

SB

84

In fiscal year '77, the state spent between \$3.5 and \$4.0 million on the non-Federal Highway System maintenance outside of municipalities. This is the type of maintenance that is done on local roads and paid for by municipal taxpayer when those roads are within municipalities.

Since state motor fuel tax pays about half of maintenance costs, this amounts to an annual state subsidy of almost \$2 million to those areas outside of municipalities. Why should municipal residents pay for a service that non-municipal residents receive free?

There are over 4000 registered motor vehicles outside of municipalities. Assuming that these are taxed at an average rate equal to a 3 year old auto, this amendment would raise approximately \$160,000; certainly not enough to completely pay for the subsidy, but at least it will help.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM

February 23, 1977

SUBJECT: CSSB 84, relating to the registration tax on
motor vehicles

TO: Senator Orsini, Chairman
Senate Community and Regional Affairs

FROM: John B. Chenoweth
Legislative Council

To assure a return of a portion of the proceeds of the tax
levied by AS 28.10 to a second class city within an organized
borough, the following amendment should be considered:

Page 3, lines 6 and 7: amend to read

a city which levies property taxes under AS 29.53.400
or AS 29.53.410;

Though you have not asked, I question whether the redistribution
provisions of AS 28.10.255(f), repealed and re-enacted in
the legislation, are applicable to unified municipalities
such as Anchorage and Juneau. The operative words (page 2,
line 19) are "organized borough." Municipal officials may
argue that, had the legislature intended the distribution
provisions to operate within a unified municipality, the
word "municipality" or the term "unified municipality" would
have been used, the definition of the word "municipality"
appearing elsewhere in the section.

JBC:hjd

2/28/77

Ted Berns called
+ said the amended
change in the formula
re: CSSB 84 won't work.

(i.e. changing organized
borough to municipality).

Sam Cohen is coming in
tomorrow to explain the
whole situation to us.

Paul

Municipality of Anchorage

MEMORANDUM

DATE: February 7, 1977

TO: Ted Berns, Attorney's Office

FROM: Director, Property Appraisal Divison

SUBJECT: Motor Vehicle Registration Tax, Mr. Klug's Letter


As we mentioned in our telephone conversation, there are two addresses on the registration certificate, one is the registered owner's mailing address and the other is the residence address. If the residence address is the same as the mailing address only one shows on the registration.

In the Act itself, Section 28.10.255(e), it states: "The department shall refund money collected under this section less five percent as collection costs, to a municipality for which the money was collected, as determined by (1) the address of residence of an individual required to pay the tax, or (2) the situs of the vehicle if the vehicle is not owned by an individual; the tax situs is the location at which the motor vehicle is usually, normally, or regularly kept or used."

I would suggest that Mr. Klug in all cases use his Anchorage address as the mailing address and the residence address would be the area in which those automobiles are normally or regularly kept, i.e. Cordova, Fairbanks, etc. By doing this he will not have to pay the tax on those vehicles not normally kept here. They will be subject to tax in the other areas.

As I told you on the phone, I did talk with Mr. Klug last year, and this was covered. He has evidently forgotten our conversation.

I really don't think he will have any problem at all, as long as he prepares in advance. We will certainly be available to help him.


Glenn M. McKee
Director

GMM:ma

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ORIGINAL.

DEADLINE FOR MAILING, MAY 1, 1972

RES. MAILING APP. ADDRESS

LICENSE NO.	FEAR REPLACED	TAX REPLACED	REGISTRATION FEE	WEIGHT FEE	TOTAL FEE
PLATE NO.	TYPE OF	UNLACED	COLOR	MAKE	REG. FEE
PRINT CHANGE OF MAILING ADDRESS AND ZIP CODE HERE				FEE NO.	
PRINT CHANGE OF RESIDENCE ADDRESS AND ZIP CODE HERE					
DATE	TRANSFER FROM	TAX TO	LICENSE NO.	CODE	FEE PAID

MV-15 (1-70) (P)

INV 572 10.75 PAS 30.00

ANCHORAGE - AK
 LEASOR NAME AND ADDRESS
Moff

1972 ALASKA REGISTRATION CERTIFICATE
 PLEASE CORRECT ADDRESS AND SIGN MAIL ALL COPIES WITH CHECK OR MONEY ORDER TO
 DEPT. OF REVENUE, BOX 960 - ANCHORAGE 9950

REGISTRATION EXPIRES 5-31-73

* *E. Ruth...*
 SIGNATURE OF REGISTRAR OR OWNER (IN INK)

THE PRECEDING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

Avis Rent-A-Car System
Rolf A. Klug
4900 Aircraft Dr.
Anchorage, Alaska 99502

01/28/77 Inquiring about Senate Bill 600. Referred
to Attorney General, Avrum Gross. Waiting
for response. Contacted both.

AVIS

LICENSEE

JANUARY 24, 1977

THE HONORABLE JOSEPH ORSINI
ALASKA STATE SENATE
POUCH "V"
JUNEAU, ALASKA 99811

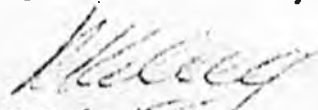
DEAR SENATOR ORSINI:

DURING THE LAST LEGISLATIVE SESSION SENATE BILL 600 WAS PASSED. HOWEVER, UNDER SECTION 1, PARAGRAPH 1, IT PROVIDES THAT EACH MUNICIPALITY HAS TO ELECT TO HAVE THE STATE COLLECT THE MOTOR VEHICLE REGISTRATION TAX IN LIEU OF LOCAL AD VALOREM TAXES. WE THEREFORE, WOULD LIKE TO POINT OUT SOME OF THE SERIOUS SHORTCOMINGS IN THIS BILL AND ASK FOR YOUR ASSISTANCE.

1. SOME CORPORATIONS HAVE MANY VEHICLES LOCATED ALL OVER THE STATE. THESE VEHICLES DO NOT FALL UNDER THE TAX LEVY BECAUSE THE BOROUGH EITHER DID NOT HAVE THE TAX STRUCTURE BEFORE OR CHOSE NOT TO ACCEPT SENATE BILL 600. HOWEVER, IT COULD BE POSSIBLE THAT A VEHICLE WILL END UP OPERATING IN A BOROUGH WHICH SELECTED TO HAVE THE STATE COLLECT ITS TAXES. SINCE THE REGISTRATION WILL SHOW A DIFFERENT COST THAN THOSE LOCALLY COLLECTED, WILL WE AS THE OWNER BE HELD RESPONSIBLE TO PAY THE ADDITIONAL COST.
2. SINCE MOST LARGE CORPORATIONS CARRY AN ANCHORAGE ADDRESS ON THE VEHICLE REGISTRATION, HOW CAN THE STATE PROVIDE FOR ALLOCATING THE TAX TO THE DIFFERENT COMMUNITIES, WHO WOULD NORMALLY, BEFORE ACCEPTING SENATE BILL 600, GET THE TAX FOR THOSE VEHICLES OPERATED IN THAT COMMUNITY.

ALL CORPORATIONS OR PERSONS OPERATING FLEETS WILL HAVE THIS PROBLEM. WE FIND IT IS IMPERATIVE TO REGISTER ALL VEHICLES IN ONE LOCATION WHERE THE HEAD OFFICE IS AND ALL FINANCIAL AND ADMINISTRATIVE CONTROL CAN BE CENTERED. ON TAKING A DECEMBER 31ST INVENTORY STATEWIDE, WE FIND THAT EACH COMMUNITY RECEIVES ITS SHARE OF THE TAX. THIS WILL NOT BE POSSIBLE UNDER THE NEW SYSTEM. WE WOULD APPRECIATE IF YOU WOULD CONSIDER THESE COMMENTS AND RECONSIDER THE MERITS OF SENATE BILL 600.

YOURS VERY TRULY,


ROLF A. KLUG
VICE PRESIDENT/GENERAL MANAGER

RAK/MH

Alaska State Legislature

SENATOR
JOE ORSINI
2912 ALDER DRIVE
ANCHORAGE, ALASKA 99504

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811



COMMITTEES

RESOURCES

COMMERCE

COMMUNITY & REGIONAL AFFAIRS

Senate

January 28, 1977

Avis Rent-A-Car System
Rolf A. Klug
4900 Aircraft Dr.
Anchorage, Alaska 99502

Dear Mr. Klug:

I can certainly appreciate your questions and concerns in regards to Senate Bill 600. Enclosed you will find a copy of my letter to the Attorney General asking that he research this matter. I will advise you of his answer as soon as I receive it.

If I can be of further assistance, please let me know.

Sincerely,

JOE ORSINI
Senator

JO/VZC:gd

Enc.

Alaska State Legislature

SENATOR
JOE ORSINI
2912 ALDER DRIVE
ANCHORAGE, ALASKA 99504

WHILE IN JUNEAU
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COMMITTEES
—
RESOURCES
COMMERCE
COMMUNITY & REGIONAL AFFAIRS

Senate

January 28, 1977

Avrum M. Gross
Attorney General
Pouch K
Juneau, Alaska 99811

Dear Avrum:

Enclosed you will find a letter from one of my constituents regarding Senate Bill 600. I would appreciate it if you would have your staff research this matter and then advise me back on it.

Thank you for your expedience in this matter.

Sincerely,

JOE ORSINI
Senator

JO/VZC:gd

Enc.

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JBC:hjd