

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version **HB010**
Fiscal Note Number _____
() Publish Date _____

Identifier (file name) HB010CS(FIN)-DOA-DMV-2-10-12
Title Non-commercial trailer registration fees
Dept. Affected Administration
Appropriation Motor Vehicles
Allocation Motor Vehicles
Sponsor Representatives Stoltze, Keller
Requester House Finance
OMB Component Number 2348

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services							
Travel							
Services			42.9				
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	42.9	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)		42.9				
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		0.0	0.0	42.9	0.0	0.0	0.0

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES			1,051.7	1,051.7	(128.3)	(128.3)	(128.3)
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Estimated SUPPLEMENTAL (FY12) operating costs _____ (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Updated the change in revenues due to updated trailer counts.

Prepared by Whitney Brewster, Director
Division Division of Motor Vehicles
Approved by John Cramer, Deputy Commission
Department of Administration

Phone 907-269-5559
Date/Time 2/10/12 4:15 PM
Date 2/10/2012

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Analysis

The effective date of this bill is January 1, 2014.

Expenditures

The database for Division of Motor Vehicles (DMV) will need programming to allow for permanent registration of 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 the trailer will last long enough to recover the extra cost of the permanent registration; therefore, the greater the probability the owner will opt for permanent registration.

Currently registered non-commercial trailers

12,000 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

88,000 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

4,300 new trailers are registered each year. This is an average of the number of currently registered trailers with model years 2007-2011.

75% of owners will elect permanent registration

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Current: trailers 1-3 yrs old						
3000 opt perm reg ($12000/2 \times 50\% = 3000$)						
Perm Fees (3000 x \$100)		300.0	300.0			
Loss of Biennial Fees (3000 x \$30)		-90.0	-90.0	-90.0	-90.0	-90.0
Current: trailers older than 3 yrs						
8800 opt perm reg ($88000/2 \times 20\% = 8800$)						
Perm Fees (8800 x \$100)		880.0	880.0			
Loss of Biennial Fees (8800 x \$30)		-264.0	-264.0	-264.0	-264.0	-264.0
New trailers						
3225 opt perm reg ($4300 \times 75\% = 3225$)						
Perm Fees (3225 x \$100)		322.5	322.5	322.5	322.5	322.5
Loss of Biennial Fees (3225 x \$30)		-96.8	-96.8	-96.8	-96.8	-96.8
TOTAL CHANGE IN REVENUES	0.0	1051.7	1051.7	-128.3	-128.3	-128.3

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.