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433



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 9, 1984

The Honorable Jalmar Kerttula
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Kerttula:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that will authorize the division of motor vehicles (DMV), Department of Public Safety, to refuse to register heavy trucks if the owner of the truck does not furnish proof that applicable federal heavy use taxes on the truck have been paid. This authorization is necessary to comply with federal law, and to ensure that Alaska does not lose up to 25 percent of apportioned federal highway funds.

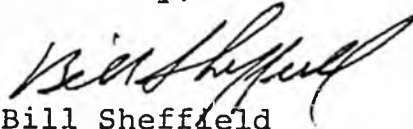
In 1982 the U.S. Congress adopted the Surface Transportation Assistance Act of 1982. The Act increases, as of July 1, 1984, the heavy vehicle use tax which heavy trucks and trailers must pay. Section 143 of the Act (23 U.S.C. sec. 141(d)) authorizes the federal government to withhold up to 25 percent of a state's apportionment of federal highway funds during any year in which heavy vehicles subject to taxation under sec. 4481 of the Internal Revenue Code of 1954 may be registered in the state without presenting proof of payment of these taxes. This proof-of-payment requirement must be in effect no later than September 30, 1984.

In order to prevent the loss of these federal highway funds, this bill authorizes DMV to refuse to register a heavy vehicle unless the owner provides proof that the required federal tax has been paid. If an applicant fails to provide the required proof of payment his vehicle will not be registered. The State of Alaska is not required to enforce or collect the federal tax.

I anticipate that Department of Public Safety personnel will be working with legislative committees on possible amendments to the bill, which may be necessitated by pending federal procedural decisions.

In order to avoid the loss of federal funding needed to improve and maintain Alaska's highway system, I urge your passage of this bill.

Sincerely,



Bill Sheffield
Governor

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 433
 Title: An Act relating to the registration of heavy vehicles
 Sponsor: Governor
 Requestor: Senate Labor & Commerce
 Date of Request: 2-21-84

FISCAL DETAIL

Agency Affected: Public Safety
 Program Category Affected: Life and Property Protection
 BRU, Program or Subprogram(s) Affected: Division of Motor Vehicles

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		8.8	9.3	9.9	10.5	11.1
200 TRAVEL						
300 CONTRACTUAL		7.4	5.5	5.8	6.1	6.5
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		16.2	14.8	15.7	16.6	17.6
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		16.2	14.8	15.7	16.6	17.6
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME Seasonal		1	1	1	1	1
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Not identified

ANALYSIS: Attach a separate page for analysis

Prepared By: Marcia Lynn McKenzie Phone: 465-4349
 Division: Administrative Services Date: 12-27-83

Approved by Commissioner: [Signature] Date: 12/28/83
 Agency: Department of Public Safety

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

ANALYSIS

This bill would require proof of IRS filing or payment of the Federal Heavy Truck Use Tax prior to registration for all motor vehicles with a gross vehicle weight (GVW) of 33,000 lbs. or over. Alaska vehicle classifications are based on unladen weight rather than GVW, so it is not possible to determine exactly how many vehicles are affected but an estimate based on unladen weight would be 2,500 to 3,500 vehicles.

Notification to vehicle owners and collection of the proper forms would require a special mailing and individual handling. Most of these vehicles are commercial vehicles registered during December, so one position working four months, October through January, would be able to accomplish most of the work and the rest would be absorbed by existing positions.

Cost detail for the program is as follows:

100	Motor Vehicle Representative I, Range 8 4 months	8.8
300	Mailing Cost	1.4
	Forms	1.0
	Data Processing	
	Programming	2.0
	Maintenance	<u>3.0</u>
	Total	16.2

An inflation factor of 6% has been applied to costs beyond FY 85.

1.	POSITION TITLE Motor Vehicle Rep. I			RANGE/STEP 8B	BARG. UNIT G	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION Seasonal	STAFF MONTHS 4	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.	
3.	CONTINUATION LEVEL	ADDITION	JUSTIFICATION						
4.	TYPE OF EXPENDITURE		AMOUNT			<p>This position will perform the additional tasks associated with identifying vehicles, notifying owners, and updating records of those vehicles subject to the heavy vehicle tax. Annual volume of vehicles subject to this tax is expected to be approximately 2500 to 3500 and being commercial vehicles, the majority of these will register in December on a regular basis or in February on a pro-rate basis, depending on their use. The position will be used during the November through February time period to handle this workload.</p>			
	1	2	3						
	PERSONAL SERVICES								
5.	Salary	6,392							
6.	Benefits	392							
7.	Supplemental Benefits	1,146							
8.	Fixed Benefits	909							
9.	TOTAL PERSONAL SERVICES	01	8,839						
10.	Travel	02							
11.	Contractual	03	7,400						
12.	Commodities	04							
13.	Equipment	05							
14.	Other								
15.	TOTAL COST		16,239						
	RECEIPT CODE	FUNDING SOURCE							
16.		Federal Receipts 1002							
17.		G.F. Match 1003							
18.		General Funds 1004		16.2					
19.		I-A Receipts 1005							
20.		Program Receipts 1028							
21.		Other							
FOR B&M USE ONLY									
4A KEY NUMBER _____									

13 REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
PROGRAM Life & Property Protection
BRU Division of Motor Vehicles
COMPONENT Vehicle Services

Page _____ of _____
Revised Date _____

FY 85

SB 433

SB 433 ENABLES THE DIVISION OF MOTOR VEHICLES IN THE DEPARTMENT OF PUBLIC SAFETY TO REQUIRE PROOF-OF-PAYMENT OF THE FEDERAL HEAVY VEHICLE USE TAX BEFORE REGISTERING HEAVY VEHICLES IN THE STATE OF ALASKA. THE HEAVY VEHICLE USE TAX IS ONE OF A NUMBER OF USER FEES THAT FUND HIGHWAY IMPROVEMENTS THROUGH THE FEDERAL "HIGHWAY TRUST FUND." THE STATE OF ALASKA RECEIVES A VERY FAVORABLE DISTRIBUTION FROM THE "HIGHWAY TRUST FUND". THIS DISTRIBUTION IS OVER EIGHT TIMES THE AMOUNT COLLECTED THROUGH FEDERAL TAXES ON HIGHWAY USE IN ALASKA.

IF SB 433 IS NOT ENACTED, ALASKA WILL BE SUBJECT TO A REDUCTION IN ALASKA'S INTERSTATE APPORTIONMENTS FROM THE "HIGHWAY TRUST FUND". THE DEPARTMENT OF TRANSPORTATION ESTIMATES THAT OVER \$10 MILLION PER YEAR MAY BE LOST IF SB 433 IS NOT ENACTED.


THE ADMINISTRATION IS IN SUPPORT OF THIS LEGISLATION. I RECOMMEND PASSAGE OF SB 433.



Dept. of Transportation & Public Facilities

Position Paper

BILL NO: Senate Bill 433

APPROVED: 
R. J. Knapp
Commissioner

TITLE: An act relating to the registration of heavy vehicles; and providing for an effective date

DATE:

The Alaska Department of Transportation and Public Facilities urges speedy passage of Senate Bill (SB) 433. SB 433 enables the Division of Motor Vehicles in the Department of Public Safety to require proof-of-payment of the federal heavy vehicle use tax before registering heavy vehicles in the State of Alaska. The heavy vehicle use tax is one of a number of user fees that fund highway improvements through the federal Highway Trust Fund. The State of Alaska receives a very favorable distribution from the Highway Trust Fund; this distribution is over eight times the amount collected through federal taxes on highway use in Alaska.

If SB 433 is not enacted, Alaska will be subject to a reduction in our Interstate apportionments from the highway trust fund. This reduction in funds will hurt the Department's efforts to improve Alaska's Interstate System, consisting of the Parks, Alaska, Glenn and Tok Cut-off highways and portions of the Richardson, Seward, and Sterling highways. The Department estimates that withholding, when applied, will cost the state over \$10 million a year in Interstate apportionments. Assuming \$1 million a mile for reconstruction of substandard highway, a \$10 million cut translates into a ten mile reduction in highway miles improved each year.

For more information, contact Paula Ramsey, 465-3900.

COMMITTEE REPORT

SENATE

FURTHER:

1936

Date 4/12/36

Mr. President

The Committee on SAVES & CONSERVE considered SR 43

Registration of heavy vehicles, etc.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

DEPARTMENT OF PUBLIC SAFETY

POSITION PAPER - SB 433

SUPPORT

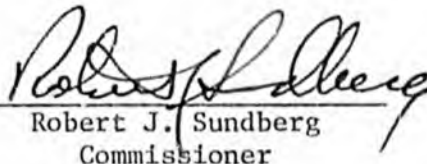
February 17, 1984

SB 433, An Act relating to the registration of heavy vehicles; and providing for an effective date.

The United States Congress has amended the United States Code to reflect the Secretary of Transportation shall reduce the State's apportionment of Federal-aid highway funds in any fiscal year beginning after September 30, 1984, if a heavy vehicle subject to the use tax may be lawfully registered in the State without having presented proof of payment of the use tax.

Enforcement of a federal law by state registration processes is not a desirable use of state resources. However, the alternative, a loss of 25% of federal highway funds leaves the state little choice. The State is not required to enforce or collect the Federal tax, but only to verify it has been paid before the vehicle is registered.

Therefore, it is felt this bill should be passed this session to bring Alaska into compliance with the Federal requirement and avoid loss of the Federal-aid highway funds.


Robert J. Sundberg
Commissioner