§ 406. Bus taxation proration agreement. The bus taxation proration agreement is hereby enacted into law and entered into with all jurisdictions legally joining therein in the form substantially as follows:

ARTICLE I. Purposes and Principles.

Section 1. Purposes of Agreement. It is the purpose of this agreement to set up a system whereby any contracting state may permit owners of fleets of busses operating in two or more states to prorate the registration of the busses in such fleets in each state in which the fleets operate on the basis of the proportion of miles operated within such state to total fleet miles, as defined herein.

Section 2. Principle of Proration of Registration. It is hereby declared that in making this agreement the contracting states adhere to the principle that each state should have the freedom to develop the kind of highway user tax structure that it determines to be most appropriate to itself, that the method of taxation of interstate busses should not be a determining factor in developing its user tax structure, and that annual taxes or other taxes of the fixed fee type upon busses which are not imposed on a basis that reflects the amount of highway use should be apportioned among the states, within the limits of practicality, on the basis of vehicle miles traveled within each of the states.

ARTICLE II. Definitions.

(a) State. State shall include the states of the United States, the District of Columbia, the territories of the United States, the Provinces of Canada, and the States, Territories and Federal District of Mexico.

(b) Contracting State. Contracting state shall mean a state which is a party to this agreement.

(c) Administrator. Administrator shall mean the official or agency of a state administering the fee involved, or, in the case of proration of registration, the official or agency of a state administering the proration of registration in that state.

(d) Person. Person shall include any individual, firm, copartnership, joint venture, association, corporation, estate, trust, business trust,

receiver, syndicate, or any other group or combination acting as a unit.

(e) Base State. Base state shall mean the state from or in which the bus is most frequently dispatched, garaged, serviced, maintained, operated, or otherwise controlled, or also in the case of a fleet bus the state to which it is allocated for registration under statutory requirements. In order that this section may not be used for the purpose of evasion of registration fees, the administrators of the contracting states may make the final decision as to the proper base state, in accordance with Article III (h) hereof, to prevent or avoid such evasion.

(f) Bus. Bus shall mean any motor vehicle of a bus type engaged in the interstate transportation of passengers and subject to the jurisdiction of the Interstate Commerce Commission, or any agency successor thereto, or one or more state regulatory agencies concerned with the regulation of passenger transport.

(g) Fleet. As to each contracting state, fleet shall include only those busses which actually travel a portion of their total miles in such state. A fleet must include three (3) or more busses.

(h) Registration. Registration shall mean the registration of a bus and the payment of annual fees and taxes as set forth in or pursuant to the laws of the respective contracting states.

(i) Proration of registration. Proration of registration shall mean registration of fleets of busses in accordance with Article IV of this agreement.

(j) Reciprocity. Reciprocity shall mean that each contracting state, to the extent provided in this agreement, exempts a bus from registration and registration fees.

ARTICLE III. General Provisions.

(a) Effect on Other Agreements, Arrangements, and Understandings. On and after its effective date, this agreement shall supersede any reciprocal or other agreement, arrangement, or understanding between any two or more of the contracting states covering, in whole or in part, any of the matters covered by this agreement; but this agreement shall not affect any reciprocal or other agreement, arrangement, or understanding between a contracting state and a state or states not a party to this agreement.

(b) Applicability to Exempt Vehicles. This agreement shall not require

registration in a contracting state of any vehicles which are in whole or part exempt from registration under the laws or regulations of such state without respect to this agreement.

(c) Inapplicability to Caravaned Vehicle. The benefits and privileges of this agreement shall not be extended to a vehicle operated on its own wheels, or in tow of a motor vehicle, transported for the purpose of selling or offering the same for sale to or by any agent, dealer, purchaser, or prospective purchaser.

(d) Other Fees and Taxes. This agreement does not waive any fees or taxes charged or levied by any state in connection with the ownership or operation of vehicles other than registration fees as defined herein. All other fees and taxes shall be paid to each state in accordance with the laws thereof.

(e) Statutory Vehicle Regulations. This agreement shall not authorize the operation of a vehicle in any contracting state contrary to the laws or regulations thereof, except those pertaining to registration and payment of fees; and with respect to such laws or regulations, only to the extent provided in this agreement.

(f) Violations. Each contracting state reserves the right to withdraw, by order of the administrator thereof, all or any part of the benefits or privileges granted pursuant to this agreement from the owner of any vehicle or fleet of vehicles operated in violation of any provision of this agreement. The administrator shall immediately give notice of any such violation and withdrawal of any such benefits or privileges to the administrator of each other contracting state in which vehicles of such owner are operated.

(g) Cooperation. The administrator of each of the contracting states shall cooperate with the administrators of the others and each contracting state hereby agrees to furnish such aid and assistance to each other within its statutory authority as will aid in the proper enforcement of this agreement.

(h) Interpretation. In any dispute between or among contracting states arising under this agreement, the final decision regarding interpretation of questions at issue relating to this agreement shall be reached by joint action of the contracting states, acting through the administrator thereof, and shall upon determination be placed in writing.

(i) Effect of Headings. Article and section headings contained herein shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning, or intent of the provisions of any article or part hereof.

(j) Entry into Force. This agreement shall enter into force and become binding between and among the contracting states when enacted or otherwise entered into by any two states. Thereafter, it shall enter into force and become binding with respect to any state when enacted into law by such state. If the statutes of any state so authorize or provide, such state may become party to this agreement upon the execution thereof by an executive or administrative official thereof acting on behalf of and for such state.

ARTICLE IV. Proration of Registration.

(a) Applicability. Any owner of a fleet may register the busses of said fleet in any contracting state by paying to said state total registration fees in an amount equal to that obtained by applying the proportion of in-state fleet miles divided by the total fleet miles, to the total fees which would otherwise be required for regular registration of each and all of such vehicles in such contracting state.

All fleet pro-rata registration fees shall be based upon the mileage proportions of the fleet during the period of twelve months ending on August thirty-first next preceding the commencement of the registration year for which registration is sought, except, that mileage proportions for a fleet not operated during such period in the state where application for registration is made will be determined by the administrator upon the sworn application of the applicant showing the operations during such period in other states and the estimated operations during the registration year for which registration is sought, in the state in which application is being made; or if no operations were conducted during such period a full statement of the proposed method of operation.

If any busses operate in two or more states which permit the proration of registration on the basis of a fleet of busses consisting of a lesser number of vehicles than provided in Article II (g), such fleet may be prorated as to registration in such states, in which event the busses in

such fleet shall not be required to register in any other contracting states if each such vehicle is registered in some contracting state except to the extent it is exempt from registration as provided in Article III (b).

If the administrator of any state determines, based on his method of the operation thereof, that the inclusion of a bus or busses as a part of a fleet would adversely affect the proper fleet fee which should be paid to his state, having due regard for fairness and equity, he may refuse to permit any or all of such busses to be included in his state as a part of such fleet.

(b) Total Fleet Miles. Total fleet miles, with respect to each contracting state, shall mean the total miles operated by the fleet (1) in such state, (2) in all other contracting states, (3) in other states having proportional registration provisions, (4) in states with which such contracting state has reciprocity, and (5) in such other states as the administrator determines should be included under the circumstances in order to protect or promote the interest of his state; except that in states having laws requiring proration on the basis of a different determination of total fleet miles, total fleet miles shall be determined on such basis.

(c) Leased Vehicles. If a bus is operated by a person other than the owner as a part of a fleet which is subject to the provisions of this article, then the operator of such fleet shall be deemed to be the owner of said bus for the purposes of this article.

(d) Extent of Privileges. Upon the registration of a fleet in a contracting state pursuant to this article, each bus in the fleet may be operated in both interstate and intrastate operations in such state except as provided in Article III (e).

(e) Application for Proration. The application for proration of registration shall be made in each contracting state upon substantially the application forms and supplements authorized by joint action of the administrators of the contracting states.

(f) Issuance of Identification. Upon registration of a fleet, the state which is the base state of a particular bus of the fleet, shall issue the required license plates and registration card for such bus and each contracting state in which the fleet of which such bus is a part,

operates, shall issue a special identification identifying such bus as a part of a fleet which has fully complied with the registration requirements of such state. The required license plates, registration cards and identification shall be appropriately displayed in the manner required by or pursuant to the laws of each respective state.

(g) Additions to Fleet. If any bus is added to a prorated fleet after the filing of the original application, the owner shall file a supplemental application. The owner shall register such bus in each contracting state in like manner as provided for busses listed in an original application and the registration fee payable shall be determined on the mileage proportion used to determine the registration fees payable for busses registered under the original application.

(h) Withdrawals from Fleet. If any bus is withdrawn from a prorated fleet during the period for which it is registered or identified, the owner shall notify the administrator of each state in which it is registered or identified, of such withdrawal and shall return the plates, and registration card or identification as may be required by or pursuant to the laws of the respective states.

(i) Audits. The administrator of each contracting state shall, within the statutory authority of such administrator, make any information obtained upon an audit of records of any applicant for proration of registration available to the administrators of the other contracting states.

(j) Errors in Registration. If it is determined by the administrator of a contracting state, as a result of such audits or otherwise, that an improper fee has been paid his state, or errors in registration found, the administrator may require the fleet owner to make the necessary corrections in the registration of his fleet and payment of fees.

ARTICLE V. Reciprocity.

(a) Grant of Reciprocity. Each of the contracting states grants reciprocity as provided in this article.

(b) Applicability. The provisions of this agreement with respect to reciprocity shall apply only to a bus properly registered in the base state of the bus, which state must be a contracting state.

(c) Non-applicability to Fleet Busses. The reciprocity granted pursuant to this article shall not apply to a bus which is entitled to be registered or identified as part of a prorated fleet.

(d) Extent of Reciprocity. The reciprocity granted pursuant to this article shall permit the interstate operation of a bus and intrastate operation which is incidental to a trip of such bus involving interstate operation.

(e) Other Agreements. Nothing in this agreement shall be construed to prohibit any of the contracting states from entering into separate agreements with each other for the granting of temporary permits for the intrastate operation of vehicles registered in the other state; nor to prevent any of the contracting states from entering into agreements to grant reciprocity for intrastate operation within any zone or zones agreed upon by the states.

ARTICLE VI. Withdrawal or Revocation.

Any contracting state may withdraw from this agreement upon thirty days written notice to each other contracting state, which notice shall be given only after the repeal of this agreement by the legislature of such state, if adoption was by legislative act, or after renunciation by the appropriate administrative official of such contracting state if the laws thereof empower him so to renounce.

ARTICLE VII. Construction and Severability.

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating herein, the compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the state affected as to all severable matters.