

H/B - 88

1/28/75

COMMITTEE REPORT

FINANCE

HOUSE

Mr. Speaker:

Date

4-25

The Committee on CARA has had RD 28

under consideration. A Majority of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

() recommends it DO PASS WITH ATTACHED AMENDMENT(S)

() recommends it BE REPLACED WITH CS FOR RD 28 AND THAT

CS FOR RD 28 DO PASS

() "and" recommends it BE REFERRED TO THE _____

COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

[Handwritten Signature] _____
[Handwritten Signature] _____

Members NOT concurring in the Majority report:

_____ recommends:

[Handwritten Signature] recommends: RD 28

[Handwritten Signature] recommends: RD 28

_____ recommends:

_____ recommends:

[Handwritten Signature] Chairman

House Committee on
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 25, 1975

Meeting was called to order at 9:00 to discuss CS for HB 88. Present:

Rep. Cotten	Barbara Englert Thomas, Staff
Rep. Hackney	Andrea Guernsey, Staff
Rep. Ostrosky	Don Berry, Municipal League
Rep. Freeman	Dennies Robertson, Public Safety (late)
Rep. Davis	Mike Miller, Sponsor, (late)

Mr. Hackney wanted to hear from Mr. Robertson on the vehicle inspection law. Perhaps this could be worked in with that in some way.

Mr. Davis would like to see the people vote instead of by ordinance. Hackney thinks it might be inequitable because trucks would be paying for something they wouldn't collect on.

REPORT OUT

Hackney makes a motion to pass out with individual recommendations. So moved. (435)

PIPELINE IMPACT
(510)

The Committee talked about pipeline impact funds for a minute. Hackney would like to see the funds on a loan basis. The municipality will be able to tax the pipeline property for years to come.

Freeman has objected to monies from the beginning. Thinks it's a rip off. Relates the example of Valdez.

VEHICLE INSPECTION
(745)

Dennis Robertson gave a summary of the Vehicle Inspection law situation. They have developed a whole new Title 28 to be introduced at end of session.

Meeting was adjourned at 10:00.

House Committee on
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 24, 1975

Meeting was called to order at 9:00 to discuss HB 88. Present:

Rep. Cotten	Barbara Englert Thomas, Staff
Rep. Davis	Andrea Guernsey, Staff
Rep. Ostrosky	Phil Wall, Dept of Revenue
Rep. Hershberger	Rep. Miller, Sponsor
Rep. Freeman	Dennis Robertson, Public Works
Rep. Ose	Rep. Tim Wallis
Rep. Hackney	

ABANDONED MOTOR
VEHICLE FUND

Cotten brought up the possibility of using the abandoned motor vehicle fund already on the statutes which takes care of cars outside the municipality. Fund has never been funded. Money reimbursed to municipalities in proportion to cars picked up. Miller said the fund just wouldn't do the job.

Freeman suggests passing law allowing municipality to levy \$5 to take care of vehicles. Delete line 13 and 14. Miller said the problem with that is you would have two collection agencies. The municipalities would have to set up office to collect when the State is already doing it. The municipalities don't have the tools to get 100 compliance.

ADMINISTRATION

Wall said his major concern was the administration. How to tell where the owner actually lives. He suggests setting up a system with a fund and paying the billings submitted by the municipalities out of the fund.

Freeman says why not just make an appropriation. Miller doesn't want to see an across the board State appropriation because it wouldn't be equitable. Anchorage probably wouldn't need it or not as much as smaller communities. This is permissive legislation that will allow the communities to meet their individual needs.

AMENDMENT

There was some discussion of using personal property tax, or earmarking some of the funds collected on license plates or registration. Although someone thought there was a problem with dedicating funds. Suggestion to add and "administration" on line 29 after collection. Plus new section: "Fees collected under this act shall be used for the purpose of

TAPE #11
side 1
1010-end

HB 88
4/24/75

implementing the ordinance for removal and disposal
of vehicles.

There will be a committee substitute drawn up.

Meeting adjourned at 10:00.

House Committee on
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
March 11, 1975

Meeting was called to order by Chairman Cotten at 9:00 for discussion of HB 88.

Present were:

Rep. Larry Davis
Rep. Kathryn Ostrosky
Rep. Mike Hershberger
Rep. Oral Freeman
Rep. Glenn Hackney

Phil Wall, Dept. of Revenue
Don Berry, Municipal League
Cinny Kline, " " "
Robertson, public Safety

Rep. Mike Miller, Sponsor
Barbara Englert Thomas, Staff
ANDrea Guernsey, Staff

3-Cotten gives short introduction.

32 - Mr. Miller, sponsor, made short comments. Said the bill was purely permissive, not mandatory.

111 - Mr. Berry comments.

154 - Rep. Hackney asks why not levy \$25 against each vehicle instead of 5. Sec 2 para C- What is the cost of collection? Would be a good rip off for the State, he sees lots of holes.

202 - Cotten comments. Miller says that that sort of standard collection appears in many places in the statutes. Doesn't think the State would rip off.

243 - Rep. Ostrosky asked in what other areas the State does this. Mr. Berry said there was a problem with business licenses.

277 - Rep. Ostrosky commented on what Hackney said about not wanting to pay for someone elses vehicle. Part of community responsibility and pride.

292 - Hackney thinks guy who abandons car should pay. Chairman Cotten said that often the person responsible can't be found. He then asked if department in the bill meant the Dept. of Revenue. Yes it did.

325 - Mr. Wall heard a rumor of possible money for hwy beautification coming from the feds but that still wouldn't take care of the State wide problem. He sees administrative problems with the bill--where does the person actually live; which municipality qualifies; and who shares.

418 - Cotten-The fiscal note says \$5 X 275,000. 275,000 is the total number of vehicles registered in the State. Wall said 97% of the vehicles are within municipal boundaries and 67% of those are in Anchorage.

454 - Rep. Hackney asked about travel of the motor vehicle investigator. What does he do? Mr. Wall said that the vehicles need to be looked at closely before being recycled. Determination of whether to resale or scrap.

483 - Hackney-What makes determination to resale? Wall-Recognized evaluation or blue book.

543 - Cotten-Isn't it already a State responsibility? Wall said that Anchorage had a crusher and then they sell the junk to a place in Seattle. IF pays its own way but not if they go outside borough limits.

595 - Cotten-Anchorage is the only one who could afford to do that.

614 - Berry feels the cities will have the responsibility, not the State.

632 - Rep. Freeman asked if the cities didn't already have the authority to levy the \$5.

Yes, what we're really talking about is collecting the money. He doesn't want to see the State involved.

- 648 - Miller comments. Freeman thinks it's too complicated.
- 688 - Cotten wonders about the address problem. Mr. Wall said they would have to write the person or talk to him.
- 706 - Rep. Ostrosky thinks it would take care of the problem to get the persons address when they apply for their license or plates. Wall said that 50% of the renewals are by mail. That's where the problem lies.
- 741 - Cotten asked if they included the cost of determination in the fiscal note. Yes.
- 767 - Cotten asked what is being done about the problem now. Private industry mostly, Wall said. Cotten wanted to know about the \$47,000 spent in the first year. Why was it half the second year. First year will have extra expenses, Wall said. Mail costs and computer costs. Cotten said there would be no real loss of State money because the money was recoverable.
- 826 - Hackney-How will the cost incurred by the Department be determined? Separate coding and accounting system. They will also be audited by another state agency.
- 853- Hackney-The State never gets backs the true cost. There is no way to determine the true cost.
- 859- Wall agrees with Hackney. No way to measure the intangibles.
- 886- Cotten-Problem with the city decides to and the borough decides not to.
- 894 - Hackney commented on the address problem again.
- 951 - Cotten asked Mrs. Kline if there was an ordinance in Juneau about vehicles. Kline said there wasn't one against them in your own yard.
- 963 - Wall-There is a wave of environmental ordinances. Kline said the problem was cars on the side of the road and not on personal property. Hackney asked for figures. Mrs. Kline said she would get them.
- 986 - Wall said that 400 vehicles were picked up in Juneaus first clean up.
- 996 - Cotten-Now responsibility of state to assist municipalities. Wall said Anchorage will probably continue contracting with private industry.
- 1034 -Freeman doesn't think it will solve problem. The State should have the responsibility. Needs to be on State wide basis with State wide agency.
- 1141 -Cotten-Earmark funds? Another means for municipalities to raise funds.
- 1156 -Berry-HB 88 doesn't say that you have to raise the registration fee.
- 1169- Freeman-Amounts to an extra five bucks. Wall-Line 24 says "in addition to".

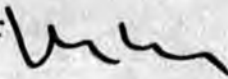
Meeting adjourned at 10:00. (1176)

Periodic Motor Vehicle Inspection (PMVI)

Consider possibility of having inspection stations at borders
Is it an infringement of right to interstate travel?

M E M O R A N D U M

TO: Representative Sam Cotten

FROM: Representative Mike Miller 

DATE: April 18, 1975

Sam -- I thought you might be interested in the enclosed information which I received from Ford Motor Company in support of House Bill No. 88.



March 25, 1975

Governmental Affairs Office
Civic and Governmental Affairs
Ford Motor Company

Suite 260 - 925 L Street
Sacramento, California 95814
Telephone: 916/442-2929

Honorable Mike Miller
House of Representatives
State of Alaska Legislature
State Capitol
Juneau, Alaska 99801

RE: House Bill 88
SUPPORT

Dear Representative Miller:

I am pleased to advise you that Ford Motor Company supports passage of your House Bill 88, relating to removal and disposal of vehicles.

The one modification we would recommend -- a reduction of the fee -- is contained in the attached Request for Policy on State Legislation. I am also enclosing the Ford Motor Company position concerning state junked vehicle legislation for your information and use.

Feel free to use our name in support of your measure and contact me if I can assist with passage of House Bill 88.

Sincerely,

A handwritten signature in cursive script that reads "Richard L. Dugally".

RICHARD L. DUGALLY
Regional Manager
Governmental Affairs

RLD:cme

Attachment

**FORD MOTOR COMPANY POSITION CONCERNING
STATE JUNKED VEHICLE LEGISLATION**

Junked vehicles are part of the nation's overall solid waste problem. This is true despite the fact that, on average, a large percentage -- 30%-85% -- of the vehicles "retired" from service each year are recycled through existing scrap recovery channels. Approximately 8 million vehicles are scrapped each year in the United States, of which about 6.6 million are recycled. The national accumulation of junked vehicles is estimated at 14 million in the scrap recycling system and another 10 million outside it. Junked vehicles not recycled constitute an aesthetic and environmental concern, and represent a waste of natural resources, as well as energy (it takes about one-third as much energy to melt scrap to make steel as it takes to use iron ore).

There are many reasons why all junked vehicles are not recycled. These include: people's lack of interest in getting their worn out vehicles to the auto processors, an insufficient demand at the steel mills and iron foundries for motor vehicle scrap, an insufficient profit motive to have auto wrecking firms go out and collect abandoned or derelict vehicles, and the cumbersome detitling procedure that must be followed in many communities for vehicles that are of little or no value. As the result of these primary factors together with other secondary reasons, the business enterprise system has not operated well enough to keep pace with the ever increasing supply of obsolete vehicles.

An exception to this occurred this past year. Because of the high demand for scrap in 1973, including motor vehicle scrap, the number of junked vehicles recycled approximately equaled the same number of vehicles "retired" from service. This is the first time this has happened in nearly a decade. Despite this, however, the national inventory of junked vehicles was not reduced and, with respect to the future, scrap demand will likely slow as steel production is adjusted to the lower level of economic growth in the country. Thus, we believe in order to rid the country of obsolete vehicles it will be necessary to raise monies to gather the "abandoned" vehicles, especially from rural areas, and ship them to the nearest recycling plant.

Some state legislators have proposed the imposition of a fee of \$10 to \$25 on the sale price of every new motor vehicle. This approach would place the cost of disposal on the first purchaser, who is usually not the title holder when the vehicle is ready for disposal. The Company believes that a more equitable way of raising the funds is by means of a state imposed surcharge on the annual vehicle registration or title transfer fees. In this way, the respective owners of the vehicle pay during its operation for its ultimate disposal. The amount of the surcharge would vary from state-to-state depending upon the nature and severity of the problem, but generally would not exceed \$3 per year. California, Hawaii, Illinois, Maryland, Minnesota, Montana, and North Dakota have already adopted programs of this kind (a brief description of each of these states' plans is contained in an attachment plus a general discussion of Minnesota's abandoned motor vehicle program by Mr. Donald Kyser of the Minnesota Pollution Control Agency, as well as a copy of the Minnesota law covering their junked vehicle program).

STATE PROGRAMS TO FINANCE THE REMOVAL
OF JUNKED VEHICLES

<u>State</u>	<u>Program</u>
California	A fee of \$1 collected at the time of registration, or renewal of registration, of every vehicle during the 1973 calendar year.
Hawaii	A fee of \$.50 collected at the time a vehicle is registered each year. (Applies in any county with a population of 100,000 or more.)
Illinois	One dollar of the \$3 collected for a certificate of title for a motor vehicle is for vehicle recycling.
Maryland	A fee of \$1 collected at the time a vehicle is registered each year.
Minnesota	A fee of \$1 on the transfer other than transfers for resale purposes of every motor vehicle, new or used, weighing more than 1,000 pounds.
Montana	A fee of \$4 collected for each new certificate of title and on each title transfer for all vehicles having a G.V.W. of under 8,001 pounds, plus a \$1 fee collected at the time a vehicle in the same weight class is registered each year.
North Dakota	A fee of \$3 on each initial certificate of title issued to a motor vehicle.



Request for Policy on State Legislation

MAN 2-3-1975 D. I. VAN BLOIS
Cat. 1 (29)

1. Identifying Data

Category of Legislation MISC: Junk Vehicles	Bill number HB 88	State Alaska
Bill summary Provides for a levy and collection of fees for removal and disposal of vehicles.		
<input type="checkbox"/> Immediate reply requested	Signature RL DUGALLY <i>R.L. Dugally</i>	Date 2-20-75

2. Company Position Recommendation

Support Oppose Neutral

Comments

The Company should support this legislation with one modification as it would provide the kind of locally organized junked vehicle collection program that makes sense and one that the Company has advocated for sometime. Although this plan is designed for implementation at the municipal level rather than state-wide, the basic reasons for the Company supporting it are the same and are explained in the state legislative issue paper on resource conservation and recycling. (A brief summary of the Company position is attached.)

The one modification that the Company should recommend is that the funding provision in the proposed legislation should be changed because, in our opinion, it would permit the imposition of too high a fee -- up to \$5 could be added to the annual vehicle registration charge. As shown in the attached summary, the states of Hawaii and Maryland, which use the annual registration surcharge approach, are collecting only \$.50 and \$1.00, respectively. Even though transportation costs of moving junked vehicles to recycling centers are probably higher in Alaska, we believe the upper limit should be set at no higher than \$2 until there is sufficient evidence from actual experience by the municipalities to warrant higher surcharges.

Concur: *I. J. Rubin*
I. J. Rubin

D. I. Van Blois
D. I. Van Blois

Department <i>Legislative Planning</i>	Signature	Date <i>3/12/75</i>
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3. Governmental Affairs Office Review

Comments <i>TO R.L. Dugally</i>	Signature <i>D.I.</i>	Date <i>3/13-</i>
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STATE
of ALASKA

MEMORANDUM

TO: Charles A. Smith
Federal Projects Coordinator
Alaska Traffic Safety Bureau

DATE : March 12, 1975

FROM: Dennis Robertson *DR*
Consultant

SUBJECT: IB 88

This memorandum, relating to municipal vehicle removal fees added to State license fee and subsequently reimbursed, partially reverses the position taken in my memorandum to you, dated 3 Feb 75 on the same bill. The reversal is made because at the earlier writing, the intent of the bill was not fully clear. Now our only reservation would be implementation and "gearing-up", as you said, while relocating and consolidating vehicle and driver services into a single division in this department.

However, for uniformity of law and procedure, perhaps only, State law should prevail as proposed in our AS 28.11 bill; otherwise a "consistency" reference should be made to AS 28.01.

As discussed this morning at testimony on this bill before the House Community & Regional Affairs Committee and subsequently by telephone with Ken Simpson (Motor Vehicle Division, Anchorage), problems may occur (1) when the State withholds administrative costs prior to reimbursal, (2) when one municipality enacts the necessary ordinance but a neighboring municipality does not, (3) when Glennallen or some other site is selected as a virtual junk yard (disposal center) probably against the desires of residents living at or near such sites, (4) when a vehicle registrant gives only a box number address and his actual residence must be separately determined, and (5) when computer programming must involve four or five levels of government (cities, boroughs, state, general law, home rule).

In a fiscal note presented by Phil Wall (Dept. of Revenue), nearly \$50,000 in State monies will be needed to "gear-up" during the first year of implementation, after which State costs should drop to half that value before undergoing "normal growth". Mr. Wall also stated that two-thirds of all registered vehicles in the state are to be found in the Anchorage area where the sole auto crushing device in Alaska is located. The crushing device, however, might be dismantled and transported about the State to various disposal centers during one massive initial "clean-up". It was also stated that (outside of stripping and selling copper, chrome, gas tanks, radiators, etc.), the entire operation from pick-up of vehicle along a highway to sale of the crushed hulk in Seattle is probably only "breaking-even".

In light of these matters, it may indeed be preferable for the State to oversee and control all vehicle disposal, contracting out the actual physical work to municipalities or other appropriate persons or agencies. As Ken Simpson relates, from the day of sale of a vehicle until its final disposition, the vehicle is a liability to the State. Therefore, attaching an abandoned vehicle fee to the license fee may be justified as a form of insurance.

Relating to license fees, it must be remembered that the Periodic Motor Vehicle Inspection program may also attach additional fees to the yearly re-registration. Presently, M.V.D. collects license fees for the Department of Revenue which is statutorily charged with the collection of taxes, fees, and income for the State, which necessarily includes the \$30 (and other) yearly license fees. When MVD is moved over to Public Safety, however, the licensing function comes under a department whose statutory mandate is to protect life and property. Therefore, the "new" commissioner may opt to de-emphasize the revenue-gathering aspects of the license fee and emphasize, instead, safety and law enforcement aspects so that the fee levied against vehicle owners might be applied to administrative expenditures, abandoned vehicle programs, vehicle inspection programs, etc. Whether or not such shift of emphasis would vary the fee presently charged in an upward or downward fashion is not determined at this time. [Hopefully, the State would be able to possibly charge the vehicle owner and taxpayer even less than the present \$30 yearly fee, obviously a potential "tax-break" under the current economic conditions.]

COGNIZANT OF GENERAL FUNDS
REQUIREMENTS

FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. HB 88

Title: Providing for the levy of fees for disposal of vehicles

Requested by: Chairman Cotten, Hse Comm. & RA Date: March 7, 1975

Return Date Requested: March 11, 1975

Agency: Revenue Program: Motor Vehicle

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Motor Vehicle Registration

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES		19.3	22.0	24.2	26.6	29.3
200 TRAVEL		1.5	1.5	1.7	1.9	2.1
300 CONTRACTUAL		24.4	2.5	2.8	3.0	3.3
400 COMMODITIES		.5	.7	.8	.9	1.0
500 EQUIPMENT		1.6	.2	.3	.4	.5
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		47.4	26.9	29.9	32.8	36.2

B. FUNDING: (Thousands of dollars)

GENERAL FUND		47.4	26.9	29.9	32.8	36.2
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	2 /	2 /	2 /	2 /	2 /
MAN MONTHS (P./T.)	/	/	/	/	/	/

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

See attached analysis

IV. ATTACHMENTS

See attached Comments

V. DATE: March 7, 1975

PREPARED BY: *Wall*

P. A. Wall

Director

Administrative Services Division

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

ANALYSIS - HB 88

100	2 Clerk Typist III	=	19.3
200	Travel for D.M.V. Investigator	=	1.5
300	E.D.P. system analysis - 3 mo.	=	9.9
	E.D.P. programming - 6 mo.	=	11.8
	Space 100 sq. ft. @ \$125/sq. ft.	=	1.2
	Mail	=	1.5
400	Forms	=	.5
500	2 desks	=	.3
	2 chairs	=	.15
	2 typewriters	=	.6
	2 filing cabinets	=	.15
	Microfilming cassettes	=	.4
700			
	TOTAL		<u>47.4</u>

STAFF vehicles, valuable cars

Excessive?

47.4 / \$23,000

The E.D.P. system analysis and programming requirement is a one-time cost. Includes procedures and computer program changes and updating.

The program will realize \$1,375,000 in calendar year 1976 (\$5 X 275,000 vehicles).

COMMENTS - HB 88

We see problems in administering the bill. Particularly in defining where people live so that a determination can be made of whether to collect the fee and the corresponding ~~problem of~~ distributing the fees to the proper municipality. A mandatory statewide fee would solve the collection problem but not the sharing problem.

*work
address
purpose*

The Motor Vehicle Registration file is computer maintained. Some type of location code system will have to be developed, coded on the registration forms, and entered into the computer. ZIP Code or city will not work. The cost of this work will require 2 additional clerk positions. In addition, the computer program will require updating each year with definition of who is participating that year.

Section 28.10.203(c) beginning on line 27 permits the State to recover collection costs. The administrative costs should be recoverable also.

The effective date of the bill should be January 1, 1976.



HB 88 - levy and collection of fees for removal and disposal of vehicles

\$5 per motor vehicle registered and licensed to a person residing in a municipality that has adopted & implemented an ordinance for the removal & disposal of vehicles

Problem w/ present language
what if cities & boroughs
decide to do it, but if the
city does & the borough doesn't

estimate - how many
abandoned vehicles

8:30 Fri
HB 263
Chenoweth 4707
Stadler
3530
757

AS 28.31.065 - 070 Abandoned Motor Vehicle Fund

Proceeds from sale of abandoned motor vehicles

Dept. of Rev. shall prorate the money in the fund to each general law municipality bound by the procedure specified in this chapter in proportion to the number of abandoned vehicles disposed of within its boundaries

~~How many municipalities have adopted~~

Phil Wall - Bureau, Dept of Revenue
Dir Admin Services

2313

Annual Drive - 100 cars a yr. - most of the cars picked up each year are during this drive.

The problem here is ~~about~~ cars abandoned along the side of the road not those left derelict in someone's yard.

HB 88

that adopts & implements an abandoned vehicle ordinance
This would allow a municipality to collect up to \$5 per motor vehicle registered and licensed to a person residing in that municipality.

This fees would be collected by the Dept. of Revenue, who would remit them, less the costs incurred for collection, to the municipalities.

AS 28.31.065 - 070 provide for an Abandoned Motor Vehicle Fund to be funded by legislative appropriation and/or proceeds from the sale of abandoned vehicles. There have been no appropriations; ~~requested for~~ the cost of taking the car from where it was abandoned, smashing it and shipping it to Seattle just about equals the scrap metal price.

There are approximately 250,000 motor vehicles registered and licensed and the Dept. of Revenue anticipated at least 90% are ^{registered} within municipalities.

HB 88

3/5/75
no mtg

CRA, Chenoweth
Phil Wall, Dept. of Revenue (2313)
Rep. Mike Miller
Ak Municipal League

Not Fed Present Testified

X

~~X~~
~~X~~
~~X~~

X

3/11/75

CRA, Chenoweth
Phil Wall, Revenue
Rep Mike Miller
Ak Municipal League, Don Berry & Ginny Kline
Bureau of Traffic Safety, Dept. Public Safety
Dennis Robertson

X

X

X

X

X

X

X

X

X

X

X (~~stated that they are~~
~~in agreement w/ the bill~~)

4/24

Chenoweth
Phil Wall (2313)
Miller
M.L.
Dennis Robertson, Public Safety
(4375)

X

X

X

X

X

X

X

X

X

X

X