

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number _____
Bill Version HB064A (STA)
() Publish Date _____

Identifier (file name) HB064-STA-DOA-DMV-02-04-11 Dept. Affected Administration
Title Permanent non-commercial vehicle registration Appropriation Motor Vehicles
Allocation Motor Vehicles
Sponsor Rep(s) STOLTZE, KELLER, Costello
Requester H (STA) OMB Component Number 2348

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Personal Services							
Travel							
Services		57.2					
Commodities							
Capital Outlay							
Grants							
Miscellaneous							
TOTAL OPERATING	0.0	57.2	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES							
-----------------------------	--	--	--	--	--	--	--

CHANGE IN REVENUES		256.0	300.0	(19,644.2)	(23,191.6)	(23,197.2)	(26,745.5)
---------------------------	--	-------	-------	------------	------------	------------	------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF		57.2					
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other (please identify)							
TOTAL	0.0	57.2	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2011) cost 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

Why this fiscal note differs from previous version (if initial version, please note as such)

Not applicable, initial version

Prepared by Whitney Brewster
Division Motor Vehicles
Approved by John Cramer
Department of Administration

Phone 907-269-5574
Date/Time 2/5/11 10:00 AM
Date 2/15/2011

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. HB 64

Analysis

Expenditures

The database for Division of Motor Vehicles (DMV) will need reprogramming to allow for permanent registration on non-commercial vehicles.

Estimated hours: 400

Cost per hour: \$143

Total programming cost: $400 \times \$143 = \$57,200$.

Revenues

Assumptions:

The biennial registration fee established in AS 28.10.421 is \$100 for 96% of the vehicles eligible for permanent registration. Since the permanent registration fee is the lesser of 5 times the \$100 (\$500) fee or \$100 dollars, the registration fee would be \$100, whether renewing for two years or permanently. The other 4% of registrations are for motorcycles with a \$68 biennial registration. Although the \$100 permanent registration fee is greater than the \$68 biennial fee, assumption is that 90% will opt for permanent registration.

The maximum additional Motor Vehicle Registration Tax (MVRT) would be \$68 ($\$17 \text{ MVRT} \times 5 = \85 less $\$17 = \68). The registration fees that would have been paid at the next renewal would offset the \$68 one-time increase in MVRT.

The only benefit to retaining biennial registration would be for those who intend to sell their vehicle or move out of state within two years; consequently, the assumption is that 90% of owners will elect for permanent registration.

Approximately 40,000 vehicles become eligible each year.

	2012	2013	2014	2015	2016	2017
2012: 221.6 eligible for perm reg						
199.4 opt perm reg ($221.6 \times 90\%$)						
Loss in biennial fees						
($199.4 \times \$100 \times 96\%$)			-19146.2		-19146.2	
8.0 motorcycle owners opt for						
perm reg ($199.4 \times 4\%$)						
Fee increase ($(8.0 \times \$100) - (8.0 \times \$68)$)	256.0					
Loss in biennial fees ($8.0 \times \$68$)			-544.0		-544.0	
2013: 261.6 eligible for perm reg,						
including 40.0 newly eligible						
235.4 opt for perm reg ($261.6 \times 90\%$)						
Loss in biennial fees ($235.4 \times \$100 \times 96\%$)			-22598.4			-22598.4
9.4 motorcycle owners opt for						
permanent reg ($235.4 \times 4\%$)						
Fee increase ($(9.4 \times \$100) - (9.4 \times \$68)$)	300.0					
Loss in biennial fees ($9.4 \times \$68$)			-639.2			-639.2
2014: 40 newly eligible for perm reg						
36.0 opt for perm reg ($40.0 \times 90\%$)						
Loss in biennial fees ($36.0 \times \$100 \times 96\%$)					-3456.0	
1.4 opt opt perm reg for vehicles						
with \$68 reg ($36.0 \times 4\%$)						
Fee Increase ($(36.0 \times \$100) - (36.0 \times \$68)$)			46.0			
Loss in biennial fees ($1.4 \times \$68$)					-97.9	

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. HB 64

Analysis Continued

	2012	2013	2014	2015	2016	2017
2015: 40 newly eligible for perm reg						
36.0 opt for perm reg (40.0x90%)						
Loss in biennial fees (36.0x\$100x96%)						-3456.0
1.4 motorcycle owners opt for perm reg (36.0x4%)						
Fee Increase ((36.0x\$100)-(36.0x\$68)				46.0		
Loss in biennial fees (1.4x\$68)						-97.9
2016: 40 newly eligible for perm reg						
36.0 opt for perm reg (40.0x90%)						
1.4 motorcycle owners opt for perm reg (36.0x4%)						
Fee Increase ((36.0x\$100)-(36.0x\$68)					46.0	
2017: 40 newly eligible for perm reg						
36.0 opt for perm reg (40.0x90%)						
1.4 motorcycle owners opt for perm reg (36.0x4%)						
Fee Increase ((36.0x\$100)-(36.0x\$68)						46.0
TOTAL CHANGE IN REVENUES	256.0	300.0	-19644.2	-23191.6	-23197.2	-26745.5

The DMV collects Motor Vehicle Registration Tax (MVRT) for 16 communities: Anchorage, Bethel, Bristol Bay Borough, Cordova, Dillingham, Juneau, Kenai Peninsula Borough, Ketchikan Gateway Borough, Kodiak Island Borough, Matanuska Susitna Borough, Nenana, Nome, Petersburg, Sitka, Unalaska, and Whittier.

Eight percent of the MVRT collected is retained by the state as collection costs. Although the increase or decrease in revenues from the collection costs are indeterminate, the revenues will change proportionately with the registration fees.