

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: SB 45
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB045-DOA-DMV-2-23-13
Title: FEE/TAX EXEMPTION FOR CERTAIN VEHICLES
Sponsor: MCGUIRE
Requester: Senate State Affairs

Department: Department of Administration
Appropriation: Motor Vehicles
Allocation: Motor Vehicles
OMB Component Number: 2348

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2014 Request	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES	FY 2014	FY 2014					
Personal Services							
Travel							
Services	110.8		25.0	25.0	25.0	25.0	25.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	110.8	0.0	25.0	25.0	25.0	25.0	25.0

Fund Source (Operating Only)

1005 GF/Prgm	110.8		25.0	25.0	25.0	25.0	25.0
Total	110.8	0.0	25.0	25.0	25.0	25.0	25.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues	***		***	***	***	***	***
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes
If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/14

Why this fiscal note differs from previous version:

Not applicable, initial version.

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Division	Motor Vehicles	Date:	02/22/2013 04:27 PM
Approved By:	Curtis Thayer, Deputy Commissioner	Date:	02/22/13
	Department of Administration		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. SB045

Analysis

This bill allows for a reduced annual or biennial registration fee on qualified alternative fuel vehicles.

Expenditures: The database for the Division of Motor Vehicles (DMV) does not currently distinguish fuel types for vehicles, so DMV will need to purchase VIN decoding software to allow us to verify whether a vehicle is an alternate fuel variant. Programming will need to be done to integrate the software and modify DMV's database.

Estimated programming hours: 250

Cost per hour: \$143

Total programming cost: $250 \times 143 = \$35,750$

Estimated VIN decoding software:

Initial cost: \$75,000

Annual subscription/update cost: \$25,000

Revenues: Since DMV has not captured vehicles by fuel type, the impact on revenues cannot be accurately determined at this time. The initial reduction in revenues should be small, but as alternatively-fueled vehicles gain popularity, there will be a proportionate decrease in revenues.

As reference, there are currently 2,301 strictly hybrid vehicles registered in Alaska that can be identified by model name; of those, 339 are model year 2012 or newer. These quantities, however, do not encompass the total number of hybrids on Alaska's roads, since there are numerous models with both hybrid and non-hybrid versions; e.g., Ford Fusion and Toyota Highlander.

Performance Measures: DMV does not expect this bill to have any impact on its performance measures.

Economic Impact: This bill may possibly spur the sale of vehicles powered by alternative fuels.