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Nauman  
2/18/20

**CS FOR SENATE BILL NO. 115(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - SECOND SESSION

**BY THE SENATE FINANCE COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): SENATOR BISHOP**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to vehicle registration fees; relating to the motor fuel tax; and**  
2 **providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **\* Section 1.** AS 28.10.421 is amended by adding a new subsection to read:

5 (k) In addition to the other fees imposed under this section, the owner of an  
6 electric vehicle shall pay a special biennial registration fee of \$100, and the owner of a  
7 plug-in hybrid vehicle shall pay a special biennial registration fee of \$50. Fees  
8 collected under this subsection shall be deposited in the special highway fuel tax  
9 account described in AS 43.40.010(g). In this subsection,

10 (1) "electric vehicle" means a vehicle that is

11 (A) powered solely by an electric motor drawing current from  
12 rechargeable batteries, fuel cells, or other portable sources of electrical current;  
13 and

14 (B) manufactured primarily for use on public streets, roads, and

1 highways;

2 (2) "plug-in hybrid vehicle" means a vehicle that is

3 (A) capable of using gasoline, diesel fuel, or alternative fuel,  
4 and is powered in part by electrical energy using a battery storage system  
5 capable of being recharged from an external source of electricity; and

6 (B) manufactured primarily for use on public streets, roads, and  
7 highways.

8 \* **Sec. 2.** AS 28.35.155(a) is amended to read:

9 (a) It is unlawful to operate a motor vehicle with studded tires or tires with  
10 chains attached on a paved highway or road from May 1 through September 15,  
11 inclusive, north of 60 North Latitude and from April 15 through September 30,  
12 inclusive, south of 60 North Latitude, except that at any latitude on a paved portion of  
13 the Sterling Highway a person may not operate a motor vehicle with studded tires or  
14 tires with chains attached from May 1 through September 15, inclusive. The  
15 commissioner of public safety shall by emergency order provide for additional lawful  
16 operating periods based on unusual seasonal or weather conditions. An emergency  
17 order adopted under this section is not subject to AS 44.62 (Administrative Procedure  
18 Act). Upon application, a special individual traction permit may be issued by the  
19 Department of Administration allowing the operation of a motor vehicle with studded  
20 tires or chains at any time at the discretion of the vehicle owner. The fee for the  
21 special individual permit is one-third of the biennial registration fee applicable to that  
22 class of vehicle under AS 28.10.421(b), (c), or (h) [AS 28.10.421]. The department  
23 may provide an appropriate sticker or other device identifying the vehicle to which the  
24 permit applies.

25 \* **Sec. 3.** AS 43.40.010(a) is amended to read:

26 (a) In addition to the surcharge levied under AS 43.40.005, there is levied a  
27 tax of 16 [EIGHT] cents a gallon on all motor fuel sold or otherwise transferred within  
28 the state, except that

29 (1) the tax on aviation gasoline is four and seven-tenths cents a gallon;

30 (2) the tax on motor fuel used in and on watercraft of all descriptions is

31 10 [FIVE] cents a gallon;

1 (3) the tax on all aviation fuel other than gasoline is three and two-  
2 tenths cents a gallon; and

3 (4) the tax rate on motor fuel that is blended with alcohol is the same  
4 tax rate a gallon as other motor fuel; however, in an area and during the months in  
5 which fuel containing alcohol is required to be sold, transferred, or used in an effort to  
6 attain air quality standards for carbon monoxide as required by federal or state law or  
7 regulation, the tax rate on motor fuel that is blended with alcohol is six cents a gallon  
8 less than the tax on other motor fuel not described in (1) - (3) of this subsection.

9 \* **Sec. 4.** AS 43.40.010(b) is amended to read:

10 (b) In addition to the surcharge levied under AS 43.40.005, there is levied a  
11 tax of 16 [EIGHT] cents a gallon on all motor fuel consumed by a user, except that

12 (1) the tax on aviation gasoline consumed is four and seven-tenths  
13 cents a gallon;

14 (2) the tax on motor fuel used in and on watercraft of all descriptions is  
15 10 [FIVE] cents a gallon;

16 (3) the tax on all aviation fuel other than gasoline is three and two-  
17 tenths cents a gallon; and

18 (4) the tax rate on motor fuel that is blended with alcohol is the same  
19 tax rate a gallon as other motor fuel; however, in an area and during the months in  
20 which fuel containing alcohol is required to be sold, transferred, or used in an effort to  
21 attain air quality standards for carbon monoxide as required by federal or state law or  
22 regulation, the tax rate on motor fuel that is blended with alcohol is six cents a gallon  
23 less than the tax on other motor fuel not described in (1) - (3) of this subsection.

24 \* **Sec. 5.** AS 43.40.030(a) is amended to read:

25 (a) Except as specified in AS 43.40.010(j), a person who uses motor fuel to  
26 operate an internal combustion engine is entitled to a motor fuel tax refund of 12 [SIX]  
27 cents a gallon if

28 (1) the tax on the motor fuel has been paid;

29 (2) the motor fuel is not aviation fuel, or motor fuel used in or on  
30 watercraft; and

31 (3) the internal combustion engine is not used in or in conjunction with

1 a motor vehicle licensed to be operated on public ways.

2 \* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to  
3 read:

4 TRANSITION: REGULATIONS. The Department of Revenue may adopt regulations  
5 necessary to implement the changes made by this Act. The regulations take effect under  
6 AS 44.62 (Administrative Procedure Act), but not before the effective date of the law  
7 implemented by the regulation.

8 \* **Sec. 7.** Section 6 of this Act takes effect immediately under AS 01.10.070(c).

9 \* **Sec. 8.** Except as provided in sec. 7 of this Act, this Act takes effect July 1, 2020.