

HB 3406 -1, -2 STAFF MEASURE SUMMARY

Joint Committee On Tax Expenditures

Prepared By: Mazen Malik, Senior Economist

Meeting Dates: 6/8

WHAT THE MEASURE DOES:

Requires Department of Transportation to study development of uniform standards for speed bump height and markings. Sunsets January 2, 2025.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1

Permits a road authority to allow a person to operate a vehicle as part of a parade that is otherwise prohibited from operating on road, provided the vehicle is operated under approval and conditions of the road authority and complies with weight and size limits established by federal or state statute or by rule. Revises requirements for Highway Cost Allocation Study (HCAS) to include examination of most recent study period to determine accuracy of published HCAS results, and of prospective study period based on projected data. Specifies report on HCAS is to be made to Joint Committee on Transportation. Directs Department of Administrative Services to submit report analyzing at least the three most recent iterations of HCAS to evaluate proportionate share paid by users of each vehicle class. Sunsets January 2, 2025. Eliminates tiers based on track length or public ownership of railroads that establish distinctions between types of short line railroads for the purpose of determining the amount of tax credit allowed for rehabilitation of short line railroads. Applies to tax years beginning January 1, 2024, and before January 1, 2026. Takes effect on 91st day following adjournment sine die.

-2

Permits a road authority to allow a person to operate a vehicle as part of a parade that is otherwise prohibited from operating on road, provided the vehicle is operated under approval and conditions of the road authority and complies with weight and size limits established by federal or state statute or by rule. Revises requirements for Highway Cost Allocation Study (HCAS) to include examination of most recent study period to determine accuracy of published HCAS results, and of prospective study period based on projected data. Specifies report on HCAS is to be made to Joint Committee on Transportation. Directs Department of Administrative Services to submit report analyzing at least the three most recent iterations of HCAS to evaluate proportionate share paid by users of each vehicle class. Sunsets January 2, 2025. Takes effect on 91st day following adjournment sine die.

BACKGROUND:

This measure's amendments constitute an omnibus policy measure that includes three separate provisions. First, the measure clarifies language that allows road authorities to permit operation of vehicles on road that would otherwise not be permitted to do so, provided that the operation is under the authority's conditions and in compliance with state and federal law. Second, the measure revises the requirement of the biennial Highway Cost Allocation Study, requires DAS to review a minimum of the last three versions of the study, and mandates a report to the Joint Committee on Transportation. Finally, the measure eliminates the distinction between types of short line railroads with regard to tax credits allowed for their rehabilitation.

HB 3406 -1, -2 STAFF MEASURE SUMMARY

Every two years, the Department of Administrative Services (DAS) Office of Economic Analysis performs a Highway Cost Allocation Study to determine the proportional responsibility of Light (passenger) vehicles and heavy (trucks) vehicles for maintenance, preservation, and modernization costs of the state's highway system. The results of the study are used to set statutory taxes on light and heavy vehicles for the following biennium.