

THE INTERNATIONAL REGISTRATION PLAN

An Introduction

Vehicle Registration

In the United States and Canada, a highway vehicle must be registered before it may be operated on a public road. The registration of vehicles is handled in the U.S. by the individual states, and in Canada by the individual provinces and territories. At the time a vehicle is registered, it is issued a license plate, which must be displayed on it as evidence that it has been registered. Once a vehicle has been registered, it may travel on all public roads in the jurisdiction, whether these are owned and maintained by the state or provincial government or by local governments. (There are practically no federally owned roads in either country.)

When a vehicle registered in one jurisdiction travels into another, things are more complicated. If the vehicle is a private passenger vehicle not engaged in business, the rule is one of reciprocity: every jurisdiction in the United States and Canada allows such a vehicle, when properly registered in another jurisdiction, to operate freely on its roads, without fulfilling any additional obligation for registration.

If a motor vehicle traveling in two or more jurisdictions is a commercial vehicle, the registration requirements depend largely on the weight of the vehicle. If the vehicle has two axles and weighs 26,000 pounds or less, the picture is quite complex, and need not be described here. But if a commercial motor vehicle weighs more than 26,000 pounds, or has more than two axles, either alone or in combination, and travels in more than one state or province, it is probably registered under the International Registration Plan (IRP).

IRP Background

Prior to the establishment of the IRP, trucks traveling among jurisdictions operated for the most part under a system of reciprocity. But unlike reciprocity for passenger cars, which is universal, the system for trucks was both inconsistent and incomplete. It was confusing for jurisdictions and industry alike, and was often very expensive for industry. Attempts to rationalize the system began on a regional basis in the 1940s, but as truck traffic grew, regional solutions to the problem came to be seen as inadequate.

From 1966 through the early 1970s, representatives of the trucking and bus industries in the U.S. and Canada worked with the American Association of Motor Vehicle Administrators, the association of the state and provincial motor vehicle agencies, to develop a uniform method by which motor carriers operating in more than one state or province could fulfill their vehicle registration requirements more easily. The result was the International Registration Plan, which went into effect in eight states in 1974. In succeeding years, states and one province – Alberta – rapidly joined the Plan,

but universal state participation did not appear to be possible for many years to come. However, in 1991, at the urging of motor carriers, the U.S. Congress enacted legislation which effectively required all the states (except Alaska and Hawaii) to join the Plan by 1996. Today, the members of the International Registration Plan are 48 states, the District of Columbia, and all ten Canadian provinces. Nearly 2 million motor vehicles are registered annually under the Plan.

IRP Basics

The International Registration Plan is a base-jurisdiction registration reciprocity agreement among the jurisdictions of the United States and Canada that provides for the payment of apportioned commercial motor vehicle registration fees on the basis of fleet miles operated in the various jurisdictions.

Although motor vehicles in a fleet are actually registered under the Plan in more than one jurisdiction, they are issued only one set of credentials apiece, and the fleet deals for purposes of registration only with its base state or province, which issues the credentials, receives the registration fees, transmits them to the other jurisdictions in which the fleet has registered, and audits the fleet on behalf of the other jurisdictions.

The IRP is a document, a set of rules for Plan members to conduct the registration of commercial motor vehicles in a more or less uniform manner. The Plan is not law; the statutes of the individual states and provinces give the member jurisdictions the actual authority to require vehicles to register, set the registration fees, and enforce these requirements. These statutes also authorize each member to join the Plan.

The Base Jurisdiction

At the core of the Plan is the base-jurisdiction concept. In essence, this means that a fleet of commercial vehicles operating in more than one jurisdiction and electing to register them under IRP chooses one of these jurisdictions as its IRP base, and deals solely with that jurisdiction for registration purposes. A prospective IRP registrant may have some flexibility in the choice of an IRP base. It may be any IRP jurisdiction in which the registrant's fleet travels, in which it can make its records available for audit, and in which it has an "established place of business," a term for which there is a detailed definition in the Plan. In short, an established place of business need not be the registrant's principal business location, but must be a real business location. The importance of this is that the choice of a location in which to register vehicles may involve other tax consequences for a motor carrier.

Fees and Credentials

A fleet's base jurisdiction registers the fleet in the jurisdictions in which it travels and collects from the fleet operator the fees due those jurisdictions. State and provincial commercial vehicle registration fees are annual, and are graduated according to the maximum gross combined weight of the vehicle being registered. The rates vary considerably by jurisdiction. Some fee structures include recurring annual fees levied in lieu of personal property taxes on vehicles. IRP registration covers only power units, that is, trucks and tractors, and not trailing equipment such as trailers and semitrailers.

Trailing equipment is registered in one state only, and operates interstate on reciprocity provided it is in combination with an IRP-registered power unit.

IRP fees are calculated on an apportioned basis, depending on the percentage of its distance the fleet (rather than the individual vehicle being registered) traveled in each jurisdiction during the preceding year. Because the fees are apportioned according to fleet travel, a fleet's registration fees will be essentially the same wherever it is IRP-based (although, as has been noted, taxes and other charges applicable to the fleet may vary depending on its base).

As evidence of registration, the base issues to each vehicle in the fleet a single license plate (which commonly bears the legend "apportioned") and a single IRP cab card, which indicates the jurisdictions in which the vehicle is IRP-registered and the maximum gross weight for which it is registered in each. These credentials will be recognized as valid for registration purposes by each of the jurisdictions listed on the cab card (though not by other IRP member jurisdictions for which the fleet is not registered). With these credentials, fleet vehicles are legal – for vehicle registration purposes – to travel both between the jurisdictions in which they are IRP-registered, and from point to point within each one. (Other legal requirements unrelated to registration may still have to be met, of course.)

The fleet operator pays its fees to its base on behalf of all the other jurisdictions, and this payment relieves the operator of any further legal obligation to pay registration. Each base jurisdiction transmits the fees it collects from its IRP registrants to the appropriate other IRP member jurisdictions, along with information on its IRP transactions during the period covered by the transmittal. As this involves considerable administrative work on the part of the jurisdictions, IRP has developed the IRP Clearinghouse, which handles the transmittal of both fees and fee information electronically. About half the jurisdictions currently participate in the Clearinghouse, and pay a fee for its operation and maintenance.

In order to verify the collection of proper registration fees, each IRP member jurisdiction is required to audit an average of 3% of its base-registrants every year. Such audits are only required to verify the accuracy of a registrant's reported fleet travel. Audit results are shared with the other jurisdictions, and the base is responsible for collecting from a registrant any additional fees due to any jurisdiction and for refunding any credits found to be owing to an audited registrant.

Other Plan Provisions

IRP includes sections that cover other details of registration requirements and provide for specialized carrier operations. Among the first are changes to a fleet during a registration year and the registration of new operations. Among the second are leased and rented vehicles, owner-operator registration, buses, and household goods movers.

Operations Not Covered by IRP

An operator that travels in more than a single jurisdiction only rarely need not register its vehicles under IRP, and instead, when it travels into a jurisdiction other than

its home, obtain a registration trip permit from that jurisdiction. To this extent, IRP registration is elective. Many jurisdictions, however, limit the number of trip permits that may be sold to a single operator during the course of a year.

Two-axle vehicles operating in more than one jurisdiction and weighing 26,000 pounds or less may but need not be registered under the Plan.

In addition, by the terms of the Plan, IRP does not apply to certain types of operation. These are noncommercial vehicles, government-owned vehicles, buses carrying chartered parties, city pick-up and delivery vehicles, and vehicles bearing registration plates covered by reciprocity agreements that apply to certain restricted operations, such as, commonly, short-haul dump-truck or construction equipment operations.

Plan Administration

Each member jurisdiction of the Plan maintains staff and employs resources to administer its IRP program. In addition, the members have provided an overall apparatus for administering the Plan, including a repository organization with a small staff of its own – IRP, Incorporated.

The Plan accepts new jurisdictional members, including countries or states, provinces, territories, possessions, or federal districts of countries. Each new member must be approved by every existing member.

The Plan may also be, and frequently is amended, each change requiring the approval of three-quarters of the members voting.

In addition to requiring each member to audit a proportion of its registrants, the Plan requires its members to audit one another on a regular schedule to ensure that each jurisdiction is adhering to Plan procedures and requirements. This is the peer review process.

The Plan provides for a dispute resolution process, to resolve disputes arising under the IRP and to interpret the provisions of the Plan. This process, along with the peer review program, has proved to be a strong force toward making all member jurisdictions' procedures for administering the Plan more uniform.

IRP, Inc. is governed by a board of directors composed of officials of the member jurisdictions and including as well a representative of the American Association of Motor Vehicle Administrators, with which IRP remains affiliated. The board meets regularly and provides policy direction for the Plan and its repository. The board is advised by members of the motor carrier industry and by representatives of the U.S., Canadian, and Mexican federal governments. (This is the only role of these governments with respect to IRP.) All IRP meetings are open to the public.