

International Registration Plan, Inc.

2025 OFFICIAL AMENDMENT TO THE INTERNATIONAL REGISTRATION PLAN

Ballot Number: 462 – Established Place of Business

Ballot Date: April 17, 2025

Ballot Expiration Date: May 19, 2025

Amendment Effective Date, If Approved: July 1, 2026

Sponsor(s): Indiana, Kansas, Montana, Nebraska, Wyoming

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✓ Sponsor's(s') IRP voting member notified

SECTIONS TO BE AMENDED

International Registration Plan:
Article II, Definitions – Established Place of Business
Article III, Section 305 – Selection of Base Jurisdiction

SUMMARY

Determining what constitutes an "established place of business" is often subjective and seems to vary from jurisdiction to jurisdiction. This can lead to confusion, non-compliance findings and disputes.

A working group was established by the board of directors to evaluate issues regarding established place of business. Several meetings, breakout sessions have been held and a survey was distributed to the membership. Based on the feedback received, the working group identified several areas of the Plan that should be updated to reflect current operations. These updates are reflected in the following amendments.

The Established Place of business definition is being moved from the Definitions section and is being incorporated into section 305. The provisions regarding trucking-related business and

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shared offices have been added for clarification. Amendments to the Established Place of Business definition are highlighted in red to identify the additional language.

Concerns provided during the open meeting held on March 27, 2025, regarding shared office space and posted business hours have been addressed in the ballot.

AMENDMENT

~~ESTABLISHED PLACE OF BUSINESS~~

~~“Established Place of Business” means a physical structure located within the Base Jurisdiction that is owned or leased by the Applicant or Registrant and whose street address shall be specified by the Applicant or Registrant. This physical structure shall be open for business and shall be staffed during regular business hours by one or more persons employed by the Applicant or Registrant on a permanent basis (i.e., not an independent contractor) for the purpose of the general management of the Applicant’s or Registrant’s trucking-related business (i.e., not limited to credentialing, distance and fuel reporting, and answering telephone inquiries). The Applicant or Registrant need not have land line telephone service at the physical structure. Records concerning the Fleet shall be maintained at this physical structure (unless such records are to be made available in accordance with the provisions of Section 1035). The Base Jurisdiction may accept information it deems pertinent to verify that an Applicant or Registrant has an Established Place of Business within the Base Jurisdiction.~~

Historical Notes

Adopted: Ballot FT-333, effective July 1, 2008. Amended: Ballot 2011.371 IRP Audit Rewrite, effective July 1, 2013.

Related Provisions, 2006 Plan: Section 218.

Related DRC Action, 2006 Plan: Dispute Resolution Committee Decision 1997.21, November 16, 1997; Dispute Resolution Committee Decision 1999.4, November 13, 1998.

305 SELECTION OF BASE JURISDICTION

- (a) An Applicant may elect as its Base Jurisdiction any Member Jurisdiction (i) where the Applicant has an Established Place of Business, (ii) where the Fleet the Applicant seeks to register under the Plan accrues distance, and (iii) where Records of the Fleet are maintained or can be made available.
- (b) “Established Place of Business” means a physical structure located within the Base Jurisdiction that is owned or leased, **such lease agreements shall be for no less than 12 months** by the Applicant or Registrant and whose street address shall be specified by the Applicant or Registrant. **The physical structure shall have clear company signage and hours of operation posted, be** ~~This physical structure shall be open for business and shall be staffed~~ **a minimum of 20 hours per week** ~~during regular business hours by one or more persons employed by the Applicant or Registrant on a permanent basis (i.e., not an independent contractor) for the purpose of the general management of the Applicant’s or Registrant’s trucking-related business (i.e., not limited to credentialing, distance and fuel reporting, and~~

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answering telephone inquiries). Trucking-related business encompasses a wide range of activities related to the transportation of goods by trucks. These operations involve several key components, such as:

- (i) Logistics Planning
- (ii) Fleet Management
- (iii) Driver Management
- (iv) Load Handling
- (v) Regulatory Compliance
- (vi) Customer Service
- (vii) Technology Integration

~~The Applicant or Registrant need not have land line telephone service at the physical structure.~~

For the purposes of the IRP Established Place of Business requirements, virtual and/or shared office spaces shall not qualify. Shared or virtual offices:

Shared or virtual offices are spaces where multiple businesses or individuals share common facilities and resource, such as office space, meeting rooms, and administrative services shall not be used to qualify for an Established Place of Business under the IRP.

Records concerning the Fleet shall be maintained at this physical structure (unless such records are to be made available in accordance with the provisions of Section 1035). The Base Jurisdiction may accept information it deems pertinent to verify that an Applicant or Registrant has an Established Place of Business within the Base Jurisdiction.

~~(b)(c) An~~ If an Applicant that does not have an Established Place of Business in any Jurisdiction the Applicant may designate as a Base Jurisdiction any Member Jurisdiction (i) where the Applicant can demonstrate Residence, (ii) where the Fleet the Applicant seeks to register under the Plan accrues distance, and (iii) where Records of the Fleet are maintained or can be made available.

~~(e)(d)~~ To establish Residence in a Member Jurisdiction, an Applicant must provide a resident driver's license or non-driver jurisdiction issued identification and demonstrate to the satisfaction of the Member Jurisdiction at least ~~three~~ two of the following that reflect the declared address:

- ~~(i) if the Applicant is an individual, that his or her driver's license is issued by that Jurisdiction,~~
- ~~(ii) if the Applicant is a corporation, that it is incorporated or registered to conduct business as a foreign corporation in that Jurisdiction,~~
- ~~(iii)(i)~~ if the Applicant is a corporation, that and the principal owner is a resident of that Jurisdiction,
- ~~(iv)(ii)~~ that the Applicant's federal income tax returns have been filed from an the physical address in that Jurisdiction,
- ~~(v)(iii)~~ that the Applicant has paid personal income taxes to that Jurisdiction,
- ~~(vi)(iv)~~ that the Applicant has paid real estate or personal property taxes to that Jurisdiction,
- ~~(vii)(v)~~ that the Applicant receives utility bills in that Jurisdiction in its name,
- ~~(viii)(vi)~~ that the Applicant has a Vehicle titled or currently registered in that Jurisdiction in its name, or
- ~~(ix)(vii)~~ that other factors clearly evidence the Applicant's legal Residence in that Jurisdiction.

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Official Commentary

If more than one Member Jurisdiction could qualify as a Base Jurisdiction for an Applicant, the Applicant may choose which ~~of them it will~~ Jurisdiction to apply to for apportioned registration under the Plan. This process serves to preserve the necessary but limited flexibility in the choice of a Base Jurisdiction.

It is not the intent of this section to permit a Registrant to manipulate the selection of a Base Jurisdiction in order to avoid the payment of Apportionable Fees on the basis of 100 percent of the distance traveled by its Fleet.

This Section provides a three-part test under subsection (a) for the determination of Base Jurisdiction. All three parts must be met in order for a Member Jurisdiction to qualify as a Base Jurisdiction.

With respect to signage requirements, hours of operation do not have to be posted on the sign as long as they are posted in other manners such as on their website and other public access points.

The Plan offers Residence as an alternative criterion to Established Place of Business only for those Applicants who cannot demonstrate that they meet the Established Place of Business requirement.

Shared Office: A shared office space is a working environment where multiple businesses or individuals rent desks, offices, or workstations within the same space to share resources such as office furniture, internet, utilities, meeting rooms, and even administrative services like reception or mail handling. In such cases the registrant is not actually located at this address other than to meet requirements for a physical address.

Cases where the same owner owns multiple registrants/businesses, and operates each of them from the same location would not be considered Shared Offices for the purposes of Established Place of Business as long as other requirements are met (ie, signage, etc.)

Virtual Office: A virtual office is a service that provides businesses with a professional address, communication services, and other office-related amenities, without the need for a physical office space. In such cases the registrant is not actually located at this address other than to meet requirements for a physical address under Established Place of Business.

With respect to the accrual by a Fleet of distance in the Base Jurisdiction, the requirement is to be applied only to the Fleet as a whole; each individual Vehicle of a Fleet need not enter the Base Jurisdiction.

Historical Notes

Adopted: Ballot FT-333, effective July 1, 2008. Amended: Ballot 2011.371 IRP Audit Rewrite, effective July 1, 2013. Related DRC Action, 2020 Plan: Dispute Resolution Committee Decision 2021.01, April 7-8, 2021.