



Original sponsor: Croft

Offered: 5/7/76

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 600 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 ABILL

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

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

10 \* Section 1. AS 28.10 is amended by adding a new section to read:

11 Sec. 28.10.255. ANNUAL MOTOR VEHICLE REGISTRATION TAX. (a) There  
12 is levied a motor vehicle registration tax within each municipality  
13 which elects to come under this section by filing a written notice of  
14 election with the department and not rescinding the notice for a subse-  
15 quent fiscal year. The notice must be filed on or before January 1 of  
16 the year preceding the year election under this section is to become  
17 effective.

18 (b) The tax is levied upon motor vehicles subject to the license  
19 tax under sec. 200 of this chapter and is based upon the age of vehicles  
20 as determined by model year according to the following schedule:

		Tax According to Age of Vehicle				
		Since Model Year:				
		1st	2nd	3rd	4th	5th or over
24	Motor Vehicle					
25	(1) motorcycle	\$ 8	\$ 7	\$ 6	\$ 5	\$ 4
26	(2) vehicles specified					
27	in sec. 200(b)(2) of this chapter	60	50	40	30	20
28	(3) vehicles specified					
29	in sec. 200(b)(3) of this chapter	60	50	40	30	20

1	(4) vehicles specified					
2	in sec. 200(b)(4) of this chapter					
3	5,000 pounds or less	60	50	40	30	20
4	5,001 - 12,000 pounds	100	80	60	50	40
5	12,001 - 18,000 pounds	150	120	100	80	60
6	18,001 pounds or over	200	160	130	100	80
7	(5) vehicles specified					
8	in sec. 200(b)(5) of this chapter	100	80	60	50	40
9	(6) vehicles specified					
10	in sec. 200(b)(6) of this chapter	8	7	6	5	4
11	(7) vehicles specified					
12	in sec. 200(b)(7) of this chapter	60	50	40	30	20
13	(8) vehicles specified					
14	in sec. 200(b)(8) of this chapter	60	50	40	30	20
15	(9) vehicles specified					
16	in sec. 250 of this chapter	40	--	--	--	--

17 (c) The registration tax shall be levied, collected, enforced and  
18 otherwise administered in the same manner as provided for the license  
19 tax in secs. 200, 210, 240 - 250 and 160 of this chapter. Only one  
20 registration tax may be collected with respect to the same motor vehicle  
21 in the year for which the tax is paid.

22 (d) If a person has paid both the license tax levied in sec. 200  
23 of this chapter and the registration tax, and the department determines  
24 that the payor is entitled to a refund in whole or in part of the  
25 registration tax, it shall make the refund to which the person is en-  
26 titled. No refund may be made unless application for a refund is filed  
27 with the department by December 31 of the year following the year for  
28 which the refund is claimed.

29 (e) The department shall refund money collected under this

1 section, less five per cent as collection costs, to a municipality for  
2 which the money was collected, as determined by (1) the address of  
3 residence of an individual required to pay the tax, or (2) the situs of  
4 the vehicle if the vehicle is not owned by an individual; the tax situs  
5 is the location at which the motor vehicle is usually, normally, or  
6 regularly kept or used. For the first year in which the tax is levied  
7 within a municipality, the department may retain actual costs of collec-  
8 tion of the tax within the municipality as determined by the department.

9 (f) Money received by an organized borough under this section  
10 shall be allocated by the borough for city, area outside city, and  
11 service area purposes within the borough in the proportion yielded by  
12 dividing the borough population by the population of the respective  
13 taxing district, and multiplying the result by the ratio which the  
14 district mill levy upon property for the fiscal year bears to the  
15 borough mill levy areawide upon property for that year. Population  
16 shall be established by the latest figures of the United States Bureau  
17 of the Census or other reliable data. Money received by a unified  
18 municipality established under AS 29.68.240 - 29.68.440 shall be used  
19 *what kind? earmarked or to give fund? (goes to various services area)*  
20 for areawide purposes after allocation is made for service area or other  
21 tax district purposes in the manner provided in this subsection.

22 (g) Payment of the registration tax is in lieu of all local use  
23 taxes and ad valorem taxes on motor vehicles subject to the tax. No  
24 municipality which elects to come under the provisions of this section  
25 may levy use or ad valorem taxes on motor vehicles subject to the  
26 registration tax during a fiscal year in which the election is in  
27 effect.

28 (h) In this section "municipality" means a home rule or general  
29 law city outside an organized borough or a home rule or general law  
organized borough and includes but is not limited to a unified

*Explained  
to Packer*

1 municipality established under AS 29.68.240 - 29.68.440.

2 \* Sec. 2. AS 14.17.140 is amended by adding a new subsection to read:

3 (b) Motor vehicles subject to the motor vehicle registration tax  
4 under AS 28.10.255 shall be treated as taxable property for purposes of  
5 (a) of this section.

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

7 Sec. 28.10.070. LICENSE AND REGISTRATION TAXES [TAX] TO ACCOMPANY  
8 APPLICATION. At the time of applying for registration the applicant  
9 shall pay the license tax provided in this chapter and the motor  
10 vehicle registration tax provided for in sec. 255 of this chapter.

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

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

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

15 Sec. 28.10.180. RENEWAL OF REGISTRATION. The owner shall renew  
16 his vehicle registration upon application and payment of the annual  
17 license tax for the vehicle and payment of the motor vehicle registra-  
18 tion tax provided for in sec. 255 of this chapter. The department may  
19 receive applications for registration or renewal registration and  
20 issue new registration cards and plates at any time before expiration of  
21 registration, but no person may display the new registration plates on a  
22 vehicle before January 1 of the year for which the plates are issued.

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

24 (b) The department shall charge a fee of \$20 in addition to the  
25 annual license tax prescribed under sec. 200(b)(2) of this chapter  
26 and the motor vehicle registration tax provided for in sec. 255 of this  
27 chapter. The fee shall be paid to the department at the time of apply-  
28 ing for the personalized plates.

29 \* Sec. 7. This Act takes effect July 1, 1976.

Original sponsor: Croft

Offered: 5/7/76

1 IN THE SENATE

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2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 600

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4 NINTH LEGISLATURE - SECOND SESSION

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19 tax under sec. 200 of this chapter and is based upon the age of vehicles  
20 as determined by model year according to the following schedule:

	Tax According to Age of Vehicle				
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Motor Vehicle					
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17 (c) The registration tax shall be levied, collected, enforced and  
 18 otherwise administered in the same manner as provided for the license  
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 20 registration tax may be collected with respect to the same motor vehicle  
 21 in the year for which the tax is paid.

22 (d) If a person has paid both the license tax levied in sec. 200  
 23 of this chapter and the registration tax, and the department determines  
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27 (h) In this section "municipality" means a home rule or general  
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Introduced: 2/4/76  
Referred: Community and Regional  
Affairs and Finance

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28  
29

THE LEGISLATURE OF THE STATE OF ALASKA

FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. 2nd Sponsor Substitute for Senate Bill No. 600  
 Title: An Act providing for an optional state motor vehicle registration tax.....  
 Requested by: Senator Genie Chance Date: 2/22/76  
 Return Date Requested: 4/26/76  
 Agency: Public Safety Program: Div. of Motor Vehicles

II. FISCAL DETAIL

Budget Request Unit(s) Affected: \_\_\_\_\_

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES			126.0	126.0		
200 TRAVEL			3.0	3.0		
300 CONTRACTUAL			75.0	75.0		
400 COMMODITIES			25.0	25.0		
500 EQUIPMENT			16.4	2.0		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
Inflation @ 10%/yr. = 20%			48.9			
TOTAL			293.3	254		

B. FUNDING: (Thousands of dollars)

GENERAL FUND			293.3	254.0		
FEDERAL FUNDS			- 0 -	- 0 -		
OTHER			- 0 -	- 0 -		

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	8 /	8 /	/	/
MAN MONTHS (P./T.)	/	/	96 /	96 /	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This fiscal note covers participation of Anchorage area only. If other municipalities elect to participate, costs will vary greatly. It should be noted that this legislation provides reimbursements to the general fund for initial implementation costs and subsequent operational costs at a rate of 5% of receipts collected by the state.

Although this legislation describes a technically workable program, it is not endorsed by the Department of Public Safety. It will put the state in the position of becoming the collector of local taxes. [Local governments should ideally handle the collection of local taxes, not the state.]

IV. ATTACHMENTS

V. DATE: 4/22/76 PREPARED BY: Vern Roberts, Director  
 Division of Motor Vehicles

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA

FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. 2nd Sponsor Substitute for Senate Bill No. 600

Title: An Act providing for an optional state motor vehicle registration tax.....

Requested by: Senator Genie Chance Date: 2/22/76

Return Date Requested: 4/26/76

Agency: Public Safety Program: Div. of Motor Vehicles

II. FISCAL DETAIL

Budget Request Unit(s) Affected: \_\_\_\_\_

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES			126.0	126.0		
200 TRAVEL			3.0	3.0		
300 CONTRACTUAL			75.0	75.0		
400 COMMODITIES			25.0	25.0		
500 EQUIPMENT			16.4	2.0		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
Inflation @ 10%/yr. = 20%			48.9			
TOTAL			293.3	254		

B. FUNDING: (Thousands of dollars)

GENERAL FUND			293.3	254.0		
FEDERAL FUNDS			- 0 -	- 0 -		
OTHER			- 0 -	- 0 -		

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	8 /	8 /	/	/
MAN MONTHS (P./T.)	/	/	96 /	96 /	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

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V. DATE: 4/22/76 PREPARED BY: Vern Roberts, Director  
Division of Motor Vehicles

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. Senate Bill 600  
 Title: Optional State Motor Vehicle Registration Tax  
 Requested by: Senator Ray Date: 2/26/76  
 Return Date Requested: 3/1/76  
 Agency: Public Safety Program: Motor Vehicles

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Division of Motor Vehicles (licensing)

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES		192.6	211.2	242.8	279.3	321.2
200 TRAVEL		1.0	1.0	1.1	1.3	1.5
300 CONTRACTUAL		105.0	30.0	34.5	39.7	45.6
400 COMMODITIES		25.0	10.0	11.5	13.2	15.2
500 EQUIPMENT		103.2	1.0	1.1	1.3	1.5
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		426.7	253.2	291.0	334.8	385.0

B. FUNDING: (Thousands of dollars)

GENERAL FUND		291.0	118.0	137.0	157.4	181.0
FEDERAL FUNDS						
OTHER % of local revenue		135.7	135.2	154.0	177.4	204.0

C. POSITIONS:

PERMANENT/TEMPORARY	/	12/	12/	12/	12/	12/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attachment

IV. ATTACHMENTS

V. DATE: 3/1/76 PREPARED BY: Kenneth Y. Simpson, Motor Vehicle Registrar

Original: Legislative Finance  
 cc: Budget and Management By: Trygve R. Hermann, Director  
 Prime Sponsor (First Legislator Nemo) Administrative Services Division

# MEMORANDUM

TO:  Larry Talbert  
Deputy Commissioner  
Juneau

DATE :

February 27, 1976

FROM: Donald L. McQueen  
Deputy Commissioner  
Anchorage

SUBJECT:

Fiscal Note  
Senate Bill 600

Title: Optional State Motor Vehicle Registration Tax in Lieu of Local Advalorem Taxes

Author: Senator Croft

Account Number

	<u>1977</u>	<u>1978</u>
100 Personal Services	192.6	211.2
200 Travel	1.0	1.0
300 Contractual	105.0	30.0
400 Commodities	25.0	10.0
500 Equipment	103.2	1.0
600 Land & Structure	.0	.0
700 Grants & Claims	.0	.0
TOTAL	<u>426.7</u>	<u>253.2</u>

FISCAL BREAKOUT

100 one Admin. Officer I	\$24,768	
one Supr. Records & Lisc.	23,011	
one Acct. I	17,380	
three Acct. Clerk III	45,876	
two Acct. Clerk II	23,742	
one Acct. Clerk I	13,507	
three Clerk Typ. II	<u>39,312</u>	
TOTAL		\$192,595

300 Interagency charges to D.P.		
for initial setups	\$25,900	
Telephone setup & billing	10,000	
Interagency charge for		
promulgation of Regs.	15,000	
Advertising	10,000	
Total Revision of S.O.P.		
Manual	30,000	
800 sq.ft. rent @ \$150 sq.ft.	<u>14,400</u>	
TOTAL		\$105,300

400	Microfilm supplies	\$10,000	
	Sundry supplies	<u>15,000</u>	
	TOTAL		\$ 25,000
500	12 desks @ \$200	\$ 2,400	
	12 chairs @ \$100	1,200	
	10 typewriters @ \$800	8,000	
	9 calculators @ \$400	3,600	
	12 filing cab. @ \$250	3,000	
	microfilm equipment	85,000	
	room dividers	<u>3,000</u>	
	TOTAL		\$103,230

Total start-up charges	1977	\$426.7
Maintenance	1978	253.2
	1979	+15.%
	1980	+15.%
	1981	+15.%

\*Note - If 270,000 vehicles were registered and taxed at an average of \$25 per vehicle of which the state received 2% to administer, the state would lose \$291,000 the first year and \$218,000 in 1978. The bill should at least give the State 5% the first year and 3% in following years.

### Critique

- 1) AS 28.10.370 states: "Until the Department issues a certificate of registration and certificate of ownership title shall be deemed not to have passed and transfer is deemed incomplete and not valid or effective for any purpose . . ." How can you put an ad valorem tax on a vehicle which is not owned?
- 2) If the tax is upon vehicles which are subject to registration, are mobile homes exempt?
- 3) If companies elect to list their address in an area electing not to tax, will not the gross revenue be lost?
- 4) If #3 happens, will not the dollar amount collected by the State drop proportionately, thus making the State run at a net operating loss?
- 5) Will the taxing municipalities provide on-site personnel at all D.M.V. field offices to handle taxpayers' questions and be able to approve refunds?
- 6) The State pays commission agents in non-State operated D.M.V. offices 7% of gross collection. Will the taxing municipalities pay the State 9% of the gross?
- 7) By denying a taxpayer his right to title, is it not directly against the intent of AS 28.10.260?-- "The primary concern of the legislature in enacting this chapter was to facilitate the suppression of traffic in stolen cars by requiring certificates of ownership."

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- 8) Who enforces the law if an applicant lies? AS 28.10.600 states it as a felony with sentence of no less than one year and no more than two years.
- 9) The bill will negate staggered registration.

Conclusion

It would be easier and considerably less expensive to the taxpayers if the Division provided free to every municipality monthly lists of vehicles registered within its jurisdiction. Billings would be no more than one month old and delinquencies would be taken care of immediately. The State is being asked to create a third party bureaucracy to support already existing local bureaucracies.

KS:mc

*are "called"  
them in that kind  
language. they  
dropped it.*