

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number _____
Bill Version CSHB010V
() Publish Date _____

Identifier (file name) CSHB010-DOA-DMV-03-18-11
Title Non-commercial trailer registration fee
Dept. Affected Administration
Appropriation Motor Vehicles
Allocation Motor Vehicles
Sponsor Rep. STOLTZE, KELLER
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					
OPERATING EXPENDITURES	FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Personal Services							
Travel							
Services				42.9			
Commodities							
Capital Outlay							
Grants							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	42.9	0.0	0.0	0.0

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES	1005 GF/Prog Rec				1,064.0	1,064.0	(81.0)	(81.0)
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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)							
TOTAL	0.0	0.0	0.0	42.9	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)

- 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.

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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

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BILL NO. CSHB010V

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>
Current: trailers 1-3 yrs old						
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
Current: trailers older than 3 yrs						
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
New trailers						
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
TOTAL CHANGE IN REVENUES	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.