

S B

277

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

REQUEST: \_\_\_\_\_ Bill Version: SB 277  
 Publish Date: \_\_\_\_\_  
 Revision Date: \_\_\_\_\_ Agency Affected: Public Safety  
 Title: An Act relating to registration BRU: Motor Vehicles  
of vehicles owned by charitable organ...  
 Sponsor: Szymanski Components: \_\_\_\_\_  
 Requestor: Senate State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE	-0-	84.6	87.1	89.7	92.4	95.2

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

1986 registration figures reflect 2,563 vehicles registered to charitable organizations. If the regular fee was collected, instead of the current \$5.00 per vehicle, the above reflects the increase in revenue. Assumed effective date of 7-1-87, with a 3% growth factor.

Prepared by: Bill Brown Phone: 465-4335  
 Division: Motor Vehicles Date: 4-28-87  
 Approved by Commissioner: [Signature] Date: 5/28/87  
 Agency: Public Safety

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agencies)
- Senate Secretary

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 5, 1987

SUBJECT: Motor vehicle registration - SB 277  
TO: Senator Mike Szymanski  
FROM: Michael F. Ford *M.F.*  
Legislative Counsel

You have asked if there are any legal problems created by denying special license plates or a lower registration fee to charitable organizations, as in SB 277. The short answer is no. The registration fee charged to charitable organizations is purely a creation of statute, and may be changed as determined by the legislature. Charitable organizations have no right or entitlement to special plates, or to special consideration in the fee charged for registering a motor vehicle. See Washington Chocolate Co. v. King County, 152 P.2d 981 (Wash. 1944).

I did examine two other state registration statutes, Washington and California, to determine if they granted similar exemptions. While both states granted narrow exemptions for vehicles owned by government or nonprofit educational groups, neither state had a broad provision similar to AS 28.10.181(e). As each state legislature is free to grant or deny exemptions of this kind, I would expect considerable variation between the states as to particular exemptions.

Please contact me if you have further questions.

MFF: csh  
c8/023

- Legal Opinion -



# Alaska State Legislature

Senator Mike Szymanski

## MEMORANDUM

To: Members of the Alaska Senate  
From: Senator Mike Szymanski  
Date: April 17, 1987  
Subject: Proposed Legislation on Exempt License Plates

While in Session:  
P.O. Box V  
State Capitol  
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In 1978 the Alaska legislature passed legislation relating to the registration of unique and special vehicles and vehicles used for special purposes. Included in this list of specially registered vehicles are historic vehicles; special request plates, vehicles owned by disabled veterans and handicapped persons; by state officials; by consular offices; by ranchers, farmers, and dairymen; by amateur mobile radio station operators; by auto dealers, by former POWs; by occasional users of highways; and also vehicles owned by the state, municipalities, and charitable organizations of the state (AS 28.10.181 (e)).

There appears to be a great deal of abuse going on with free plates being supplied to various charitable organizations of the state. "Charitable organization" is defined as a "nonprofit association, corporation, society, or other entity organized, incorporated, or headquartered in the state for educational, cultural, scientific or other charitable purposes, as prescribed in regulations of the department." This definition is so broad that for all practical purposes, every single organization and/or individual in the state qualifies for free plates. As a result, the privilege of having free plates is being terribly abused, and the Department of Motor Vehicles does not have the manpower to investigate individual cases to prevent abuse from occurring. Further, with exempt plates the vehicle does not have to pass an IM inspection, and the local government is not able to collect their tax like they do with regular plates, so they lose revenue.

There are hundreds of plates going to utility companies; hundreds to each of several major church denominations, including the Universal Life church, which usually only has 1 member per denomination; plates registered to individuals who may or may not be registered as non-profit corporations; labor unions; APU & AMU; Gruening Park Apartments; the University of Washington, & California University; Anchorage Gymnastics Association; the list is endless. A summary copy is attached for your reference, along with a list of "charitable organizations" receiving free plates who are driving Mercedes, Porsches, Fiats, Cadillacs, etc.

With so much abuse and no way to control it or monitor it, the only solution seems to be to eliminate this category of plates altogether. In 1985 there were 2,74 exempt plates given to charitable organizations. At an average of \$35 apiece, the state is losing \$86,590 a year in revenues that can be used elsewhere.

Examples of Charitable Organizations getting Free Plates for less-than-charitable vehicles:

#	<u>License</u>	<u>Car</u>	<u>Group</u>
1	yya995	Stud 53	Matanuska Electr Assn.
2	yyb365	Buick 72	Turning Point Boys Ranch
3	yyc141	Cadil 69	Arctic Circle Free Will
4	yye122	Linc 78	Univ. Life Church
5	yye203	Olds 74	International Conference of the Bible
6	yye216	Merced 67	Sapa Christian Center
7	yye381	Cadil 54	Transportation Museum of Alaska
8	yye385	Merc 81	Anchorage Park United Methodist
9	yye545	Saab 74	Sage Hoebermann
10	yye806	Buick 75	Corpo of the Catholic Archbishop
11	yye874	Merc 79	Matanuska Telephone Assoc.
12	yyf473	Merc 75	Catholic Bishop of Northern Alaska
13	yyf478	Linc 83	Anchorage Baptist Temple
14	yyf535	Olds 81	Universal Life Church
15	yyf537	Volvo 82	Universal Life Church
16	yyf546	Cadil 72	Emily Holcomb
17	yyf565	Linc 77	Blessed Trinity Church
18	yyf607	Merc 70	Fairbanks Rescue Mission
19	yyf679	Olds 75	Corporation of the Catholic Archdiocese
20	yyf683	Buick 82	Copper River School District
21	yyf715	Cadil 75	Bible Baptist Church, Inc. (Fairbanks)
22	yyf737	Merc 80	Bible Baptist Church of Fairbanks
23	yyf741	Linc 78	Universal Life Church
24	yye966	Merc 80	Delta Greely School District R
25	yyf896	Olds 81	Homer Electric Assoc
26	yyf908	Buick 75	Universal Life Church
27	yyf989	Cadil 82	Anchorage Gymnastics Assoc
28	yyf998	Stud 52	Homer Electric Assoc
29	yyf994	Stud 53	Homer Electric Assoc
30	yyg140	Olds 80	Corp. of Catholic Archbishops of ANch.
31	yyg150	Linc 79	Raymond Ansel
32	yyg162	Audi 76	St Pauls Catholic Church
33	yyg182	Merc 79	Calvarys Northern Lights Mission
34	yyg189	Saab 72	St. Seraphim of Sarov. Orthodox
35	yyg200	Merced 72	Alaska Mission #4
36	yyg201	Merced 65	Alaska Mission #3
37	yyg265	Olds 80	Western Dominican Province
38	yyg273	Olds 82	Jesuit Fathers
39	yyg312	Olds 77	Anchorage Baptist Temple
40	yyg346	Olds 82	Soul Harvest, Inc.
41	yyg652	Olds 83	Copper Valley Electric Assoc
42	yyg865	Buic 82	Society of Jesus--Alaska Hool.
43	yyh175	Buic 81	Corporation of the Catholic.
44	yyh220	Olds 83	Providence Hospital
45	yyh301	Buic 80	Society of Jesus
46	yyh324	Olds 82	Calvarys Northern Lights
47	yyh355	Linc 73	Mission of Faith #4
48	yyh399	Merced 66	North Star Church (Healy)
49	yyh409	Olds 84	South Anchorage Assembly of God

50	yyh489	Buic 84	Alaska Heritage Review (address in Anchorage and also one in Seattle)
51	yyh504	Olds 71	Gods Retreat
52	yyh534	Olds 77	St. Benedicts Church
53	yyh548	Royal 84	Abbot Loop Comm. Chapel
54	yyh587	Olds 82	Matanuska Telephone Assoc.
55	yyh665	Buick 80	Corp of Catholic Archbishops
57	yyh696	Cadil 78	Tri-Valley Volunteer Fire Dept.
58	yyh726	Olds 84	Alaska Villlage Electric Assoc.
59	yyh857	Olds 76	Sapa Christian Center
60	yyj137	Fiat 78	Solid Rock Ministries Inc. (Soldotna)
61	yyj140	Porsche79	Muldoon Community Assembly
62	yyj182	Olds 79	Corp. of Catho. Archbishops Anch
63	yyj190	Buic 85	Sisters of Providence in Washington (Seattle address; secondary Eagle River)
64	yyj272	Olds 82	Corp. Catholic Archbishops Anch
65	yyj295	Buic 84	Our Lady of Compassion
66	yyj323	Olds 83	Wayland Baptist University
67	yyj339	Buic 79	Alaska Evangelistic Fund, Inc.
68	yyj348	Olds 81	Trinity Presbyterian Church
69	yy367	Olds 85	Watchtower Society of New York Inc.
70	yy379	Olds 82	Corp. Cathollic Archbishops of Anchora
71	yyj389	Olds 80	Alaska Pacific University
72	yyj398	Olds 81	St. Marys Episcopal Church
73	yyj436	Olds 83	Theodor Zembal or the Society of Jesus -Oregon
74	yyj445	Buick 81	Alaska Federation of Natives
75	yyj447	Olds 85	Soul Harvest, Inc. (Anchorage & Seattle)
76	yyj450	Cadil 69	Anchorage Baptist Temple
77	yyj457	Peugot 83	Sisters of St. Ann
78	yyj506	Buic 81	Corporation of Catholic
79	yyj564	Buic 84	Boy Scouts of America (ANCHORAGE)
80	yyj566	Buic 84	Boy Scouts of America Ancho
81	yyj598	Buic 85	Hillcrest Church of the Nazarene
82	yyj604	Buic 86	Akeela House, INC.
83	yyj610	Olds 80	Anchorage Baptist Temple
84	yyj632	Buic 86	The Salvation Army

Partial Listing of Free plates given to charitable organizations  
(each category has examples only, and is not complete)

- 1) Utiltities
  - a. Golden Valley Electric  
yye663-699, yyf749-760, 787-91, 100-122
  - b. Copper Valley Electric (yye746-53)
  - c. Mat Su Telephone (yee874-928, yyf218-249; yyf151-51;  
many more in yyg, yyg626-39; yyg715-726; 744-763; yyg808-  
821; yyg840-47; yyh595-607; 617-632; yyh
  - d. Glacier Highway Electric yyf434-442
  - e. Homer Electric yyf889-896, 958-987, yyg432-443, 447-449;  
yyg535-546
  - f. Matanuska Electric Assoc. yyg486-514; 529-533;  
yyg822-838; yyh800-811
  - g. Kodiak Electric Association yyg558-577 ; yyg727-36
  - h. Chugach Electric yyg901-947; yyh102-149
  - i. Kulkwan Sanitation Faciltieis Corp yyh463
- 2) School Districts
  - a. Yukon Koyukuk School Dist (930-945)
  - b. Railbelt School Dist (yyf264-269)
  - c. Lower Kuskokwim School District yyf856-867
  - d. Northwest Arctic School District yyh702-708
- 3) Sheldon Jackson College
- 4) Alaska Teamsters Employmee Training yyg465-771
- 5) Fire Departments, Volunteer Fire Departments
- 6) Civil Air Patrol (many, some listed under Alaska Wing)
- 7) Churches
  - a. Universal Life church (one member; hundreds in all)
  - b. Anchorage Baptist Temple yyg414-427
  - c. Arctic Missions (yye776-88)
  - d. 7th Day Adventists (yye820-25)
  - e. Central Alaskan Missions (yye 853-9)
  - f. Soul Harvest yyf374-377; yyj447
  - g. Corporation of the Catholic Bishops AR (many plates)
  - h. North American Indian Revivalas & World Missions yyf732-
  - i. Anchorage Baptist Temple yyj450
  - i. LDS yyf835-49
  - j. Holy Ghost Fathers of Ireland yyg764
  - k. Corporation President, LDS yyg856-57
  - l. World of Faith Broadcast yyg889
  - m. Korean Hope Presbyterian Church yyg891
  - n. Solid Rock Ministries (many plates; eg yyj305-7
  - o. Alaska Evangeltistic Fund yyj339
- 8) Salvation Army (many plates)
- 9) Anchorage Outboard Club
- 10) Alaska Repertory Theater (8 or 10 at least, scattered)
- 11) Jaycess
- 12) Visual Arts Center yye506
- 13) ULC Inc Charter (2) yye551
- 14) Individual Names
  - a. Richard Bluel yye660
  - b. Gregory McGovern (yye714)
  - c. Edwin Carns (Living Word Ministry)

- d. Arnold Barry yyf385
- e. Kayleen Louise Stipe & Gary, yyf579
- 17) Alaskan Laborers Training Fund (yye836-9
- 18) Native Associations
  - a. Copper River Native Association
  - b. Orutsararmuit Native Council yyg975
  - c. AFN yyj445
- 19) Providence Hospital yyf 191
- 20) APU yyf207,209,215,217; APU Surplus properties yyg617;yyh546
- 21) AMU yyf210-13
- 23) Gruening Park Apartments yyf349
- 24) Frontiers of Faith Ministries; Sterling (Surplus Properties Services Anchorage
- 25) Alaska Public Television yyf398
- 26) Monroe High school yyf476
- 27) Transportation Museum of Alaska yyf658
- 28) Out of State Plates
  - a. University of Washington!! yyf-686-689;yyf978
  - b. California Unviersity yyg339
- 29) Tanana Valley Fair Assoc yyf794-5
- 30) Town of Metlakatla yyf897
- 31) Anchorage Gymnastics Association yyf989
- 32) Service Oil & GAS, Inc.yyg111
- 33) Hutchings Chevrolet-Oldsmobile yyg151
- 34) Raymond Ansel, Peninsula Savings & Loan Ass. yyg150
- 35) Anchorage Motor Musers Club yyg321
- 36) Agelus Memorial Park yyg410;868
- 37) Casa De San Jose (yyg464)
- 38) Metlakatla Indian Community yyg671
- 39) Stevens Village Council yyg676
- 40) Send of Alaska yyg700-706; yyj151-52
- 41) Wasilla Lions Club yyg796
- 42) National Outdoor Leadership yyg848-49
- 43) Anchorage Shrine Club yyg874
- 44) Mat-Su Valley Humane Society yyg986
- 45) St. Elizabeth Ann Seton School yyh176
- 46) Bethel Pre-Maternal Home yyh190
- 47) Employment Training Center, Fedalaska Federal Credit Union yyh195
- 48) Cassel Enola, DBA Anchorage Gymnastics Assoc. yyh210;224
- 49) Monroe Foundation yyh336
- 50) Alpine aLTERNATIVES yyh408
- 51) Susitna Girl Scout Council yyh444, Boy Scouts 445
- 52) City of Palmer yyh846
- 53) Alaska State Fair yyh977-79
- 54) Muldoon Community Assembly yyj140
- 55) Anchorage Police Chaplain yyj210
- 56) Nordic Ski Asocc. of Anch. yyj254
- 57) Interior Region Housing Authority yyj315
- 58) Alaska light opera theatre yyj365
- 59) The Lodge yvj500-501
- 60) Beans Cafe y.j513-

BILL NO: SB 277

DATE: April 28, 1987

TITLE: An Act relating to registration of vehicles owned by charitable organizations.

CONTACT: Bill Brown  
465-4335

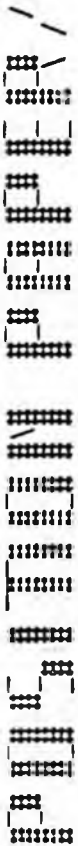
Present law exempts charitable organizations from paying full registration fee (they pay \$5 per vehicle), and the motor vehicle registration tax in communities where it is collected by DMV at the time of registration. This bill removes charitable organizations from this exempt status.

The bill would generate additional revenue for the State, and for those municipalities for which the department collects the registration tax.

The department is neutral on this bill.

  
Arthur English  
Commissioner

DEPARTMENT OF  
PUBLIC SAFETY



ADN.  
Apr. 23, 87  
O. 1

# Freebie license plates

## Lawmakers say courtesy abused

By JOHN LINDBACK  
Daily News reporter

JUNEAU — What do the Muldoon Community Assembly, Beans Cafe, University of Washington, Anchorage Gymnastics Association, the Universal Life Church and Chugach Electric Association all have in common?

The state of Alaska gives them and hundreds of other organizations and churches free license plates for their vehicles, regardless of their ability to pay.

While most Alaskans pay the state Division of Motor Vehicles \$35 a year to register a car and \$40 for a pickup, about 2,500 vehicles owned by what state law calls "charitable organizations" get plates for a nominal \$5 a year. The plates are identifiable because they all carry YY as the first two letters.

A 1979 Porsche is registered in the name of the Muldoon Community Assembly, according to state listings. The Anchorage Gymnastics Association registered a 1982 Cadillac. The Sisters of St. Ann registered a 1983 Peugeot. And the Alaska Mission #3 of Anchorage registered a 1985 Mercedes. Alaska Mission #4 of Wasilla registered a 1972 Mercedes.

Hundreds of vehicles are registered to the Universal Life Church.

All of the organizations pay the nominal \$5 fee and somebody from the group signs an affidavit that says the vehicle is used exclusively for the purposes of their group.

Groups based in Anchorage get extra savings. They are also exempted from a personal property tax collected for the Municipality of Anchorage at the time vehicle owners register with the state. For cars, the tax ranges from \$5 to \$60 a year, depending on

See Back Page, PLATES

# RECUPERATING



This ailing eagle, recovering at a clinic run by Association, is due to be returned to the wild when it care of itself, to be given to an educational group association has cared for eagles, hawks, seagulls, r and more photos, Back Page.

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In 1986, fewer than three percent of the men and women in the armed forces who were tested for illicit drugs were found to have used them. With testing having become widespread, the officers said, that was a close indication of overall usage.

In comparison, 27 percent of those in the armed forces in 1980 admitted to having used drugs the previous month.

The Army, the largest of

the higher level of education for recruits entering the services today and growing pressure within the services.

The military services have experienced many disputes over the legality of testing.

But the services have won enough backing in the courts to make testing pervasive.

The Army, which has 900,000 soldiers, reservists and civilian employees subject to testing, conducted 1.2 million tests last year, an increase of

had the worst drug-problem in the 1980 survey, found only 2.6 percent of those tested last year to have used drugs. In a Corps of 200,000 marines, there were 466,222 tests, with some marines being subjected to several tests.

The Navy, which had the second-worst drug record in 1980, found last year that 28 percent of the sailors tested showed positive results, which was about the same as the year before.

## AIR TRAFFIC: Task force to seek causes of mistakes

Continued from Page A-1

to maintain the proper separation between two planes, the mistake is automatically recorded on an FAA computer. These are known as "operational errors." FAA regulations generally require controllers to maintain a horizontal separation of five miles and a vertical separation of 1,000 feet.

Engen, terming the recent rise in errors "an aberration," cautioned against drawing

the first half-hour of a controller's shift, and on the third day of the controller's work week. The FAA has also found that three-fourths of the errors occur when a controller is handling 10 or fewer airplanes.

"I don't think we're going to come up with any great new things," Engen said. "We're not going to reinvent the wheel. You keep looking at the errors to try and prevent them."

Continued from Page A-1

the age of the vehicle.

But the freebies may not last long.

Legislators who don't like the looks of the motor vehicle lists are beginning to think that the state might benefit from the more than \$80,000 a year it forgoes by handing out free plates.

Sen. Mike Szymanski, D-Anchorage, suspects abuse of an old law that was originally designed to give non-profit charitable organizations a fi-

Continued from Page A-1

version is akin to tapping the dividend account, there was little debate on the floor.

It would be more popular, but not practical, for lawmakers to vote for a higher dividend, said House Majority Leader Max Gruenberg, D-Anchorage.

"It's very, very tempting to say to our constituents, 'Look, I gave you \$40 more in your dividend,'" Gruenberg said. "We need that money to balance the budget."

Rep. Peter Goli, D-Haines, said the money should go into the principal of the perma-

ground with rain, she continued.

Warheads knocked off course by the defense system, and their fuses have been armed and remain operational, could explode at their appointed altitudes over a random target, Howes said.

"Thus, nuclear detonations

## DIVIDENDS: House votes to spend surplus

ment fund, taking it out of lawmakers' reach. He tried, unsuccessfully, to amend the bill.

House members approved the measure, 23-15.

Minority Leader Fritz Petyjohn, R-Anchorage, said he plans to call for another vote today.

He said he is not convinced the money would go into the dividend fund even under Cowper's bill.

"If it were to fail, money would not necessarily go into this year's permanent fund dividends. This money will remain where it is and will be available for any use that leg-

islature desires," he said. A spokesman for Cowper said the governor would prefer the money go into dividends. He said Cowper is asking fiscal analysts to study the impact the House bill will have on the dividend account.

Last year, at former Gov. Bill Sheffield's request, lawmakers reappropriated unclaimed dividends, but Sheffield eventually vetoed the action after some people characterized it as a "midnight raid" on the dividend program.

If the Senate approves the House measure, it would set a precedent for using excess dividends.

## PLATES: Some lawmakers say it's time for the state to stop giving a break on fees

Continued from Page A-1

corporated, or headquartered in the state for educational, cultural, scientific or other charitable purposes, as prescribed in regulations of the department.

Utility companies and church denominations have registered hundreds of vehicles. Labor groups also qualify for freebie plates along with nonprofit cultural organizations, such as the Alaska Repertory Theatre and the Alaska Light Opera. Other nonprofit organizations like the Nordic Ski Association of Anchorage, Mat-Su Valley Humane Society, Wasilla

Lions Club and Alaska Public Television also get freebie plates.

The definition is so broad that "for all practical purposes, every single organization and/or individual in the state qualifies for free plates," Szymanski said. "As a result, the privilege of having free plates is being terribly abused and the Department (Division) of Motor Vehicles does not have the manpower to investigate individual cases to prevent abuse from occurring."

For budget reasons, the Division of Motor Vehicle, has not assigned anyone to enforce the law, according to Kenneth Simpson of the division's Anchorage office. If somebody is using the vehicle for private purposes there is nothing the state can do, he said.

According to Simpson, charitable organizations in 1986 registered 980 passenger vehicles, 1,185 pick-ups and 179 buses.

"There seems to be no logical reason to assume that any of these groups can't afford to pay their own way," Szymanski said.



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