businesses and citizens.

7. Some have contended that additional transportation fund revenues should not be provided until DOT makes modifications to how it designs, contracts, and constructs state and local highway projects. As part of the Department's asset management approach, DOT is in the process of adopting a cost saving approach to highway infrastructure projects. This approach uses performance-based practical design tools for pavement treatments and safety driven geometric alterations. This asset management approach includes safety screening procedures and measures for each project, but also applies a safety certification process that uses performance-based engineering as well as a system-based economic analysis to ensure project solutions are "right-sized." DOT notes that practical design means starting with the assumption of "fixing what only needs fixing." This typically means that unless safety warrants and dictates geometric alterations, then treatments and project scopes need not exceed an "in-kind" restoration. Such an approach has lowered the Department's estimate of the annual amount of funding DOT now deems is needed to maintain state highway conditions over a 10-year period. During 2017-19 budget deliberations, DOT indicated that the state highway rehabilitation (SHR) program would need \$1.2 billion per year over 10 years to maintain road conditions over that period. Under this approach, DOT now indicates that approximately \$1.0 billion in current year dollars would be needed each year for the SHR program to maintain road conditions over a 10-year period.

8. One contention with the Department's modified approach is that there may be some safety tradeoffs for these lower cost projects. That is, some may view highway infrastructure

improvements as being "fit" into available funding rather than being built as the safest improvement that would remain sufficient over time. This contention is that an "in-kind" first mindset to road improvements may narrow the scope of highway projects from the outset, which could lead to the discounting of certain geometric improvements associated with safety over time. The performance-based practical design approach may indicate that such improvements may not be entirely warranted because the "in-kind" designs are considered safe based on existing data. Also, the "Theme X Prime" approach does not specifically incorporate congestion-related improvements that are unrelated to safety in its design alternatives, which could increase costs to drivers and businesses.

9. An ongoing concern related to the long-term sustainability of the transportation fund has been the level of annual revenues needed to pay annual debt service on bonds issued for transportation purposes. In 2018-19, it is estimated that 19.3% of gross transportation revenues will be needed to cover debt service on transportation bonds issued to date. This results in only 80.7% of gross transportation revenues remaining to fund transportation programming. In addition, while bonding and federal funding have played a large role in funding the state highway program, in recent years, significant SEG funding increases have been provided to local units of government. For example, in two of the last three budgets, the state has provided an increase to general transportation aid (4.0% in 2013-15 and 9.5% in 2017-19). The Governor is recommending an additional 10% increase in general transportation aid in 2019-21 budget. In total, if the Governor's recommendation is provided, these increases will affect the transportation fund by a total of \$178.6 million SEG in the 2019-21 biennium. At the same time other local programs like local roads improvement, local bridge assistance, and mass transit aids have received SEG funding increases. In conjunction with the increased SEG needed to finance debt service each biennium, these local aid increases have reduced the remaining SEG available to DOT to maintain the state's infrastructure improvement programs. Absent any revenue increases, significant bonding, or revenues from other state funding sources would be needed to meet the state's projected highway infrastructure needs.

10. This paper reviews and provide analysis for each of the Governor's recommended tax and fee increases. Also, because this office receives frequent inquiries regarding possible revenue increases that could be enacted to improve the long-term sustainability of the transportation fund, including meeting the current and future program demands on the fund, this paper reviews other possible revenue options. The consideration given to any revenue increase option should take into account the level of revenue generated, in the biennium and the long-term, from the tax relative to the administrative burden on the state taxpayers and businesses in collecting the tax. The Governor's recommended revenue increases as well as other options discussed in the body of this paper are included as possible options because they largely have administrative systems in place that could be used for their collection and they could generate revenues to the transportation fund on a scale sufficient to address the state's long-term transportation finance issues. Each revenue option that has administration system in place would still require two to three months in order to implement the tax or fee change. Those without such a system in place, such as tolling, could take several years to implement.

Motor Vehicle Fuel Taxes

11. The motor vehicle fuel tax is the largest source of revenue to the transportation fund. The revenue produced by the motor fuel tax is affected by both the fuel tax rate and the number of

taxable gallons of motor vehicle fuel. The tax rate has not increased since April, 2006, the last year of the automatic annual indexing of the rate to the annual change in the Consumer Price Index (CPI). Also, from 2005-06 to 2017-18, the state has only experienced an average, annual growth rate of 0.6% in the number of motor vehicle fuel gallons consumed.

12. Given the importance of the motor vehicle fuel tax to the transportation fund, and the modest growth in fuel consumption, the Governor's recommended increase in the fuel tax rate would generate significant additional revenue to the transportation fund. Based on current estimates of fuel consumption, every one-cent increase in the motor vehicle fuel tax rate would generate an additional \$34.7 million annually. The Governor's recommendation would increase the current 30.9 cents per gallon motor vehicle fuel tax rate by eight cents to 38.9 cents per gallon, effective October 1, 2019, and then by an estimated 0.8 cents per gallon each April 1, in the biennium. The rate would index each year thereafter. Considering the floor tax, and using this office's reestimates, this would generate revenues to the transportation fund of \$219.3 million in 2019-20 and \$313.9 million in 2020-21.

13. Table 1 shows the motor vehicle fuel tax that drivers pay under current law, under the initial eight cent per gallon tax rate increase recommended by the Governor, and the difference between these amounts, given certain assumptions on the fuel efficiency of the vehicle driven and the annual number of miles driven for that vehicle. The additional tax paid by a driver would range from \$22 more per year for a 30 miles per gallon (MPG) vehicle driven 8,000 miles to \$85 more per year for a 15 MPG vehicle driven 16,000 miles.

TABLE 1

**Comparison of Current Fuel Taxes Paid by Drivers
With Those Paid Under the Recommended 8.0 Cents Per Gallon Tax Rate Increase**

<u>Annual Miles Driven and Vehicle Fuel Efficiency</u>	<u>Current Law 30.9¢ /Gallon</u>	<u>8¢ Increase 38.9¢/Gallon</u>	<u>Difference</u>
8,000 Miles			
15 MPG	\$165	\$207	\$42
22.5 MPG	110	138	28
30 MPG	82	104	22
12,000 Miles			
15 MPG	247	311	64
22.5 MPG	165	207	42
30 MPG	124	156	32
16,000 Miles			
15 MPG	330	415	85
22.5 MPG	220	277	57
30 MPG	165	207	42

14. As mentioned earlier, the motor vehicle fuel tax rate was last increased on April 1, 2006, when it was last adjusted based on the annual change in CPI. After that indexing adjustment, the annual indexing of the state's motor vehicle fuel tax rate was repealed. In April, 2019, the state's motor

vehicle fuel tax rate would have been adjusted to 39.7 cents per gallon (8.8 cents per gallon above the current rate) had the annual indexing of the state's motor vehicle fuel tax rate not been repealed. Annual indexing would have added an estimated \$282.9 million in revenues from the tax in 2018-19, and resulted in motor vehicle fuel tax revenues being over \$2.0 billion higher, on a cumulative basis, over the thirteen-year period, if the repeal had not been enacted.

15. Despite no change in the state's gasoline tax rate, on average, many state motorists are likely paying less in fuel taxes than at the time the state's motor vehicle fuel tax rate was last indexed. Growth in the fuel economy of the average automobile has the effect of reducing the amount of state motor vehicle fuel taxes paid by motorists despite those motorists driving the same annual number of vehicle miles and having the same impact on state roads. To illustrate this point, according to IHS Markit, in 2006, the average fuel economy of the motor vehicle fleet was 20.3 miles per gallon. Their current projections indicate that the average fuel economy will increase to 23.7 miles per gallon by the end of 2020-21. As a result, by the end of the 2019-21 biennium, the average motorist in the state who drives 12,000 miles per year will be purchasing 84.8 fewer gallons of fuel in 2021 than they were in 2006 due to increased fuel economy of their vehicle. Therefore, such motorists will be paying \$26.20 (84.8 gallons x 30.9 cents per gallon) less in state fuel taxes per vehicle driven than they did in 2006. This would be the equivalent to 5.2 cents per gallon less in motor vehicle fuel taxes paid as a result of the increased fuel economy of automobiles. Revenues would be increased by \$179.7 million in 2019-20 and \$180.4 million in 2020-21, if the rate were increased to reflect this increased fuel economy. Paying less in fuel taxes for the same miles driven means that while the state's roads receive the same impact, fuel tax revenues associated with those miles driven have fallen, making it more difficult for the state to maintain and reconstruct its roads.

16. Several states across the country have imposed increases to their motor vehicle fuel taxes in recent years, including the State of Ohio, which on July 1, 2019, will increase its gasoline fuel tax rate by 10.5 cents per gallon to 38.5 cents per gallon and its diesel fuel tax rates by 19.0 cents per gallon to 47 cents per gallon. Also, the federal government is facing similar long-term sustainability issues relating to the federal highway trust fund, which has led to discussions on a potential increase to federal motor vehicle fuel tax rates (currently 18.4 cents per gallon for gasoline and 24.4 cents per gallon for diesel fuel).

17. Table 2 summarizes the state taxes and fees on gasoline, gasohol, and E-85 sales in each of Wisconsin's neighboring states. As shown, each of Wisconsin's neighboring states has a fixed rate excise tax on gasoline, with the lowest rate being 19 cents per gallon in Illinois. While Iowa has a separate excise tax rate of 30.7 cents per gallon for gasoline that contains no ethanol, the excise tax rate for gasohol (gasoline blended with 10% ethanol), which represents the vast majority of sales in the state, is 29 cents per gallon. Minnesota also has a lower tax rate for motor fuel containing 85% ethanol (E-85). In addition, with the exception of Iowa, each state imposes an additional fee to fund clean-up of leaking underground storage tanks, similar to the petroleum inspection fee in Wisconsin. Minnesota imposes a two-cent per gallon tank cleanup fee (not included in Table 2) that is temporarily imposed for a four-month period whenever the balance of the state's petroleum tank fund falls below \$4 million.

18. Illinois and Michigan each impose the state sales tax on sales of gasoline. In Illinois, the 6.25% state sales tax is imposed on the sales price of gasoline and gasohol net of the state excise tax

and fees. E-85 is exempt from the state's sales tax in Illinois. In Michigan, the 6.0% state sales tax is imposed on the sales price of gasoline net of the state motor fuel excise tax and fees. Applying sales tax to motor fuel sales results in a cents-per-gallon equivalent rate that varies depending on the price of fuel. In Table 2, an average retail price of \$2.72 per gallon is used which reflects the average weekly price for all grades of gasoline for the Midwest region, as of May 13, 2019, as reported by the U.S. Energy Information Administration (EIA). The Illinois and Michigan per gallon sales tax equivalent amounts that are shown in Table 1 are calculated by multiplying the applicable state sales tax rate to the EIA average fuel price (\$2.72/gallon) net of state excise taxes and fees (20.1 cents in Illinois and 27.175 cents in Michigan).

TABLE 2

**State Taxes and Fees on Gasoline, Gasohol, and E-85 Sales
(In Cents per Gallon)**

	<u>Excise Tax</u>	<u>Other Fees</u>	<u>Sales Tax or Use Tax</u>	<u>Total</u>
Illinois*				
Gasoline & Gasohol	19.0¢	1.1¢	15.7¢	35.8¢
E-85	19.0	1.1	---	20.1
Indiana**	29.0	1.0	15.1	45.1
Iowa				
Gasoline	30.7	---	---	30.7
Gasohol & E-85	29.0	---	---	29.0
Michigan***	26.3	0.875	14.7	41.9
Minnesota				
Gasoline & Gasohol	28.5	0.1	---	28.6
E-85	20.25	0.1	---	20.35
Wisconsin	30.9	2.0	---	32.9

* 6.25% sales tax on price net of state motor fuel excise tax and fees.

** 7.0% sales tax on average monthly price net of federal and state motor fuel excise taxes and fees

*** 6.0% sales tax on price net of state motor fuel excise tax and fees.

19. Indiana imposes a use tax on the sale of gasoline. Each month, the Indiana Department of Revenue calculates a gasoline use tax rate based on the statewide average retail price per gallon of gasoline from the prior 30-day period (excluding federal and state excise and use taxes), multiplied by the state sales tax rate of 7.0%, and rounded to the nearest one-tenth of one cent. For the most recent period, the Indiana Department of Revenue determined the statewide average retail price per gallon of gasoline to be \$2.1586 for the period from March 16, 2019, to April 15, 2019. Multiplying this average by the 7.0% and rounding to the nearest one-tenth of one cent equals 15.1 cents per gallon. The 15.1 cents per gallon use tax rate is added to each gallon of fuel sold in Indiana for the period from May 1, 2019 to May 31, 2019.

20. Each state also has a fixed excise tax on diesel fuel, with the lowest rate being 21.5 cents per gallon in Illinois. In addition, the fees to fund clean-up of leaking underground storage tanks also apply to diesel fuel. In Iowa, biodiesel containing over 10% biofuel has an excise tax rate that is three cents per gallon lower than the regular diesel tax rate. Finally, Illinois and Michigan each impose their

state sales tax on sales of diesel fuel. Illinois has a lower sales tax rate (80% of the 6.25% rate) on biodiesel fuels containing between 2% and 10% biofuels. Any biodiesel fuel containing above 10% biofuel is exempt from the state's sales tax in Illinois.

21. Table 3 summarizes the state taxes and fees on diesel fuel sales in each state. The sales taxes in Illinois and Michigan will produce a varying cents-per-gallon equivalent depending on the price of diesel fuel. For this table, a retail price of \$3.05 per gallon is used. This is the average, weekly price for May 13, 2019, for diesel fuel for the Midwest region, as reported by the U.S. Energy Information Administration.

TABLE 3
State Taxes and Fees on Diesel Fuel Sales
(In Cents per Gallon)

	<u>Excise Tax</u>	<u>Other Fees</u>	<u>Sales Tax</u>	<u>Total</u>
Illinois *				
Diesel	21.5¢	1.1¢	17.7¢	40.3¢
Biodiesel (over 10%)	21.5	1.1	---	22.6
Indiana	48.0	1.0	---	49.0
Iowa				
Diesel	32.5	---	---	32.5
Biodiesel (over 10%)	29.5	---	---	29.5
Michigan **	26.3	0.875	16.7	43.9
Minnesota	28.5	0.1	---	28.6
Wisconsin	30.9	2.0	---	32.9

* 6.25% sales tax on price net of state motor fuel excise tax and fees.

** 6.0% sales tax on price net of state motor fuel excise tax and fees.

22. According to the most recent 50-state ranking of motor fuel tax rates compiled by the American Petroleum Institute (API), Wisconsin's current gasoline tax rate ranks 20th nationally and the state's current diesel fuel tax rate ranks 19th. Tax rates used by API for the 50-state rankings are those rates that were effective April 1, 2019, and include all fuel excise taxes, applicable sales taxes, gross receipts taxes, oil inspection fees, county and local taxes, underground storage tank fees and other miscellaneous environmental fees. To adjust for varying local fuel tax rates in certain states, API's rankings include a weighted average tax rate to account for the population of the local areas subject to each particular tax rate.

23. Under the Governor's recommendation, and holding tax rates constant for all other states, by end of the 2019-21 biennium Wisconsin's gasoline tax rate would rank 8th highest in the country and the state's diesel fuel tax rate would rank 10th highest. However, the state's ranking may change from year-to-year due to gasoline price changes and changes to other state tax rates. Several states, including Minnesota and Michigan, have had recent proposals before their legislatures to increase their gasoline tax rates.

Heavy Truck Registration Fees

24. The Governor is recommending a 27% increase on registration fees to each weight class of heavy trucks (those with a gross weight over 8,000 pounds), effective October 1, 2019 (as indicated by the errata), which were estimated to increase transportation fund revenue by \$15,579,800 in 2019-20 and by \$20,773,100 in 2020-21. These fees were last increased on January 1, 2008. The current fees range from \$173 for a 10,000-pound truck to \$2,578 for an 80,000-pound truck.

25. Table 4 lists the current maximum vehicle registration fees for three categories of heavy trucks in Wisconsin and its neighboring states, including the annual truck tractor surcharge (\$18 in Wisconsin). Illinois currently has the highest registration fee for each category of heavy truck. Although Wisconsin has the second highest fee for a 80,000 pound truck (\$2,578) behind Illinois (\$3,191), Michigan also has higher rates than Wisconsin on 60,000 and 40,000 pound trucks. Heavy truck registration fees are paid by trucks operating in both intrastate and interstate commerce. The fees for trucks operating in interstate commerce are apportioned between the states in which the truck travels in proportion to the percentage of miles traveled in each state. For instance, if a truck travels 50% of its total miles in a year in Wisconsin, the fee owed to Wisconsin would be equal to 50% of the total, annual fee for the weight classification.

TABLE 4

Heavy Truck Registration Fees -- Wisconsin and Neighboring States*

<u>Weight</u>	<u>Illinois</u>	<u>Indiana**</u>	<u>Iowa</u>	<u>Michigan</u>	<u>Minnesota</u>		<u>Wisconsin</u>
					<u>1-8 Years</u>	<u>9 Years and Older</u>	
80,000	\$3,191	\$2,284	\$1,695	\$1,992	\$1,760	\$1,320	\$2,578
60,000	2,253	1,215	1,200	1,522	1,015	762	1,385
40,000	1,375	842	675	1,049	595	447	939

*Fees shown are for the basic permit only for a twelve-month period. Fees vary by various weight ranges within states.

**Includes a commercial vehicle excise tax that is assessed as part of registration. Reflects the fees effective January 1, 2019.

26. With the Governor's recommended fee increases for heavy trucks, Wisconsin's effective fee rates, including the truck tractor surcharge, would increase to \$1,188 for a 40,000 pound truck, \$1,755 for a 60,000 pound truck, and \$3,270 for an 80,000 pound truck. This would place Wisconsin's rank among the five neighboring state listed in the above table at second for a 40,000 pound truck, second for a 60,000 pound truck, and first for an 80,000 pound truck.

Vehicle Title and Title Transfer Fees

27. The Governor's recommendations would increase the base motor vehicle title and title transfer fees (currently \$62) by \$10, which were estimated to increase transportation fund revenue by \$15,314,100 in 2019-20 and \$20,418,800 in 2020-21. Under current law, motor vehicles registered

in the state must be titled. The Department issues certificates of title and charges a related fee when a vehicle owner assumes ownership of a new vehicle (the title fee) and after ownership of a currently titled vehicle is transferred (the title transfer fee). Under the proposed increase, the base fee amounts due for these transactions would increase to \$72. Under current law, a supplemental fee of \$7.50 is also charged for both title and title transfer transactions, for a total amount due of \$69.50. Therefore, under the Governor's recommendation, the total amount vehicle owners would pay to title their vehicle would be \$79.50.

28. The title and title transfer fees is only paid one time by each vehicle owner, when the first title is taken on a new vehicle or when the title is transferred to subsequent owner of a vehicle (although separate fees must be paid for replacement or lost titles or for the removal of a lien). Often, during the vehicle purchase process, title fees are financed by the new owner of the vehicle, along with the vehicle's net sale price (less down payment or trade-in) and other taxes, registration fees, and dealer fees.

29. As shown in Table 5, Wisconsin's vehicle title fee currently ranks second among Wisconsin's neighboring states. That rank would remain the same under the Governor's recommended \$10 vehicle title fee increase.

TABLE 5

Vehicle Title and Title Transfer Fees -- Wisconsin and Neighboring States

<u>State</u>	<u>Title or Title Transfer Fees</u>
Illinois	\$95.00
Indiana	15.00
Iowa	25.00
Michigan	15.00
Minnesota	31.75
Wisconsin	69.50

Light Vehicle Registration Fees

30. The Governor's recommendations as modified by the errata, would not include a modification to light-vehicle registrations. Light vehicle registration fees are the second largest source of revenue to the transportation fund. Because of the large number of automobile (3.73 million) and light truck (1.0 million) registrations, and the expected growth in vehicle registrations, increasing the fees on these light vehicles is another option that could generate significant revenue to the transportation fund. For example, the fees for automobiles and light trucks could be increased by increments of \$10, \$20, or \$30, effective October 1, 2019. While the current fee for automobiles is \$75, the fees for light trucks range from \$75 to \$106, depending upon gross vehicle weight. The fees for registration of these vehicles were last raised on January 1, 2008. Since that time, CPI has increased by about 19%. Revenues to the transportation fund would increase by an estimated \$35.6 million in 2019-20 and \$47.5 million in 2020-21 for each \$10 increase in the fee.

31. There is substantial variation among states' motor vehicle registration fee structures,

which are often based on vehicle characteristics (such as age, value, and weight), different types of flat fees, or some combination thereof. These differences in structure and in the characteristics of states' passenger vehicle fleets make it difficult to compare the "average" registration fee incidence for vehicle owners among states. Therefore, the following section provides a general description of Wisconsin and neighboring states' registration fee structures. For states with variable fee structures, sample calculations of the registration amounts due for the first and 10th renewals of a \$24,600 vehicle, weighing 3,600 pounds are provided. This section includes only information on the general state registration fees that apply to passenger vehicles and does not include miscellaneous fees, such as those that apply to hybrid-electric and electric vehicles or local government's registration fees, such as "wheel taxes."

32. Illinois and Wisconsin each assess flat fees for passenger vehicle registration, irrespective of vehicle age or value. In Illinois, an annual fee of \$101 applies to all passenger vehicles weighing up to 8,000 pounds. In Wisconsin, annual passenger vehicle fees are assessed by weight class as follows: (a) \$75 for vehicles not exceeding 4,500 pounds; (b) \$84 for vehicles not exceeding 6,000 pounds; and (c) \$106 for vehicles not exceeding 8,000 pounds. In contrast, the registration fee structures for passenger vehicles in Iowa, Indiana, Michigan, and Minnesota include variable fees based on the price (value) of the vehicle, with fees declining to reflect depreciation as vehicles age.

33. Indiana imposes two flat, annual vehicle registration fees, as well as what the state refers to as an annual "excise tax" on passenger vehicles. The flat fees total \$36.35 (a \$21.35 registration fee and a \$15.00 transportation infrastructure improvement fee). In contrast, the excise tax amount due is based on the vehicle manufacturer's original retail price and age. Although no consistent formula basis for this tax is apparent from the related schedule, the amount due is comparatively higher for newer and higher value vehicles. For the first renewal of a \$24,600 vehicle (for values between \$22,000 and \$24,999), the excise tax due would equal \$260. There is no weight component to this calculation. Therefore, the total state registration fee amount due for such a vehicle would equal \$296.35 (\$36.35 + \$260). In subsequent registration years, the "excise tax" amount due is generally reduced across the fee structure until the ninth year, after which the excise tax amount due remains flat. For the 10th renewal, this example vehicle fee would total \$66.35 (\$36.35 + \$30).

34. In Iowa, annual passenger vehicle registration fees are based on the vehicle's list price and the number of model years old, plus the weight of the vehicle. For the first seven years, the value-based component equals 1% of list price. This drops to 0.75% for the eighth and ninth year and then to 0.5% for the tenth and eleventh year. For the twelfth and subsequent years, this component of the fee equals \$50. Iowa also has a weight-based component, which is identical for all years and equals \$0.40 per 100 pounds of vehicle weight. Therefore, a vehicle with a list price \$24,600, weighing 3,600 pounds, would have a first registration renewal fee of \$260.40 (\$246.00 + \$14.40). For the 10th renewal, this example vehicle fee would total \$137.40 (\$123 + \$14.40).

35. Michigan's vehicle registration system is based on a fee equal to 0.6% of the manufacturer's suggested retail price (MSRP) of the vehicle. The fee for a new vehicle is determined according to a statutory schedule, under which vehicles are categorized in \$1,000 increments with the MSRP being calculated using a price of \$600 within each \$1,000 increment. For example, a vehicle with an MSRP between 24,000 and 25,000, would have its initial fee based on a price of \$24,600. In subsequent years, the fee paid is reduced as follows: (a) in the second year, the registration fee is equal

to 90% of the fee for the first year; (b) in the third year, the registration fee is equal to 90% of the fee in the second year; and (c) in the fourth year and subsequent years, the registration fee would decline to 90% of the fee in the third year. There is no weight component to this calculation. For instance, the first renewal of a vehicle with an MSRP of \$24,600 (between \$24,000 and \$25,000) would have a fee of \$133 ($\$24,600 \times .006 \times 0.9$). In addition, until October 1, 2019, fees of \$2.25 for traffic law enforcement and \$5.75 for transportation administration are collected on each registration. Therefore, the total first renewal fee due for this example vehicle would be \$141 ($\$133 + \$2.25 + \5.75). For the tenth renewal, this example vehicle fee would total \$116 ($\$108 + \$2.25 + \5.75).

36. In Minnesota, passenger vehicles are subject to an annual registration fee of \$10, plus an additional amount equal to 1.25% of the base value. With certain exceptions, vehicle base value is determined by MSRP and the age of the vehicle. In the first year of a vehicle's life (age zero to one year old), the base value is generally equal to 100% of the MSRP. In each successive year (renewal), through the tenth year of a vehicle's life, this base value amount is adjusted downward by increments of 10% of the original MSRP. For instance, in the second year of the vehicle's life, the base value is equal to 90% of the original MSRP, whereas in the tenth year, it is equal to 10% of that value. There is no weight component to this calculation. In addition, registration renewals include a \$6 filing fee (\$10 for original registration). For vehicles 11 years old and older, the annual registration fee is equal to the basic \$10 registration fee, plus an ongoing flat fee equal to \$25, for a total fee of \$35. For a new vehicle with a MSRP of \$24,600 (between \$24,600 to \$24,799.99), the total amount due would be \$325 ($\$319 + \6). For the 10th renewal, this example vehicle fee would total \$47 ($\$41 + \6).

37. In sum, in neighbor states with variable registration fees based on value and age (Iowa, Indiana, Michigan, and Minnesota), owners of relatively newer, higher-cost vehicles tend to pay higher registration fee amounts than do owners of similar vehicles in Wisconsin and Illinois. Conversely, in many instances, owners of older, less valuable vehicles in these variable fee states may pay comparatively less than the owners of such vehicles in Wisconsin and Illinois. As a point of context, about half of Wisconsin-registered automobiles are 10 or more model years old.

Tolling

38. Some have discussed the possibility of the state looking into tolling on portions of its interstate highways, as allowed by the federal government. Although tolling of federal aid and interstates is generally prohibited under federal law, under Title 23, sections 129 and 166 there are a number of limited conditions under which the tolling of these highways is allowable. While a few exceptions exist, in general, once federal moneys have been used for a highway's construction, this facility is then considered a "federal aid" highway. The Federal Highway Administration (FHWA) indicates that this designation (which also applies to bridges and tunnels) is considered permanent and may not be removed by the repayment of the federal aid used for past improvements.

39. Under Section 129, tolls may be implemented on a federally aided highway, and, in some cases, interstate highways, under the following, limited conditions: (a) initial construction of a new highway, bridge, or tunnel; (b) initial construction of new lanes on highways, bridges, and tunnels (including interstates), as long as the number of toll-free lanes is not reduced; (c) reconstruction or replacement of a bridge or tunnel; (d) reconstruction of a highway (other than an interstate); and (e) reconstruction, restoration, rehabilitation of an interstate highway, as long as the number of toll-free

lanes is not reduced. As FHWA notes, the tolling permitted under these Section 129 conditions is "designed to link the financing of the capital investment with the limited exception to the requirement that federal-aid highways and bridges be free from tolls of all kinds."

40. The tolling projects permissible under Section 129 (and 166) are not intended to provide states with a statewide or "comprehensive" tolling system. In implementing such projects, particular care would need to be given to the project's financial feasibility and the potential effects of traffic diversion. Similarly, a more localized tolling approach could have the potential to create other transportation policy concerns for the state. For instance, under Section 129 and if financially feasible, it would be generally permissible to completely reconstruct and toll all lanes of a federally-aided (non-interstate) highway. In this example, local drivers using such a state highway facility on a regular basis would be paying tolls that would be used to finance that facility, while continuing to pay the state motor vehicle fuel tax as they drive on it. As a result, users of such a tolled state facility, who may not have access to a viable alternative route, could pay comparatively more for their equivalent use of the state's transportation system, than those drivers in areas without tolls. Although some of the same concerns would likely exist under a broader use of tolling (currently prohibited), a more fragmented application of tolling under Section 129 could highlight such concerns.

41. Current federal law is designed to restrict the extent to which states can toll federal aid highways and interstates. Some of the more notable exceptions under Section 129 include tolling of discrete elements of interstate highways, (such as a newly-constructed, additional lanes or HOV facilities), or up to all lanes of a non-interstate, federally aided highway, if reconstructed. The tolling of new or reconstructed bridge or tunnel facilities is also generally allowed. As an example of an allowable exception, it would likely be permissible to toll a new lane constructed on I-94 between the cities of Milwaukee and Madison, but the number of toll-free lanes on the existing highway would have to remain the same. The remaining, toll-free lanes would likely limit the efficacy of such a facility from a revenue generation standpoint. Another potential option for tolling a limited corridor of the state would be the Interstate System Reconstruction and Rehabilitation pilot program. Subject to various requirements, this federal program would allow for the reconstruction and tolling of an interstate segment or corridor (although it is unclear how large a segment could be tolled through the program).

42. As is discussed earlier, there may be some financial feasibility and transportation policy issues associated with a non-statewide (Section 129) approach to tolling in Wisconsin. One potential concern is the state's relatively dispersed population combined with a large system of existing state and local highways, which could, in many cases, provide alternative routes for toll-diverted traffic. Absent significant additional study on a project-by-project basis, the ability of limited, stand-alone tolling projects to generate sufficient amounts of revenue to construct and maintain the facility is uncertain. Of further policy concern is that a more fragmented or localized tolling system could result in relatively small segments of the state's population paying for the use of tolled systems, as well as existing systems. However, one possibility would be to study the potential of tolling bridges on the interstate, federal aid, and state highway system and to require DOT to implement such a study and a related pilot program under section 129. This study could help address some of these feasibility concerns before a larger-scale commitment to tolling is made.

43. In its summary of the December, 2016, solvency study, the Department indicated that

following a hypothetical Wisconsin legislative enactment approving state tolling authority in mid-2017, "tolling could not be implemented until at least 2021" (a period of approximately 3.5 to 4 years). Again, this timeline also assumes the existence of the federal law changes necessary to implement interstate tolling on a statewide basis. From a budgetary perspective, this timeline is also important in that during the initial stages of implementation, there would be significant upfront costs to the state without a specific source of revenue to offset those costs.

Various Other Transportation-Related Fees

44. The Attachment to this paper provides information on other revenue options that have been the subject of frequent legislative inquiry. Some of these options would involve assessing a new fee, which would require the state to develop an administrative system necessary to collect the fee. As a result, some of these options would require time between implementation and revenue collection.

ALTERNATIVES

1. Approve the Governor's recommendation and statutory language, as modified by the errata and reestimated, to increase the following taxes and fees by the following amounts:

<u>Tax and Fee Increases</u>	<u>2019-20</u>	<u>2020-21</u>	<u>Biennium</u>
Motor Vehicle Fuel Tax Rate (8¢ per Gallon)	\$208,883,000	\$278,789,100	\$487,672,100
Annual Indexing of Motor Vehicle Fuel Tax Rate	6,962,800	34,848,800	41,811,600
Motor Vehicle Fuel Floor Tax	3,400,000	300,000	3,700,000
Heavy Truck Fees (27% Increase)	25,698,600	36,156,000	61,854,600
Vehicle Title Fees (\$10 Increase)	<u>12,069,800</u>	<u>16,658,000</u>	<u>28,727,800</u>
SEG-REV	\$257,014,200	\$366,751,900	\$623,766,100

2. Adopt one or more of the revenue options indicated in the Attachment to this paper. The additional revenue in the biennium would be dependent on the options chosen.

3. Require DOT to contract for and complete a tolling study, no later than July 1, 2020, which would determine the feasibility of, and implementation process for, financing tolled bridge reconstruction projects on interstate and federally aided highways under Title 23 Section 129 of United State Code. Specify that the DOT Secretary may direct the Department to implement tolling of interstate, federally aided, and state highways to the extent allowable under federal law for the sole purpose of implementing and administering a bridge tolling pilot program under Title 23 Section 129. Stipulate that if the Secretary directs DOT to implement this tolling pilot program, there would be created within the Division of Motor Vehicles, a Bureau of Tolling. Provide that this Bureau would be required to implement and administer the state's tolling program and DOT would have to promulgate administrative rules for this purpose.

Specify that DOT would have to submit any proposed toll rates, or changes to any existing rates, to the Transportation Projects Commission for review by the first day of May in even numbered fiscal years. Stipulate that the Commission would have the authority to approve, modify, or reject any

toll rate submitted by the Department. Require that toll rates approved by the Commission would also have to be submitted to the Joint Committee on Finance under a 14-day passive review process. Specify that if the Committee meets, it would only be able to vote to approve or reject any toll rate submitted under this passive review process.

4. Take no action. As reestimated, this would reduce transportation fund revenues compared to the bill by \$623,766,100 in the biennium.

Prepared by: John Wilson-Tepeli and Ryan Horton
Attachments

ATTACHMENT

Estimated 2019-21 Transportation Fund Revenue from Various Tax and Fee Modifications (Revenue in Millions)

	<u>Current Rate</u>	<u>Alternate Rate</u>	<u>Revenue</u>	
			<u>2019-20</u>	<u>2020-21</u>
<p>Transfer Motor Vehicle Related Sales Tax Revenues to the Transportation Fund. Effective October 1, 2019, transfer the estimated sales tax revenues generated from the sale of motor vehicles, automotive parts, and automotive accessories to the transportation fund.</p>	5.0%	5.0%	\$825.0	\$1,130.0
<p>Eliminate the Motor Fuel Sales Tax Exemption. Effective October 1, 2019, expand the sales tax base to include motor fuel sales. The sales tax would be applied to the retail price of gasoline and diesel fuel, which includes state and federal fuel excise taxes. Because fuel prices can change significantly from year to year, estimated revenues from the sales tax on motor fuel can vary considerably. Also, unless modified by the proposal, any county with a sales tax and stadium districts with a sales tax would receive additional revenues if the sales tax base was expanded.</p>	N.A.	5.0%	\$375.0	\$480.0
<p>Increase the State Sales Tax Rate to 5.25%. Effective October 1, 2019, increase the state sales tax rate on all currently taxed goods and services from 5.0% to 5.25% and deposit the revenue from the 0.25% tax in the transportation fund. Under current law, a two-thirds majority approval would be required in each house of the Legislature for passage of any bill that increases the state sales tax rate. This requirement does not apply if the Legislature passes a joint resolution requiring a statewide advisory referendum on whether the Legislature should authorize the tax increase and a majority of voters approve the increase.</p>	5.0%	5.25%	\$223.3	\$300.0
<p>Transfer Mass Transit Operating Assistance to GPR. Beginning in 2019-20, fund mass transit operating assistance from the general fund rather than the transportation fund.</p>	N.A.	N.A.	\$110.7	\$110.7
<p>Increase the General Fund Transfer. Effective October 1, 2019, increase the current law transfer of 0.25% of projected annual general fund revenues (as published in the biennial budget) to either 0.5%, 0.75%, or 1% of such revenues. The fiscal effects in the table represent the additional revenues estimated to be deposited in the transportation fund from increasing the transfer to each of the above percentages. Under current law, the transfer is estimated at \$43.4 million in 2019-20 and \$44.4 million in 2020-21.</p>	0.25%	0.5% 0.75% 1.0%	\$32.6 65.1 97.7	\$44.4 88.8 133.2
<p>Eliminate the Sales Tax Exemption for Trade-Ins. Effective October 1, 2019, expand the sales tax base to include the trade-in value of an automobile or truck that is used to purchase an automobile or truck of greater value.</p>	N.A.	5.0%	\$63.8	\$90.0

ATTACHMENT (continued)

	<u>Current Rate</u>	<u>Alternate Rate</u>	<u>Revenue</u>	
			<u>2019-20</u>	<u>2020-21</u>
<p>Adjust the Motor Vehicle Fuel Tax Rate to Reflect Lost Indexing. Effective October 1, 2019, increase the motor vehicle fuel tax rate by 8.8 cents per gallon, to the rate would have been in effect had the state continued annual indexing of the rate.</p>	30.9¢ per Gallon	39.7¢ per gallon	\$247.0	\$306.7
<p>Variable Wholesale Motor Vehicle Fuel Tax. Effective October 1, split the motor vehicle fuel excise tax into two components: (a) a fixed rate of 19.1 cents per gallon for gasoline and 21.5 cents per gallon for diesel fuel; and (b) a variable rate equal to 8.0% of the average, annual wholesale price of gasoline and diesel fuel in the state. Set the minimum, pre-tax wholesale price for gasoline at \$2.101 per gallon for gasoline (equivalent to \$2.614 per gallon with current state and federal taxes) and \$2.42 per gallon for diesel fuel (equivalent to \$2.993 per gallon with current taxes). Multiply these wholesale prices by 8.0% to derive an initial variable rate for gasoline of 16.8 cents per gallon and an initial variable rate for diesel fuel of 19.4 cents per gallon. Beginning on April 1, 2020, and each April 1 thereafter, DOR would calculate the variable excise tax rates for gasoline and diesel fuel by multiplying 8.0% by the average, annual pre-tax wholesale prices of gasoline and diesel fuel in Wisconsin, as determined by the federal Energy Information Administration. The annual adjustment could result in a reduction of the variable portion of the excise tax rates, but the rate could not go below the initial rates set on October 1, 2019. Annual increase to the variable excise tax rates due to changes in the average, annual wholesale prices of gasoline and diesel fuel in Wisconsin could not exceed 5%. The revenue estimate provided assumes no adjustment of the fuel tax rate on April 1, 2020, or on April 1, 2021.</p>	30.9¢ per Gallon	35.9¢ per Gallon (Gas), 40.9¢ per Gallon (Diesel)	\$160.7	\$214.5
<p>Five-Cent Increase in the Motor Vehicle Fuel Tax Rate. Effective October 1, 2019, increase the motor vehicle fuel tax rate by one cent per gallon.</p>	30.9¢ per Gallon	35.9¢ per Gallon	\$140.4	\$174.2
<p>10-Cent Increase in the Motor Vehicle Fuel Tax Rate for Diesel. Effective October 1, 2019, increase the motor vehicle fuel tax rate for diesel fuel only by 10 cents per gallon.</p>	30.9¢ per gallon (Diesel)	40.9¢ per gallon (Diesel)	\$60.4	\$80.6
<p>One-Cent Increase in the Motor Vehicle Fuel Tax Rate. Effective October 1, 2019, increase the motor vehicle fuel tax rate by one cent per gallon to replace the one cent reduction in the petroleum inspection fund.</p>	30.9¢ per gallon	31.9¢ per gallon	\$28.1	\$34.8
<p>Eliminate the Motor Vehicle Fuel Tax Exemption for Farming. Effective August 1, 2019, eliminate the motor vehicle fuel tax exemption for undyed diesel fuel sold for non-highway use as well as gasoline used for non-highway purposes and delivered in a quantity of at least 100 gallons if the user (generally, a farmer) has obtained an exemption certificate in advance, and dyed diesel fuel used in an agricultural commercial motor vehicle or an implement of husbandry and is not licensed, or required to be licensed, with the Department of Motor Vehicles (DMV).</p>	N.A.	30.9¢ per gallon	\$34.1	\$37.3

ATTACHMENT (continued)

	<u>Current Rate</u>	<u>Alternate Rate</u>	<u>Revenue</u>	
			<u>2019-20</u>	<u>2020-21</u>
<p>Reinstate Annual Indexing of the Motor Vehicle Fuel Tax Rate. Effective April 1, 2020, reinstate the annual indexing of the motor vehicle fuel tax rate by the percentage change in CPI from the previous calendar year over the prior calendar year. The rate was last indexed to the current 30.9 cents per gallon rate on April 1, 2006. This would increase the tax rate to 31.4 cents per gallon on April 1, 2020, and 32.0 cents per gallon on April 1, 2021.</p>	30.9¢ per gallon	See Text	\$4.7	\$23.0
<p>Eliminate Licensed Motor Vehicle Fuel Suppliers Administrative Allowance. Effective October 1, 2019, eliminate the 1.35% administrative allowance that licensed motor vehicle fuel suppliers may deduct when remitting the fuel tax on gasoline.</p>	1.35%	N.A.	\$8.4	\$11.3
<p>Eliminate Retailer Refunds for Evaporation. Effective October 1, 2019, eliminate the 0.5% retailer's refund for the motor vehicle fuel tax paid on gasoline received into a service station operator's storage facilities to cover shrinkage and evaporation losses.</p>	0.5%	N.A.	\$3.1	\$4.2
<p>Eliminate the Motor Vehicle Fuel Tax Exemption for Mass Transit. Effective October 1, 2019, eliminate the motor vehicle fuel tax exemption for gasoline and undyed diesel fuel sold to a common motor carrier for urban mass transit.</p>	N.A.	30.9¢ per gallon	\$2.0	\$2.7
<p>Highway Use Fee. Create a highway use fee, effective October 1, 2019, for the initial, private registration of new, light passenger vehicles (including automobiles, vans, sport utility vehicles, and light trucks with a gross vehicle weight of 8,000 pounds or less, and motorcycles) equal to 2.5% of the manufacturer's suggested base retail price (MSRP), which would be defined to exclude destination charges. Specify that municipal-plated and farm-use-plated vehicles, as well as commercial vehicles with a gross vehicle weight in excess of 8,000 pounds, would be exempt from the fee. As an example, a vehicle with a base MSRP of \$36,000 would be required to pay a fee of \$900.</p>	N.A.	2.5% of MSRP	\$187.1	\$256.4
<p>Mileage-Based Registration Fee. Create a mileage-based registration fee for automobiles and light trucks equal to 1.02¢ per mile, with exemptions for annual mileage less than 3,000 and more than 20,000. The fee would be based on self-reported odometer readings. Analysis of this fee structure reported in DOT's 2016 Solvency Study assumed that no revenue would be received during the first two years of fee implementation. In the first year, information technology systems would be developed and public outreach would occur. In the second year, base mileage data used for assessing the fee in the following year would be collected. In the third year, revenue would be received from fee payments made at the time of vehicle registration. The Department assumed an evasion rate equal to 15%. Using similar assumption to the 2016 Solvency Study report, it is estimated that revenue in the first full year of collections (2021-22) for this fee structure would be equal to \$332.5 million. In this study, DOT</p>	N.A.	1.02¢ per mile	\$0 See Text	\$0 See Text

ATTACHMENT (continued)

	<u>Revenue</u>			
	<u>Current Rate</u>	<u>Alternate Rate</u>	<u>2019-20</u>	<u>2020-21</u>
indicated that administrative costs of \$4.4 million in the first year of implementation (2019-20 in this example) and \$5.5 million in the second year of implementation (2020-21) could be expected.				
Increase Automobile Registration Fee by \$10. Effective October 1, 2019, increase the annual vehicle registration fee for automobiles by \$10, from \$75 to \$85.	\$75	\$85	\$28.0	\$37.3
Heavy Truck Registration Fee by 10%. Effective October 1, 2019, increase the annual registration fees for trucks with gross vehicle weights exceeding 8,000 pounds by 10%.	Various	See Text	\$9.5	\$13.1
Increase Regular Driver License Renewal Fee by \$20. Effective October 1, 2019, increase the fee for non-commercial driver licenses by \$20, from \$24 to \$44. Along with the current law, \$10 issuance fee, the new, total fee amount would be \$54. A regular driver license must be renewed at least once every eight years.	\$24	\$44	\$9.4	\$12.7
Increase Light Truck Registration Fees by \$10. Effective October 1, 2019, increase the annual registration fee for light trucks (gross vehicle weights not exceeding 8,000 pounds) by \$10. Under current law the following annual registration fees apply: (a) \$75 for those vehicles not exceeding 4,500 pounds; (b) \$84 for those vehicles not exceeding 6,000 pounds; and (c) \$106 for those vehicles not exceeding 8,000 pounds.	\$75, \$84, and \$106	\$85, \$94, and \$116	\$7.8	\$10.5
Increase Vehicle Title Fees by \$5. Increase the fee for an initial vehicle title or title transfer transaction by \$5.00, effective October 1, 2019. Although the fee for both of these transactions is \$62.00, there is an additional supplementary fee of \$7.50, such that the total fee is equal to \$69.50. The fee is charged when a vehicle is purchased (an original title transaction) or sold (a title transfer).	\$62.00, plus a \$7.50 supplementary fee	\$67.00, plus a \$7.50 supplementary fee	\$6.0	\$8.3
Increase Oversize/Overweight Fees. Effective October 1, 2019, increase oversize and overweight vehicle fees to double their current amount. Currently, the Department issues single trip, annual, and multiple trip permits for oversize and overweight vehicles and loads for a range of fees.	Various	All Fee Amounts Doubled	\$3.8	\$5.0
Freight Rail Car Fee. Effective January 1, 2020, establish a \$10 per carload rail line user fee for railroads using state-owned rail lines. Define a carload as a loaded freight railroad car that is operated in revenue service. Require all railroads operating on state-owned rail lines to annually report the number of carloads hauled on those lines for the previous calendar year and to submit the required fee with this report.	N.A.	\$10 per Carload	\$0.5	\$1.0