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Higher vehicle registration fees proposed to fix roads

By *WHITNEY WOODWARD, Courier Des Moines Bureau, and Courier staff*

DES MOINES --- Democrats took a first step toward filling the state's roads and bridge fund shortage Wednesday by calling for lawmakers to evaluate a plan which would increase vehicle registration fees.

Part of that proposal includes higher fees for pickup trucks, something a former state legislator from Cedar Falls, Marv Diemer, has been lobbying for for years -- but he said today the current proposal doesn't go far enough..

The majority of pickup truck owners currently pay a \$65 annual fee, which decreases with the age of the vehicle, bottoming out at \$35. Car, minivan and SUV drivers pay more, because their registration fee is based on a weight and vehicle value formula, although the figure also decreases with age.

Under the proposal, new pickup trucks that aren't used for commercial or agricultural activities would be placed on the same fee formula as cars, and the minimum registration fee would be upped to \$50. Pickups already registered in the state would be grandfathered into the cheaper schedule.

The decreasing formula for cars and those new pickups would be altered, also, so it brings in more money over the life of the vehicle.

However, Diemer, a Republican, said all pickups should pay the higher fee. He said the lower fee for pickups used in commercial or agricultural activities still strikes him as unfair.

"People who use their car for their business, they don't get an exemption. My minister, my real estate agent --- he doesn't get a \$65 license, he pays the full rate," Diemer said. "What about the guy who lives on the farm but really works at John Deere, and leases out his land? Mostly the reason for the pickup is because he hauls his boat over to the Mississippi to go boating."

The primary component of the overall proposed road funding measure is a hike in the annual vehicle registration fees Iowans pay.

The proposal also includes a 50 percent hike in driver's license fees, a hike in the annual registration fee large agricultural truck owners pay, and a boost in trailer fee registration costs.

While the bill's drafting in no way guarantees a transportation funding plan will be approved this session, it's a critical move toward resolution on an issue that has gridlocked the Capitol for more than a year.

"It's time to do it," Sen. Matt McCoy, D-Des Moines, said. "We're doing it, we're drafting it, we're moving forward."

The funding proposal will incorporate several suggestions first put forth by the Iowa Department of Transportation in a December 2006 report which outlined the need for an

additional \$200 million annually to pay for road and bridge construction.

Lawmakers have struggled to reach consensus on how best to raise the cash after Gov. Chet Culver's dismissed a plan to hike the state's gas tax. Several Democrats have said they'd like to see a bipartisan solution, out of concern a vote to increase taxes and fees will be held against them come Election Day.

The to-be-drafted bill would generate an estimated \$147 million --- about three-quarters of the projected funding hole --- by 2012. An additional \$50 million could be generated if lawmakers approve an expansion of the school infrastructure local option, or SILO, tax, McCoy said.

House Transportation Committee Chair Geri Huser, D-Altoona, said her committee will unveil a similar funding plan which would lock in the rates users are paying on their current vehicles. Thus, Iowans wouldn't be hit with a fee increase on a vehicle they already own, although that means the funds wouldn't be raised as quickly.

"Everything would be grandfathered in, everything would be prospective," Huser said.

Citing Democrats' inaction thus far, Senate Republicans offered their own partial funding solution earlier Wednesday.

The Senate GOP's plan centers on moving \$90 million in state gambling revenues to infrastructure needs.

But unlike the other proposals, the Republican plan wouldn't require a fee or tax increase, said Senate Minority Leader Ron Wieck, R-Sioux City.

McCoy quickly dismissed the GOP's plan as a "far out" proposal that wouldn't see the light of day.

"It's bozo," McCoy said. "It's not going to happen."

Courier staff writer Jens Manuel Krogstad contributed to this story.

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Courier file photo Former State Rep. Marv Diemer, R-Cedar Falls, says pickups trucks should pay the same registration fee as cars.

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