

1 IN THE SENATE

BY KOSLOSKY AND JOSEPHSON

2

SENATE BILL NO. 40

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act imposing a local motor vehicle registration  
7 tax in lieu of ad valorem taxes on motor vehicles;  
8 and providing for an effective date."

9

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

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\* Section 1. AS 28 is amended by adding a new chapter to read:

11

CHAPTER 12. LOCAL MOTOR VEHICLE REGISTRATION TAX.

12

Sec. 28.12.010. TAX IMPOSED. A local motor vehicle registration  
13 tax is imposed on the privilege of registering, renewing the registra-  
14 tion, or transferring the registration in the state of a motor vehicle.  
15 The tax is two per cent of the fair market value of the vehicle, but  
16 in no case may the tax be less than \$2. The tax shall be levied and  
17 collected annually as provided in this chapter.

18

Sec. 28.12.020. TAX SCHEDULE AND CLASSIFICATION OF MOTOR VEHICLES.

19

On or before December 1 of each year, the state assessor, in consulta-  
20 tion with the Alaska Association of Assessing Officers or its successor  
21 organization, shall prepare and furnish to the department a schedule  
22 for use in the collection of the local motor vehicle registration tax.  
23 The schedule shall be based upon information pertaining to the fair  
24 market value of motor vehicles which is available to the state assessor  
25 and the association. The schedule shall classify motor vehicles into a  
26 convenient number of classes on the basis of make, type, year of manu-  
27 facture, or any other reasonable basis, and the two per cent tax rate  
28 shall be applied to the classes thereby determined. In determining  
29 fair market value, the state assessor, in consultation with the Alaska

1 Association of Assessing Officers, or its successor organization, may  
2 use any guidebook, report, or compendium of recognized standing in the  
3 automotive industry. The schedule shall indicate as fully as practi-  
4 cable the amount of local motor vehicle registration tax for vehicles  
5 within each class and shall sufficiently describe the various motor  
6 vehicles included within each class so as to enable the department to  
7 ascertain readily the amount of tax applicable to a particular motor  
8 vehicle.

9 Sec. 28.12.030. INDEPENDENT APPRAISAL OF UNLISTED VEHICLES. When  
10 a person applies to the department for registration, renewal of regis-  
11 tration, or transfer of registration, of a motor vehicle which does not  
12 appear upon the tax schedule, the applicant shall apply to the state  
13 assessor, or a borough or city assessor, for computation of the amount  
14 of local motor vehicle registration tax due. Upon such application,  
15 the assessor shall appraise the vehicle at its fair market value from  
16 automotive guidebooks, listings, or other information he may have  
17 available and shall ascertain the amount of tax by applying the two  
18 per cent tax rate to the appraisal. The assessor shall provide the  
19 applicant a certificate showing the amount of tax payable.

20 Sec. 28.12.040. COLLECTION OF TAX. (a) The local motor vehicle  
21 registration tax is due and payable to the department at the time of  
22 motor vehicle registration, renewal of registration, or transfer of  
23 registration. When an application is made to the department for a  
24 license for a motor vehicle, the department shall collect, in addition  
25 to the amount of the annual license fee required by AS 28.10.200 -  
26 28.10.240, the amount of the local vehicle registration tax. A license  
27 or license plates for a motor vehicle may not be issued unless the  
28 local motor vehicle registration tax shall have been paid in full.

29 (b) The local motor vehicle registration tax shall be collected

1 for each calendar year, as follows. The calendar year shall be divided  
2 into two equal parts, the first part commencing with January 1 of each  
3 year and ending on June 30 of each year. The second part shall com-  
4 mence July 1 of each year and end December 31 of each year. The  
5 licensee of a motor vehicle being licensed during the first one-half  
6 of the calendar year shall be responsible for the payment of the tax  
7 for the entire year. Those vehicles licensed in the second half of  
8 the calendar year shall pay one-half of the tax. The tax may in no  
9 case amount to less than \$2.

10 (c) No additional tax may be imposed under this chapter upon a  
11 vehicle upon the transfer of its ownership, or transfer of registration  
12 of vehicle used in transportation for hire to another vehicle as pro-  
13 vided in AS 28.10.160, if the tax imposed with respect to the vehicle  
14 has already been paid for the year or fraction of the year in which  
15 transfer occurs.

16 (d) Not more than one local motor vehicle registration tax im-  
17 posed may be collected for a vehicle in a given year.

18 Sec. 28.12.050. TAX RECEIPT. The department shall provide a  
19 receipt to a person paying the local motor vehicle registration tax.  
20 The receipt shall sufficiently designate and identify the vehicle with  
21 respect to which the tax is paid. The receipt may be incorporated in  
22 the receipt given for payment of the motor vehicle annual license fee.

23 Sec. 28.12.060. DISPOSITION OF REVENUE. (a) The money collected  
24 from the tax imposed by this chapter shall be deposited by the depart-  
25 ment in the general fund. A special local motor vehicle registration  
26 tax account shall be kept of two per cent of the money deposited. The  
27 legislature may appropriate funds from the account for the purpose of  
28 defraying the costs and other expenses incurred by the state in the  
29 collection of the local motor vehicle registration tax. The department

1 shall refund to an organized borough or a city outside an organized  
2 borough 98 per cent of the money collected for it, as determined by  
3 the business address, or if none, the address of residence of persons  
4 required to pay the tax.

5 (b) An organized borough may utilize money refunded to it under  
6 (a) of this section for any areawide purpose or, in the discretion of  
7 the borough assembly, the money refunded may be apportioned to cities  
8 and service areas within the borough in a proportion which assures  
9 distribution of the funds in the same manner as if the funds had been  
10 collected by local taxation.

11 (c) A city outside an organized borough may utilize the money  
12 refunded under (a) of this section for any lawful purpose.

13 Sec. 28.12.070. REFUNDS. (a) If a person has paid a motor  
14 vehicle license fee and a local motor vehicle registration tax, and  
15 the department determines that the payor is entitled to a refund in  
16 whole or in part of the local motor vehicle registration tax, it shall  
17 make the refund to which the person is entitled.

18 (b) No refund of a local motor vehicle registration tax may be  
19 allowed under (a) of this section unless application for a refund is  
20 filed with the department by December 31 of the year following the  
21 year for which a refund is claimed.

22 (c) A person authorized to operate a motor vehicle for the con-  
23 veyance of freight or passengers for hire as a common carrier or as a  
24 contract carrier, and so operating a vehicle partly inside and partly  
25 outside this state during a calendar year, is entitled to a refund of  
26 the portion of the local motor vehicle registration tax paid for the  
27 vehicle for that year, in the proportion that the mileage actually  
28 operated by the vehicle outside the state bears to the total mileage  
29 operated inside and outside the state. A claim for refund shall be

1 filed with the department not later than December 31 of the calendar  
2 year following the year for which refund is claimed. A claim filed  
3 after that date may not be allowed. When a claim is filed under this  
4 subsection, the applicant shall furnish to the department his affi-  
5 davit of the mileage so operated by the vehicle during the preceding  
6 year inside the state, outside the state, and the total of all mileage  
7 so operated. If the department approves the claim, it shall make the  
8 refund.

9 (d) A person who knowingly makes a false statement in an affi-  
10 davit required by (c) of this section and who as a result obtains a  
11 refund to which he is not entitled is guilty of a misdemeanor.

12 Sec. 28.12.080. AD VALOREM TAXATION BARRED. No motor vehicle,  
13 including but not limited to motor vehicles in dealers' inventories,  
14 may be listed and assessed for ad valorem taxation so long as this  
15 chapter is in effect.

16 Sec. 28.12.090. TAX ADDITIONAL. Except as provided in sec. 70  
17 of this chapter, the tax imposed by this chapter is in addition to all  
18 other licenses and taxes otherwise imposed.

19 Sec. 28.12.100. NONPAYMENT OF TAX A VIOLATION. A person who  
20 fails to collect the local motor vehicle registration tax as required  
21 by this chapter is guilty of a misdemeanor. A person required to pay  
22 the tax at the time of registering, renewing the registration or  
23 transferring the registration of a motor vehicle and who operates or  
24 permits the vehicle to be operated on the public highways without the  
25 tax having been paid is guilty of a misdemeanor.

26 Sec. 28.12.110. DEFINITIONS. In this chapter

27 (1) "department" means the Department of Revenue;

28 (2) "motor vehicle" or "vehicle" means all motor vehicles,  
29 trailers and semitrailers required to be registered under this title,

1 except vehicles operated with dealers' demonstration plates and  
2 vehicles registered as historic vehicles.

3 Sec. 28.12.120 SHORT TITLE. This chapter may be cited as the  
4 Local Motor Vehicle Registration Tax Act.

5 \* Sec. 2. AS 14.17.030(b) is amended to read:

6 (b) The required local tax effort for each district is the  
7 amount of revenue raised from local sources which is equivalent to the  
8 amount which would be raised from a 3.5-mill levy on the full and  
9 true value of taxable real and personal property within the district.  
10 For the purpose of the required local tax effort, motor vehicles  
11 subject to the local motor vehicle registration tax under AS 28.12  
12 shall be treated as taxable property. The amount of the required local  
13 tax effort may be raised from any source available to the district and  
14 does not have to be derived from property taxes.

15 \* Sec. 3. AS 28.10.070 is amended to read:

16 Sec. 28.10.070. LICENSE AND REGISTRATION TAXES [TAX] TO ACCOMPANY  
17 APPLICATION. At the time of applying for registration the applicant  
18 shall pay the license tax provided in this chapter and the local motor  
19 vehicle registration tax provided for in AS 28.12.

20 \* Sec. 4. AS 28.10.100 (4) is amended to read:

21 (4) that the required license and registration taxes have  
22 [TAX HAS] not been paid.

23 \* Sec. 5. AS 28.10.180 is amended to read:

24 Sec. 28.10.180. RENEWAL OF REGISTRATION. The owner shall renew  
25 his vehicle registration upon application and payment of the annual  
26 license tax for the vehicle and payment of the local motor vehicle  
27 registration tax provided for in AS 28.12. The department may receive  
28 applications for registration or renewal registration and issue new  
29 registration cards and plates at any time before expiration of

1 registration, but no person may display the new registration plates on  
2 a vehicle before February 15 of the year for which the plates are  
3 issued.

4 \* Sec. 6. AS 28.10.205(b) is amended to read:

5 (b) The department shall charge a fee of \$20 in addition to the  
6 annual license tax prescribed under sec. 200(b)(2) of this chapter  
7 and the local motor vehicle registration tax provided for in AS 28.12.  
8 The fee shall be paid to the department at the time of applying for  
9 the personalized plates.

10 \* Sec. 7. AS 29.10.335 is amended to read:

11 Sec. 29.10.335. GENERAL PROPERTY TAX. The council may assess,  
12 levy, and collect a general tax for school and city purposes not to  
13 exceed three per cent of the assessed valuation upon all real and  
14 personal property, except as provided in AS 28.12, and enforce  
15 collection by foreclosure, levy, distress, and sale.

16 \* Sec. 8. AS 29.08.010 is amended to read:

17 Sec. 29.08.010. LIMIT ON HOME RULE TAXING POWER. (a) AS 29.10.-  
18 336, which limits taxing power, applies to home rule cities.

19 (b) AS 28.12, relating to power to impose taxes on motor vehicles  
20 applies to home rule cities.

21 \* Sec. 9. AS 07.12 is amended by adding a new section to read:

22 ARTICLE 2. TAXATION.

23 Sec. 07.12.100. LIMIT ON HOME RULE TAXING POWER. AS 28.12.070  
24 relating to power to impose taxes on motor vehicles, applies to home  
25 rule boroughs.

26 \* Sec. 10. This Act takes effect on the day after its passage and  
27 approval or on the day it becomes law without approval.  
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