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February 13, 2013

The Honorable Peggy Wilson
House of Representatives
Alaska State Capitol Room 409
Juneau, Alaska 99801-1182

Re: HB 19 Permanent Motor Vehicle Registration/Trailers

Dear Representative Wilson:

AML has now received the updated data from the Division of Motor Vehicles on the 16 cities and boroughs which levy MVRTs.

Based on this information, AML must, unfortunately and regrettably, register its concern with HB 19, especially Section 9, and the potential impacts.

Attached is a spread sheet showing the financial impacts on all cities and boroughs. (Anchorage as an example could lose \$5.7M starting in 2016 with growing annual losses thereafter) All 16 cities and boroughs could experience losses depending on the size of the community and the MVRT rate.

While the legislation might allow for local levy and collection of amounts in excess of \$100, it would require a local duplicative collection program. The current DMV collection and refund mechanism is cost effective and efficient.

Many communities use the MVRT revenues to fund important local programs such as junk car removal, street maintenance and repair and grants to cities within the borough for similar services. Loss of these funds or increased costs of levying and collecting them will diminish important and popular local government services and programs.

We have shared the info with AML membership who will decide individually what position to take on the legislation in light of locally funded programs and priorities.

Please note that Section 9 was added to HB 64 last year in House Finance so this is a new section from the earlier version passed out of House Transportation last year.

The effective date is also an issue. We would suggest delaying the effective date so as to allow municipalities sufficient time to comply with AS 28.10.431 which requires a one year notice to DMV to implement new rates.

Sincerely,

Kathie Wasserman
Executive Director