



LEGISLATIVE UPDATE

March 4, 2016

Spring #7



2016 LEGISLATIVE NOTES



By Richard Howard,
SDATAT Lobbyist/Transportation Consultant

The 91st Legislative Session has one week, (5 Legislative Days) remaining in its main run which ends on March 11th (the 37th Legislative Day). The final day, March 29th is reserved for consideration of gubernatorial vetoes.

Monday, March 7th is final day to move bills from a Committee to the floor of the Second House and Tuesday is the final day for passage of a bill in the Second House.

During the past week, good progress was made on a number of major issues, including final Senate approval of the Governor's proposed one-half cent sales tax increase for increasing education funding

and reducing property taxes.

Among bills awaiting action that would increase funding for local governments is HB 1116, which would give municipalities the option to increase their sales tax by 1% for infrastructure projects. It is scheduled for a hearing in Senate Local Government Committee on Monday. Also, two bills that would provide increased funding for counties are awaiting floor action: SB 2, which would give counties one-fourth of the liquor tax collected in the State, is waiting for final approval in the House; and HB 1005, which would increase fees collected for certain services provided by counties, is waiting for final action in the Senate.

STATUS OF SDATAT LEGISLATION

HB 1137, an act to revise the distribution of vehicle registration fees from non-commercial gross weight vehicles, is scheduled for final action by the Senate Taxation Committee at 10 a.m. on

Monday (March 7th). After approval by the Committee, it will be scheduled for consideration on the Senate floor on Tuesday.

A hearing for HB 1137 was held by the Committee on March 2 with supporting testimony presented by

"...it is critical that all Township Supervisors contact their Senators this weekend and ask them to support HB 1137,..."

Rep. Dick Werner, Sen. Mike Vehle, Rep. Dennis Feichert, Dick Howard, Darwin Bettmann, David Scott, and witnesses representing the County Commissioners Association, Farmers Union,

Soybean Growers, Hughes County Commission and a Township Supervisor from Day County. The only opponent was from the SD Municipal League. Due to confusion on some of the distribution numbers and concern about the adminis-

trative costs, the bill was deferred for action until Monday.

Based on discussion by the Committee members at the hearing, it is expected that HB 1137 will be approved by the Committee and be sent to the Senate floor for action on Tuesday. It is likely that the bill will require a 2/3 majority (or 24 votes). Due to this fact, it is critical that all Township Supervisors contact their Senators this weekend and ask them to support HB 1137, as a fairness issue because of the large increases in

registration fees for farm trucks in the past 5 years.

Under HB 1137 revenue to counties would increase by \$430,000 per year, Townships would increase by \$1.02 million dollars, and cities would receive \$1.45 million dollars less. Prior Legislative Updates provide details on the bill's concept and justifications.

Your assistance in this effort will be greatly appreciated

Committee Agenda

Committee: Senate Taxation
Room: Room 423
Date: Monday, March 7, 2016
Time: 10:00 AM

HB 1137 revise the distribution of registration fees from noncommercial gross weight vehicles.

Representatives Verchio, Brunner, Feickert, Klumb, McCleerey, Schaefer, and Tulson and Senators Vehle, Ewing, Monroe, Parsley, and Peterson (Jim)

91st LEGISLATIVE DEADLINES

L.D. 34 March 8 Last day for a bill or joint resolution to pass both houses (Chapter 17)

L.D. 35 March 9 Reserved for concurrences or conference committees (Chapter 17)

L.D. 36 March 10 Reserved for concurrences or conference committees (Chapter 17)

L.D. 38 March 29 Reserved for consideration of gubernatorial vetoes (Chapter 17)

YOUR INPUT IS NEEDED

Now that your annual meeting is done, we would like to gather information from townships on whether or not you participated in the new tax levy for secondary road and bridge improvement fund. Please email us at: sdatat@sdtownships.com or fill out the survey at www.sdtownships.com

HB 1137 Talking Points

HB 1137 – An act to revise the distribution of registration fees from noncommercial gross weight vehicles.

1. Registration Fees for Non-Commercial Gross Weight Vehicles (farm trucks) have increased dramatically over the past 5 years.
2. Prior to 2011, the fees had not been increased since 1999 and were admittedly low with the rates for some weight classes as low as 17% of commercial rates and several lower than 35% of commercial rates.
3. The first increase in 2011 raised the rates up to 45% of commercial rates and in 2013 they increased to 60% of commercial rates.
4. SB1, that was approved last year, increased the rates to 70% of commercial in 2015 and up to 80% in 2016. Some of the rates have increased by a factor of more than 4.0 since 2011.
5. As examples: a) the rate for a vehicle registered at a weight of 40,000 pounds has increased from \$115 prior to July 1, 2011 to \$520 effective July 1 2016 (an increase of \$405 or a factor of 4.5).
6. The rate for a vehicle registered at a weight of 80,000 pounds has increased from \$391 prior to July 1, 2011 to \$1166 effective July 1, 2016(an increase of \$775 or a factor of 3.0).
7. The increases have been justified on the basis that the larger farm equipment and heavier trucks are causing damage to local roads and bridges.
8. As a comparison, the registration fees for automobiles, pickups and vans during the same time period have increased only 20% for vehicles under 2,000 pounds; up to double for those over 6,000 pounds.
9. The total registration fees for non-commercial gross weight vehicles have increased from a total of \$5.78 million in 2011 up to \$15.27 million in 2016 (a factor of almost 3).
10. HB 1137 proposes to revise the distribution of registration fees on Non-Commercial Gross Weight Vehicles (farm trucks) by retaining all of those fees in the county in which they are collected.
11. The fees would then be distributed: 67% to the County Road and Bridge Fund, 23% to the Special Highway Fund and be distributed for Township and County Secondary roads (township roads in unorganized townships), 5.5% to cities within the county and 4.5% to the Division of Motor Vehicles (for administration and producing new license plates). **Counties would increase by \$430,000 per year, Townships would increase by \$1.02 million dollars, and cities would receive \$1.45 million dollars less.**
12. In FY 2015, 30,747 vehicles registered for over 20,000 pounds (3.3% of total registered vehicles) paid \$12.94 million in fees (\$420/vehicle) (1,025,331 vehicles were registered in FY 2015).
13. The concept of the bill is a fairness issue - that since the large increases have been justified based on damage to local roads and bridges caused by larger farm equipment and heavier trucks, the funds should be distributed and used to improve those local roads and bridges. The redistribution proposed in HB 1137 would provide that 90% of the registration fees collected for this category of vehicles would be distributed to counties and townships for repair of local roads and bridges.

TOWNSHIP CALENDAR

March 15 - Regular Twp Mtg for equalizing the assessment of property in your township

March 29– Regular township meeting of the “newly” elected township officials.

Reminder - any required meeting may be rescheduled for the following Tuesday at the same time and place, due to inclement weather, without additional publication. Be sure that you have the reschedule date in the initial agenda and publications. (SDCL 8-3-1)

More information and detailed sample agendas available at: www.sdtownships.com

IMPORTANT CONTACT INFORMATION

To Track Legislation

<http://legis.sd.gov/>

To Listen To Committees Live:

http://legis.sd.gov/Legislative_Session/Committees/default.aspx?Session=2014

Address: Legislative Research Council

Capitol Building, 3rd Floor - 500 East Capitol Avenue
Pierre, SD 57501-5070

Phone: (605) 773-3251

Staff Fax: (605) 773-4576

Legislator Fax (Session Only): (605) 773-6806

Fax a Message (to a specific legislator) - 605 773 6806

Email: sen.(last name)@state.sd.us or follow this link:

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