

ATTACHED IS THE CSHB 19 (TRA) FISCAL NOTE THAT HAS BEEN
UPDATED TO FY2015

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 19
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB019CS(TRA)-DOA-DMV-01-21-14
Title: PERM. MOT. VEH. REGISTRATION/TRAILERS
Sponsor: STOLTZE, KELLER
Requester: House Rules

Department: Department of Administration
Appropriation: Motor Vehicles
Allocation: Motor Vehicles
OMB Component Number: 2348

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services							
Travel							
Services	100.1						
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	100.1	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1005 GF/Prgm	100.1						
Total	100.1	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues	5,346.0		5,982.0	(17,836.0)	(20,128.0)	(22,420.0)	(22,420.0)
---------------------------	---------	--	---------	------------	------------	------------	------------

Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes
If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/15

Why this fiscal note differs from previous version:

Updated for 2nd session to accurately reflect FY2015 and out year costs.
--

Prepared By: Amy Erickson, Director

Division: Motor Vehicles

Approved By: Yurtis Thayer, Acting Commissioner

Agency: Department of Administration

Phone: (907)269-5559

Date: 09/19/2013 08:34 AM

Date: 01/10/14

**APPROVED BY
CONFERENCE
COMMITTEE**

Printed 1/29/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB 19(TRA)

Analysis

The effective date for this bill is January 1, 2015.

This bill allows for permanent registration of non-commercial vehicles that are at least eight years old, allows for permanent registration of all non-commercial trailers, establishes a one-time \$25 permanent registration fee, and allows municipalities to establish one-time Motor Vehicle Registration Tax (MVRT) rates for permanent registrations.

Expenditures

The database for DMV will need programming to allow for permanent registration of non-commercial trailers, and permanent registration of non-commercial vehicles eight years and older.

Estimated contract hours: 700

Cost per hour: \$143

Total programming cost: $700 \times \$143 = \$100,100$.

Revenues

Motor Vehicle Registration Tax (MVRT): The DMV currently collects 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.

Eighty-four percent (84%) of all vehicles and 77% of all trailers reside in a community that collects MVRT, and on average, 72% of vehicles are eligible for permanent registration. Eight percent (8%) of the MVRT collected is retained by the state as collection costs; historically, the collection costs have been approximately \$1 million annually. Eliminating biennial MVRT for approximately 533,000 vehicles and trailers will reduce the collection costs. The net effect on the general fund is indeterminate.

Assumptions:

1) Non-commercial vehicles at least 8 years old - 478,400 vehicles will be eligible for permanent registration in 2015 (based on registered vehicles thru December 2012). Half (239,200) will renew in 2015, and half will renew in 2016. Approximately 30,300 vehicles will become eligible each year. This is an average of the number of currently registered vehicles with model years 2002-2012.

2) Non-commercial trailers - 115,500 trailers will be eligible for permanent registration in 2015 (based on registered vehicles thru December 2012). Half (57,750) will renew in 2015, and half will renew in 2016. Approximately 5,000 new trailers are registered each year. This is an average of the number of currently registered trailers with model years 2002-2012.

3) DMV estimates that 90% of owners will elect for permanent registration on vehicles and non-commercial trailers. The additional \$25 for permanent registration is low enough to make that option attractive for all except those who know they will be moving out of state replacing the vehicle/trailer within the following two years.

4) DMV experience shows that registrations are never renewed on approximately 20% of older vehicles.

Performance Measures

The DMV expects this bill will have very little impact on its performance measures, since only about 11% of registration renewals are processed at a DMV office.