Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version:	HB 104
Fiscal Note Number:	3
(H) Publish Date:	3/17/2021

Identifier: HB104-DOA-DMV-2-26-21
Title: MOTOR FUEL TAX; VEHICLE REG. FEE
Sponsor: JOSEPHSON
Requester: TRANSPORTATION

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)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY 2022**	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**
Personal Services							
Travel							
Services	8.4						
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	**8.4**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Fund Source (Operating Only)

1005 GF/Prgm (DGF)	8.4						
Total	**8.4**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

1004 Gen Fund (UGF)	44.6		100.7	73.8	100.7	73.8	100.7
Total	**44.6**	**0.0**	**100.7**	**73.8**	**100.7**	**73.8**	**100.7**

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2022) 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If yes, by what date are the regulations to be adopted, amended or repealed?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:

Not applicable, initial version.

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Division:	Motor Vehicles	Date:	02/26/2021 09:30 PM
Approved By:	Leslie Isaacs, Administrative Services Director	Date:	02/26/21
Agency:	Office of Management and Budget		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION

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Analysis

This bill will change AS 28.10.421 by adding a new subsection (k) regarding a special biennial registration fee for electric and plug-in hybrid vehicles. Additionally, it will change AS 28.35.155(a) to specify which types of vehicles are eligible for the special transaction permit authorized by this section. It will also change AS 43.40.010(a) and (b) to increase the tax levied on motor fuel.

This will increase the Division of Motor Vehicles' (DMV) biennial registration fee on all electric vehicles from the current rate of $100 to $200. This $100 increase multiplied by an estimated 1,311 electric vehicles currently registered in Alaska as of creates an estimated $131,100 in additional biennial revenue.

Based on the current expiration dates of the 1,311 confirmed electric vehicles expiring as of January 2022 or later based on the effective date of this legislation, assuming owners renew as soon as the current biennial registration expires, the expected revenue is:

FY2022	**FY2023**	**FY2024**	**FY2025**	**FY2026**	**FY2027**
$22,900	$79,000	$52,100	$79,000	$52,100	$79,000

This will also increase the DMV biennial registration fee on all plug-in hybrid vehicles form the current rate of $100 to $150. The 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 8,673 unconfirmed, potential plug-in hybrid vehicles currently registered in Alaska. If we assume that 10% of these are in fact plug-in hybrid vehicles, for an estimate of 867, multiplied by the $50 increase, it would create an estimated $43,350 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 $21,675 annually.

The special biennial registration fees would be deposited in the special highway fuel tax account.

To implement these changes, DMV would need to make programming changes in its processing system, ALVIN. Those changes would take an estimated 80 hours to complete at $105/hour through an existing IT consulting contract, totaling $8,400.