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Democrats push higher vehicle registration fees Plan would raise money for roads; GOP has alternate plan

By Whitney Woodward Journal Des Moines Bureau

DES MOINES -- Democrats took a first step toward more funding for roads and bridges Wednesday by calling for lawmakers to evaluate a plan which would increase vehicle registration fees.

While the bill 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 lawmakers 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 new bill would generate an estimated \$147 million -- about three-quarters of the projected shortfall -- 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.

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

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 fees are 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 would bring in more money over the life of the vehicle.

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.

House Transportation Committee Chairwoman 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.

"We continue, on a day-to-day basis, (to) see indicators that our economy could be on a downward trend," Wieck said. "Leading into that, we need to be responsible and not dump additional responsibilities on the back of Iowa's families."

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."

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