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February 22, 2011

Representative Peggy Wilson  
House Transportation Committee  
Juneau, Alaska 99811

RE: HB64: An Act relating to Permanent Motor Vehicle Registration and providing for an Effective Date.

Dear Representative Wilson,

The Alaska Municipal League would like to go on record as opposing HB64. While the intent of the bill may be a positive one, the implementation will negatively affect both the State and the municipalities of the State of Alaska that currently realize a tax revenue from vehicle registration fees.

The main purpose stated in the Sponsor Statement is to make the "DMV re-registration process more user-friendly to the owners of qualifying vehicles and lighten the work load for DMV employees."

This fee of \$100 (or 5 times the regular registration fee, whichever is less) MAY realize increased revenues during the first year of implementation. However, each year after that, the State of Alaska and the participating municipalities will see revenue losses. It seems amazing to us that legislation would be introduced that would purposely decrease revenue to the State to improve a more "user-friendly process." To stand in line every two years or send in re-registration papers by mail is hardly one of those things that come up on most people's list of "things-most-dreaded." However, to continue to erode the tax base of municipalities, resulting in decreases in basic services, can negatively impact health and safety. This legislation affects approximately 63% of the cars currently on Alaska's roads. It is nearly impossible, however, to estimate the decrease, as each municipality does not necessarily have records that can easily be compiled.

One of the suggestions from the sponsor of the bill is that municipalities could bill for annual taxes. This would add an entirely new database and increased employees to municipal offices.

As supporters of HB 30 and SB37, we also feel that this loss of revenue to the State will severely impact the ability of the proposed Transportation Infrastructure Fund, as registration fees will be used as a potential funding source.

Again, we would request that HB64 not move beyond this committee due to the decreased revenues that will be realized by the State of Alaska and 16 of Alaska's largest communities.

Sincerely,

A handwritten signature in black ink that reads "Kathie Wasserman". The signature is written in a cursive style with a large, stylized initial "K".

Kathie Wasserman  
Executive Director