

# Fiscal Note

State of Alaska  
2020 Legislative Session

Bill Version:	CSSB 115(FIN)
Fiscal Note Number:	2
(S) Publish Date:	2/26/2020

Identifier: SB115CS(FIN)-DOA-DMV-02-24-20  
Title: MOTOR FUEL TAX  
Sponsor: BISHOP  
Requester: Senate Finance

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)

	FY2021 Appropriation Requested	Included in Governor's FY2021 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2021	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Personal Services							
Travel							
Services	8.4						
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>8.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

1249 Motor Fuel (DGF)	8.4						
<b>Total</b>	<b>8.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

1005 GF/Prgm (DGF)	59.9		51.2	59.9	51.2	59.9	51.2
<b>Total</b>	<b>59.9</b>	<b>0.0</b>	<b>51.2</b>	<b>59.9</b>	<b>51.2</b>	<b>59.9</b>	<b>51.2</b>

**Estimated SUPPLEMENTAL (FY2020) cost:** 0.0 (separate supplemental appropriation required)

**Estimated CAPITAL (FY2021) cost:** 0.0 (separate capital appropriation required)

**Does the bill create or modify a new fund or account?** No  
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

## Why this fiscal note differs from previous version/comments:

This fiscal note reflects the committee substitute which increases registration fees for electric and plug in hybrid vehicles.

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Phone: (907)269-3782  
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Date: 02/24/20

REPORTED OUT OF  
SFC 02/25/2020

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2020 LEGISLATIVE SESSION

## Analysis

This legislation increases the current biennial registration fee on all electric vehicles from \$100 to \$200. The \$100 increase multiplied by an estimated 675 electric vehicles currently operating in Alaska (as of 10/11/2019) creates an estimated \$67,500 in additional biennial revenue. Based on the current expiration dates of the confirmed 675 electric vehicles, assuming owners renew as soon as the current biennial registration expires, expected revenue is:

<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
\$38,100	\$29,400	\$38,100	\$29,400	\$38,100	\$29,400

Additionally, this legislation increases the biennial registration fee on all plug-in hybrid vehicles from the current rate of \$100 to \$150. The Division of Motor Vehicles (DMV) does not currently have a mechanism for tracking plug-in hybrid vehicles but, based on known possible make and model combinations, there are a total of 8,696 unconfirmed, potential plug-in hybrid vehicles currently operating in Alaska. If we assume that 10% of these are in fact plug-in hybrid vehicles, for an estimate of 870, multiplied by the \$50 increase, it would create an estimated \$43,500 in additional biennial revenue. If half of this estimate expire in FY21 and FY22, assuming owners renew as soon as the biennial registration expires, the expected revenue is \$21,750 annually.

DMV would need to make programming changes in their customer management and vehicle processing system, ALVIN. The changes would take an estimated 80 hours to complete at \$105/hour through an existing IT consulting contract, \$8,400 in total.

Lastly, the legislation increases the taxes levied on motor fuel. This increase does not impact the DMV or the Department of Administration.