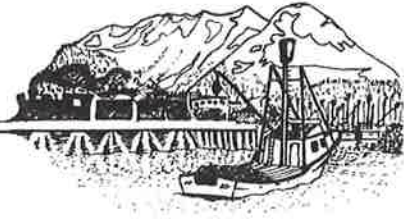


CITY OF CORDOVA



May 2, 2018

The Honorable Anna MacKinnon
Alaska State Senate
Senate Finance Committee
State Capital Building
Juneau, Alaska

Subject: Opposition to HB409, Section 5

Dear Senator MacKinnon:

This letter is to express concern about language in House Bill 409 that increases motor vehicle registration fees for municipal vehicles.

Specifically, page 2, lines 24-28 increase the municipal vehicle registration fee from \$10 to \$100 while leaving charitable organizations with a fee of \$10. This appears to be little less than a revenue measure aimed directly at municipal governments.

Nothing in the sponsor statement of the bill mentions why municipal registration fees are increased. Rather, the sponsor statements speak to "removing registration fee exemptions" for municipalities, which is a false. The current municipal vehicle registration fee is \$10 and is being increased ten-fold.

Our understanding is that the Division of Motor Vehicles runs an annual surplus from vehicle registration fees. Therefore, there does not appear to be any cost recovery or additional service fees in HB409.

The City of Cordova has recently made sacrifices through budget cuts and new revenue measures in order to shore up our budget. We have encouraged the state to address its budget concerns in the same fashion, but we did not plan on having the state reach directly into our coffers to address its deficit.

We appreciate all the hard work and effort by the Legislature this session to work with municipal governments. Hopefully Section 5 in HB409 was an oversight that can be corrected in the Senate by removal from the bill.

Sincerely,


Alan D. Lanning, City Manager
City of Cordova