

# FISCAL NOTE

## STATE OF ALASKA 2011 LEGISLATIVE SESSION

Fiscal Note Number

CSHB010\I

Bill Version

() Publish Date

Identifier (file name) CSHB010-DOA-DMV-03-18-11

Dept. Affected

Administration

Title Non-commercial trailer registration fee

Appropriation

Motor Vehicles

Sponsor Rep. STOLTZE, KELLER

Allocation

Motor Vehicles

Requester House Finance

OMB Component Number

2348

### Expenditures/Revenues

(Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<b>OPERATING EXPENDITURES</b>							
Personal Services							
Travel							
Services					42.9		
Commodities							
Capital Outlay							
Grants							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>42.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### CAPITAL EXPENDITURES

<b>CHANGE IN REVENUES</b>	<b>1005 GF/Prog Rec</b>				<b>1,064.0</b>	<b>1,064.0</b>	<b>(81.0)</b>	<b>(81.0)</b>
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### FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts					42.9		
1037 GF/Mental Health							
Other (please identify)							
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>42.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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)

- 1) An effective date was added to the bill, thus deferring the impact of the bill to later fiscal years.
- 2) The quantity of registered trailers is reduced. DMV discovered that some trailers were counted more than once if multiple transactions were processed on the same record in 2010.
- 3) The math for programming costs has been corrected.

Prepared by

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Division

Motor Vehicles

Approved by

John Cramer, Deputy Commissioner

Department of Administration

Phone 907-269-5574

Date/Time 3/18/11 4:00 PM

Date 3/18/2011

## FISCAL NOTE

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**BILL NO.** CSHB010\I

#### Analysis

##### **Expenditures**

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

Estimated hours: 300

Cost per hour: \$143

Total programming cost:  $300 \times \$143 = \$42,900$ .

##### **Revenues**

Assumptions:

The newer the trailer, the more likely it will last long enough to recover the extra cost of the permanent registration; therefore, the greater the probability that owners will opt for permanent registrations.

Currently registered non-commercial trailers

13,000 currently registered trailers 1-3 years; DMV anticipates half the registrations will expire in 2014 and half in 2015

50% of owners will elect permanent registration on trailers 1-3 years old

82,000 currently registered trailers older than 3 years; DMV anticipates half the registrations will expire in 2014 and half in 2015

20% of owners will elect permanent registration on trailers older than 3 years

New trailers

5,000 new trailers are registered each year

75% of owners will elect permanent registration

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Current: trailers 1-3 yrs old</b>						
3250 opt perm reg ( $13000/2 \times 50\% = 3250$ )						
Perm Fees ( $3250 \times \$100$ )			325.0	325.0		
Loss of Biennial Fees ( $3250 \times \$30$ )			-97.5	-97.5	-97.5	-97.5
<b>Current: trailers older than 3 yrs</b>						
8200 opt perm reg ( $82000/2 \times 20\% = 8200$ )						
Perm Fees ( $8200 \times \$100$ )			820.0	820.0		
Loss of Biennial Fees ( $8200 \times \$30$ )			-246.0	-246.0	-246.0	-246.0
<b>New trailers</b>						
3750 opt perm reg ( $5,000 \times 75\% = 3750$ )						
Perm Fees ( $3750 \times \$100$ )			375.0	375.0	375.0	375.0
Loss of Biennial Fees ( $3750 \times \$30$ )			-112.5	-112.5	-112.5	-112.5
<b>TOTAL CHANGE IN REVENUES</b>	0.0	0.0	1064.0	1064.0	-81.0	-81.0

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. The collection cost revenue will increase by an indeterminate amount in FY14 and FY15, but will decrease an indeterminate amount in all years after FY2015.