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February 13, 2013

The Honorable Peggy Wilson  
House of Representatives  
Alaska State Capitol Room 409  
Juneau, Alaska 99801-1182

Re: HB 19 Permanent Motor Vehicle Registration/Trailers

Dear Representative Wilson:

AML has now received the updated data from the Division of Motor Vehicles on the 16 cities and boroughs which levy MVRTs.

Based on this information, AML must, unfortunately and regrettably, register its concern with HB 19, especially Section 9, and the potential impacts.

Attached is a spread sheet showing the financial impacts on all cities and boroughs. (Anchorage as an example could lose \$5.7M starting in 2016 with growing annual losses thereafter) All 16 cities and boroughs could experience losses depending on the size of the community and the MVRT rate.

While the legislation might allow for local levy and collection of amounts in excess of \$100, it would require a local duplicative collection program. The current DMV collection and refund mechanism is cost effective and efficient.

Many communities use the MVRT revenues to fund important local programs such as junk car removal, street maintenance and repair and grants to cities within the borough for similar services. Loss of these funds or increased costs of levying and collecting them will diminish important and popular local government services and programs.

We have shared the info with AML membership who will decide individually what position to take on the legislation in light of locally funded programs and priorities.

Please note that Section 9 was added to HB 64 last year in House Finance so this is a new section from the earlier version passed out of House Transportation last year.

The effective date is also an issue. We would suggest delaying the effective date so as to allow municipalities sufficient time to comply with AS 28.10.431 which requires a one year notice to DMV to implement new rates.

Sincerely,

Kathie Wasserman  
Executive Director

# MVRT Collections by Community (HB19 Scenario)

Projected MVRT for vehicles 8 model years or older

<b>Community</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Anchorage	\$5,987,310	\$6,818,910	(\$5,155,710)	(\$5,987,310)	(\$5,987,310)	(\$6,818,910)
Bethel	\$21,960	\$23,400	(\$20,520)	(\$21,960)	(\$21,960)	(\$23,400)
Bristol Bay	\$527,940	\$54,880	(\$525,840)	(\$52,780)	(\$527,940)	(\$54,880)
Cordova	\$17,296	\$18,336	(\$16,272)	(\$17,312)	(\$17,296)	(\$18,336)
Dillingham	\$12,592	\$13,312	(\$11,872)	(\$12,592)	(\$12,592)	(\$13,312)
Juneau	\$406,428	\$449,988	(\$362,868)	(\$406,428)	(\$406,428)	(\$449,988)
Kenai	\$754,440	\$813,870	(\$695,040)	(\$754,470)	(\$754,440)	(\$813,870)
Ketchikan	\$75,402	\$81,882	(\$68,922)	(\$75,402)	(\$75,402)	(\$81,882)
Kodiak	\$120,690	\$132,840	(\$108,540)	(\$120,690)	(\$120,690)	(\$132,840)
Mat-Su	\$2,643,480	\$2,889,180	(\$2,397,780)	(2,643,480)	(\$2,643,480)	(\$2,889,180)
Nenana	\$6,000	\$6,400	(\$5,616)	(\$6,016)	(\$6,000)	(\$6,400)
Nome	\$11,856	\$12,768	(\$10,944)	(\$11,856)	(\$11,856)	(\$12,768)
Petersburg	\$18,096	\$19,232	(\$16,976)	(\$18,112)	(\$18,096)	(\$19,232)
Sitka	\$41,824	\$44,720	(\$38,928)	(\$41,824)	(\$41,824)	(\$44,720)
Unalaska	\$93,728	\$97,788	(\$89,668)	(\$93,728)	(\$93,728)	(\$97,788)
Whittier	\$2,352	\$2,496	(\$2,224)	(\$2,368)	(\$2,352)	(\$2,496)

\*Based on DMV Estimates

\*Projections reflect MVRT collections for vehicles 8 model years and older and do not reflect the 8% fee retained by DMV.

\*Other Assumptions:

Assume 90% of vehicles owners will choose permanent registration.

Vehicle counts are divided evenly between the 1st year and 2nd year they become eligible for permanent registration, because vehicles are registered on a biennial basis.

DMV history suggests that 20% of vehicles in the 8th year will not register in the 10th year; 20% of vehicles in the 10th year will not register in the 12th year.

Assume all communities adopt the maximum MVRT for permanent registration beginning in 2015.

Non-commercial trailers not included

**Prepared by Alaska Municipal League**