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# Alaska State Legislature

HOUSE OF REPRESENTATIVES

REPRESENTATIVE GAIL PHILLIPS

Official Business  
PHONE: (907) 465-2689  
FAX: (907) 465-3472

STATE CAPITOL  
JUNEAU, ALASKA  
99801-1182

CS SS HB 379

SPONSOR STATEMENT

PRESENTED TO THE HOUSE COMMUNITY  
AND REGIONAL AFFAIRS COMMITTEE

MARCH 9, 1992

I introduced House Bill 379, which is titled "an act relating to motor vehicle registration and providing for an effective date," to help municipalities recover the costs of transporting motor vehicles that are at the end of their useful life, to recycling centers. Because Alaska has numerous abandoned vehicles cluttering up our scenic state, I feel passage of this bill will not only help in restoring it's beauty, but will allow for the recycling and reuse of the metal, etc..

Specifically, the bill works in this manner. Every year, upon registration or renewal of registration, a \$2 per vehicle fee would be imposed upon the owner of the car. It is the intent of this bill that the additional motor vehicle registration fees collected as a result of this Act will be placed in a specified account in the general fund. The Legislature would then appropriate these funds to the Department of Community and Regional Affairs for the sole purpose of providing grants to municipalities to reimburse them for the costs they incur for transporting these vehicles to recycling centers. If the municipalities have no recycling center, funds generated in their locations may be applied to their local disposal costs.

The bill is straight forward and exempts no motor vehicles, including state, borough or local government-owned vehicles. If enacted, the bill would become law on January 1, 1993.

Because Alaska already has so many junk vehicles I have been considering various means of getting rid of them. One possibility I am looking into is the possibility of back-hauling from the remote areas on our river systems which are served by barge throughout the summer months.

House Bill 379 was a pre-filed bill which was introduced on the first day of this session. However, since the original draft, I have submitted a sponsor substitute and minor changes were made in the House

Transportation Committee. In addition to this committee, HB 379 has a further referral to the Finance Committee.

I am pleased to find that there is a great deal of support for this bill among my colleagues, and I appreciate this opportunity for an early hearing in your committee.

Thank you.

**Some Facts:**

Currently there are 445,000 registered motor vehicles in Alaska. This would mean the first year this bill is in effect, it would produce approximately \$890,000 in funds to be deposited in the General Fund.

There will be some small cost (probably not more than 5% of the funds collected) to administer the program.

In the last four years, in Anchorage alone, the Street Maintenance Department tells me they have picked up 10,000 junk and abandoned cars.

FISCAL NOTE

No. 1

Bill Version: CSSSHB 379 (TRA)

(H) Publish Date: 2-28-92

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
Title: An Act Relating to Motor Vehicle Registration

Department Affected: Community and Regional Affairs

BRU: Administration & Support

Component: Administrative Services

Sponsor: G. Phillips, Zawacki

Requestor: \_\_\_\_\_

COMPONENT SERIAL NO. 

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	27.0	55.9	57.8	59.7	61.6	63.5
TRAVEL						
CONTRACTUAL	0.6	1.2	1.2	1.2	1.2	1.2
SUPPLIES	0.3	0.6	0.6	0.6	0.6	0.6
EQUIPMENT	4.0					
LAND & STRUCTURES						
GRANTS, CLAIMS		800.4	830.4	828.5	826.6	824.7
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>31.9</b>	<b>858.1</b>	<b>890.0</b>	<b>890.0</b>	<b>890.0</b>	<b>890.0</b>

CAPITAL						
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REVENUE FUND SOURCE:	New *	New	New	New	New	New
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\* = Motor Vehicle Recycling Registration Fees collected by the Department of Public Safety

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE: **	31.9	858.1	890.0	890.0	890.0	890.0
<b>TOTAL</b>	<b>31.9</b>	<b>858.1</b>	<b>890.0</b>	<b>890.0</b>	<b>890.0</b>	<b>890.0</b>

POSITIONS: \*\* = Motor Vehicle Recycling Grant Fund

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

See Attached

Prepared By: Remond Henderson *Remond Henderson*  
Division: Administrative Services Division

Phone: 465-4725  
Date: 2-21-92

Approved by Commissioner: Eon Reith  
Agency: Department of Community and Regional Affairs

Date: 2-25-92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

The proposed legislation would create a \$2.00 Recycling Registration Fee for motor vehicles upon registration or renewal. The Department of Public Safety would collect this fee with motor vehicle registrations and renewals. When the funds are deposited, the \$2.00 per vehicle would be directed into a newly established Motor Vehicle Recycling Grant Fund in the Department of Community and Regional Affairs. Subject to appropriations, the Department of Community and Regional Affairs would then make grants to municipalities for the purpose of transporting junk or abandoned motor vehicles to recycling centers.

The Department of Public Safety estimates revenues from the Recycling Registration Fee will be approximately \$890,000 per fiscal year. These fees will be received throughout a fiscal year, including on June 30. This Fiscal Note assumes that the amount of funds appropriated for a fiscal year (except FY 93; see below for explanation of FY 93) will be based upon the prior year's fee receipts and that the full amount of the prior year's receipts will be appropriated by the Legislature. Basing appropriations on the prior year's receipts will avoid the potential problems of having to estimate a year's receipts and/or of seeking supplemental appropriations should the actual receipts be less than estimated.

This analysis also assumes that the operating costs of administering the grant program will be paid by the Motor Vehicle Recycling Grant Fund receipts and will not be supported with General Fund monies. It is assumed that during FY 93, program receipts will be used to pay the operating costs of \$31,900. As per above, no grants will be awarded in FY 93, as there will be no fee receipts in the prior fiscal year (i.e., FY 92).

At the end of FY 93, the Grant Fund will have a balance of \$858,500 (i.e., receipts of \$890,000 in FY 93 less operating costs in FY 93 of \$31,900 equals a fund balance of \$858,500). This balance will then be used for the FY 94 operating costs as well as grant awards. The analysis assumes that the \$57,700 of personal services, contractual and supplies costs for FY 94 will be deducted from the FY 94 beginning fund balance of \$858,500 to yield a remaining balance of FY 93 receipts of \$800,400 to be used for the FY 94 grant awards.

At the beginning of FY 95, the Grant Fund will have a balance of \$890,000 (i.e., the amount of the FY 94 fee receipts). The personal services, contractual and supplies costs for FY 95 of \$59,600 will be deducted from the \$890,000 fund balance to yield an amount available for grants in FY 95 of \$830,400.

FISCAL NOTE ANALYSIS  
House Bill 379  
Department of Community  
and Regional Affairs  
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No. 1  
CSSS HB 379  
(STA)

At the beginning of FY 96, the Grant Fund will have a balance of \$890,000 (i.e., the amount of the FY 95 fee receipts). The personal services, contractual and supplies costs for FY 96 of \$61,500 will be deducted from the \$890,000 fund balance to yield an amount available for grants in FY 96 of \$828,500.

At the beginning of FY 97, the Grant Fund will have a balance of \$890,000 (i.e., the amount of the FY 96 fee receipts). The personal services, contractual and supplies costs for FY 97 of \$63,400 will be deducted from the \$890,000 fund balance to yield an amount available for grants in FY 97 of \$826,600.

At the beginning of FY 98, the Grant Fund will have a balance of \$890,000 (i.e., the amount of the FY 97 fee receipts). The personal services, contractual and supplies costs for FY 98 of \$65,300 will be deducted from the \$890,000 fund balance to yield an amount available for grants in FY 98 of \$824,700. At the end of FY 98, the Grant Fund will have a balance of \$890,000, or the amount of fee receipts in FY 98.

FISCAL NOTE

No. 2  
 Bill Version: CSSSHB379 (TRA)  
 (H) Publish Date: 2-28-92

STATE OF ALASKA  
 1992 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Department Affected: Public Safety  
 Title: An Act relating to motor vehicle BRU: Motor Vehicles  
registration Component: Field Service  
 Sponsor: Representative G. Phillips  
 Requestor: House Transportation COMPONENT SERIAL NO. 

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EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	7.5	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>7.5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	890.0	890.0	890.0	890.0	890.0	890.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	7.5	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
<b>TOTAL</b>	<b>7.5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

See attached.

Prepared By: Charles Hosack Phone: 269-5559  
 Division: Motor Vehicles Date: 2/4/92  
 Approved by Commissioner: Richard L. Burton  
 Agency: Department of Public Safety Date: 2/11/92

Department of Public Safety  
Fiscal Note Analysis - SSHB 379  
Page 2 of 2

This bill requires the Division of Motor Vehicles to collect an additional fee of \$2.00 each time a motor vehicle is registered or upon a renewal of the registration. Approximately 445,000 motor vehicles are registered in Alaska each year. At \$2.00 per vehicle, this will bring in revenues of approximately \$890.0 per year to the state. These funds will be used to provide grants to municipal governments to recycle junked or abandoned vehicles.

7.5 in contractual monies will be needed for 100 hours of contract programmer time to revise all registration programs to collect the new fees and to revise all revenue reports so that the fees are correctly reported to AKSAS. This is a one-time expenditure, for the first year of the program only.

All registration fee amounts except those for trailers will be increased by \$2.00. Trailers are not included because the bill addresses "motor vehicles" rather than "vehicles". Forms will be revised to indicate the new fee and a new revenue account will be established to identify the fees collected under this bill.

FISCAL NOTE

No. 3  
 Bill Version: CSSSHB 379(TRA)  
 (H) Publish Date: 2-28-92

STATE OF ALASKA  
 1992 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Department Affected: Environmental Conservation  
 Title: Motor Vehicle Registration BRU: Environmental Quality  
 Sponsor: Representative G. Phillips Component: Solid & Hazardous Waste Management  
 Requestor: (H) Transportation COMPONENT SERIAL NO. 

1	4	2	7
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL						
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REVENUE						
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER						
FUND SOURCE:						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

**ANALYSIS: (Attach a separate page if necessary.)**

Because any fees collected would be used for grants to municipalities to carry out the requirements of this legislation, DEC would not be involved.

Prepared By: Janice Adair Phone: 465-5050  
 Division: Commissioner's Office Date: January 23, 1992  
 Approved by Commissioner: *Janice Adair*  
 Agency: Environmental Conservation Date: 1-23-92

STATE OF ALASKA  
DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

150 THIRD STREET  
JUNEAU, ALASKA 99801-1291  
PHONE: (907) 465-4700

949 E. 36TH AVENUE, SUITE 400  
ANCHORAGE, ALASKA 99508-4302  
PHONE: (907) 563-1073

February 20, 1992

POSITION PAPER

RE: SS HB 379

SPONSOR: Representatives G. Phillips, Zawacki

Program Effects of Bill:

The bill creates a \$2 recycling registration fee to be collected by the Division of Motor Vehicles and provides that the money collected may be appropriated by the legislature to the motor vehicle recycling grant fund to pay the cost of transporting junk or abandoned motor vehicles to recycling centers. The grant fund is established in the Department of Community and Regional Affairs.

Comments:

The Department of Community and Regional Affairs and the Department of Environmental Conservation have discussed the proposed grant fund and agree that the bill should be amended to put the fund in the Department of Environmental Conservation for coordination with DEC's spring cleanup and other solid waste programs.

*Ed. Blatchford*

Edgar Blatchford, Commissioner

**BILL NO:** SSHB 379

**DATE:** February 26, 1992

**TITLE:** An Act relating to motor vehicle registration


**CONTACT:** Juanita Hensley  
Division of Motor Vehicles  
465-4335

This bill would amend Alaska's motor vehicle registration law by imposing a \$2.00 fee on each motor vehicle registration or registration renewal. These funds would be available to provide grants to municipalities to recycle junked or abandoned vehicles. The \$2.00 fee would be applied to all vehicles registered except trailers; trailers are not included because the bill addresses "motor vehicles" rather than "vehicles". Registration forms will be revised to indicate the new fee and a new revenue account will be established to identify the fees collected under this bill.

According to the bill's sponsor, her intent was to have the \$2.00 fee imposed on all registered motor vehicles every year. To make this clear, the Department of Public Safety suggests the addition of the words "each year" to page 1, line 8, after the word "collected". The Department also suggests that a date certain be chosen for the effective date of the tax, to minimize confusion to the public and to promote administrative efficiency. This could be accomplished by adding a new Sec. 4 to the bill, to read: "The recycling fee established in this bill applies to all motor vehicles either due for registration or actually registered after January 1, 1993."

The Division registered approximately 445,000 motor vehicles during 1991. The amendments suggested above will allow the Division of Motor Vehicles time to establish the program and to phase in any needed revisions to the registration form and registration renewal notice. It would also avoid the problem of vehicle owners trying to register early to avoid fee increases.

The Department supports SSHB 379, but urges the committee to consider the suggested amendments.



Richard L. Burton  
Commissioner



February 10, 1992

## Position Paper

### SS HB 379 - Motor Vehicle Recycling Registration Fee

The Alaska Municipal League supports HB 379, providing for the collection of an additional fee on motor vehicle registrations to finance a fund established to provide grants to municipalities for the purpose of paying the cost of transporting motor vehicles that are the end of their useful life to recycling centers.

The Alaska Municipal League's 1992 Policy Statement states,

"Solid Waste Reduction Programs: The League supports funding and implementation of solid waste reduction programs, e.g., recycling, litter reduction, waste oil recycling, required deposits on beverage bottles and cans, etc., to be developed and operated in conjunction with municipal governments."

Municipalities operate landfills and community clean-up programs to protect the health and environment of their communities. Motor vehicles are often abandoned in yards and along roadsides or taken to municipal dumps or landfills for disposal at the end of their useful life. The disposal of vehicles is problematic and costly. The cost of preparing a vehicle for disposal or transportation to a recycling center alone is estimated to be in excess of \$100 dollars. The public must understand and participate in the true cost of solid waste disposal at the front end of a consumer product's life as well as at the end of its useful life.

HB 379 proposes adding a fee to the annual motor vehicle registration fee and establishing a grant program to assist municipalities with the cost of transporting motor vehicles to recycling centers. Such a program will assist municipalities pick up unsightly and potentially hazardous abandoned and junk vehicles keep the environment clean and healthy and extend the life of our landfills.

sab6:hb379rec.ycl



# Alaska Environmental Lobby, Inc.

P.O. Box 22151 Juneau, Alaska 99802

907-586-2345

February 25, 1992

Representative Gail Phillips  
P.O. Box V  
Juneau, Alaska 99811

Dear Representative Phillips:

Alaska Environmental Lobby is writing in support of House Bill 379, "An Act relating to motor vehicle registration."

The additional fee of \$2.00 to a motor vehicle registration to help reimburse municipalities cover the costs of transporting abandoned, unused motor vehicles to recycling centers is a good step for our environment. The \$2.00 additional fee should be increased to \$5.00 to provide more funding to municipalities so they can clean up more abandoned vehicles.

I agree with you that we surely have too many abandoned unused vehicles lying around or even half buried in every city, town or village. These vehicles detract from beautiful scenic views and are hazardous to the environment due to the chemical and toxic materials they are attached with.

By reimbursing municipalities for the cost of transporting the vehicles to recycling centers, the Department of Community and Regional Affairs will encourage more involvement by municipalities to recycle these abandoned, unused vehicles.

I wish you best of luck for the passage of this environmentally sound legislation.

Best regards,

Anna Phillip  
Volunteer Lobbyist



**CITY OF WASILLA**

290 E. HERNING AVE.

WASILLA, ALASKA 99654-7091

PHONE: (907) 373-9050

FAX: (907) 373-0788

February 11, 1992

The Honorable Gail Phillips  
Alaska State Legislature  
P. O. Box V  
Juneau, Alaska 99811

Re: SS HB 379

Dear Representative Phillips:

I'm writing to support SS HB 379, auto recycling fees. Having struggled with a never-ending stream of abandoned and illegally dumped vehicles this legislature promises...relief. We simply must assess the cost of junk car removal and recycling to vehicle operators.

At \$2.00 annually, I'm afraid that the costs won't be covered. Given a generous 10-year life only \$20.00 would be collected per vehicle. Our local contracted towing costs to wrecking yards range from \$50.00 to \$75.00. I suggest that you review your costs, including administrative expenses, and confirm your proposal. I suspect that \$8.00 to \$10.00 per year makes more sense. Even if only half of the vehicles end up as a public responsibility we still have a fifty-year backlog to clean up.

Sincerely,

John C. Stein  
Mayor, City of Wasilla

JCS/sbh

FEB 27 1992

1507 Second St.  
Douglas, AK 99824  
364-2928 home  
586-6806 work  
February 26, 1992

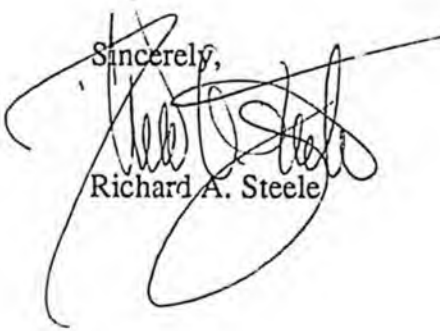
Rep. Gail Phillips  
Alaska State House of Representatives  
P.O. Box V  
Juneau, AK 99811

Dear Rep. Phillips:

As Chair of the Juneau Citizens Advisory Committee on Waste Management, we would like to offer our support for House Bill No. 379, "An Act relating to motor vehicle registration." As we know to well, Alaska is infamous for its junk cars in yards. Why does Alaska seem to have so many junk cars? Part of the reason is the difficulty in getting those vehicles to a recycling center. This bill will establish some funds for that recycling effort. Also, it is commendable that this bill would use that money in the form of grants for retrieving those vehicles. This makes sense, will involve the private sector, and will go a long way to removing this blight on Alaska's landscape, not to mention provide steel and other materials for recycling.

We wholeheartedly support this bill.

Sincerely,



Richard A. Steele



## KENAI PENINSULA BOROUGH

144 N. BINKLEY • SOLDOTNA, ALASKA 99669  
PHONE (907) 262-4441

DON GILMAN  
MAYOR

October 14, 1991

Representative Gail Phillip's Office  
Attention: Mel  
34824 Kalifonsky Beach Road  
Soldotna, Alaska 99669

Subject: Junk/Abandoned Vehicles

Mel:

In response to your request, please find attached some of the information that I have accumulated on junk/abandoned vehicles.

The Kenai Peninsula Borough plans a one-time boroughwide junk vehicle cleanup next summer. The Borough plans to set up as a grant program to allow a business (successful proposer) to conduct the program with the Borough compensating the business for each vehicle that is removed from our Borough and is marketed as a recyclable.

Last summer over 400 vehicles from the Homer Landfill were crushed and transported for recycling. As these were vehicles that were brought to us for disposal, we did not require the disposers to have vehicle titles, and we did not have to follow the extensive steps that are necessary if vehicles are impounded (taken from the right-of-way or other location). The Borough does not have authority to remove vehicles from along the roadsides and therefore, does not perform any collection, this is handled by the various cities and/or through the troopers. If the Borough were to become involved in a program of picking up vehicles from the roadsides, it would require another staff person as well as substantial funding.

The costs to crush, transport and market scrap vehicles varies from \$15-\$70 per vehicle dependent on current market for scrap, location, condition of material, and transport costs. This does not include the cost if the vehicles have to be picked up from the roadsides and transported to a storage/impound location.

I hope this information is of some help. Please contact me at 262-9657 if I can be of further assistance.

Sincerely,

Catherine Mayer  
Solid Waste Administrator

enclosures

xc. Ken Brown, Public Works Director



## KENAI PENINSULA BOROUGH


144 N. BINKLEY • SOLDOTNA, ALASKA 99669  
PHONE (907) 262-4441

### M E M O R A N D U M

DON GILMAN  
MAYOR

TO: Cathy Mayer, Solid Waste Administrator

TO: Thomas R. Boedeker, Borough Attorney

FROM:  Philip A. Reeves, Deputy Borough Attorney

DATE: July 16, 1991

SUBJECT: Abandoned vehicle and junk vehicle programs.

Over the past few months I've had several discussions with each of you regarding various possible programs dealing with abandoned and/or junk vehicles within the Borough. These programs range from dealing with junked cars currently stored in our landfill facilities to contracting or providing grants to private contractors for removal of abandoned vehicles from their site of abandonment. Through this memo I would like to point out the statutory requirements and potential liabilities which apply to the various scenarios which have been raised, and which I believe will require that we deal with "abandoned" vehicles and "junk" vehicles through separate programs. For the purpose of this memorandum I will refer to "junk" vehicles meaning vehicles still possessed by their titled owners (who are seeking to dispose of them) while "abandoned" vehicles will include vehicles whose titled owners can no longer be determined or located.

"Junked" vehicles can be dealt with fairly easily. The only real liability concern arising from dealing with "junked" vehicles is the potential for a hazardous material spill resulting from lost vehicle fluids (gasoline, lubricants, etc.) and batteries. While it is conceivable that a federal or state action seeking compensation for environmental clean-up costs arising from such a spill could be maintained against the borough, our landfill operational policy of removing batteries and draining fluids from all vehicles prior to final disposition should alleviate that potential problem.

"Abandoned" vehicles raise significant additional requirements as set out by the state statutes at A.S. Chapter 28.11 (see attached). These requirements include: 1.) written notice to the vehicle owner of record and to lienholders of record by certified mail, return receipt requested, stating grounds for removal and the location of impoundment of the vehicle, and 2.) that should the vehicle not be reclaimed within 30 days of notice the vehicle shall

be disposed of by public auction. These requirements expressly apply to "a wrecked, dismantled, or inoperative vehicle or a vehicle otherwise presumed to be abandoned." Cathy Mayer has apparently talked with representatives of other municipalities whose programs do not meet these requirements - I am at a loss to explain their rationale for non-compliance with AS Chapter 28.11.

Tom Boedeker has suggested a clever alternative to operation of a borough-run "abandoned" vehicle program through enactment of a grant procedure whereby private entities would be compensated on a per-vehicle basis for transporting junked vehicles to destinations outside of the Kenai Peninsula Borough. Presumably the Borough's sole involvement would be providing a compliance official who would document the junked vehicles loaded for immediate transport out of the Borough and process the paperwork necessary for issuing a check. While there are certainly many details to be worked out, a grant program would have the advantage (over a contract for services) of isolating the Borough from involvement in or oversight of the private entity's means and methods of possession, transport and disposal. Should the ultimate disposal of the vehicles result in a hazardous materials spill, there is still a potential for Borough liability as a person who "arranged with a transporter for transport for disposal or treatment, of hazardous substances" (42 USCA 9607 (a)(3)), but that potential liability is much more tenuous than in a situation where we would contract directly with a transporter. A direct contract would necessarily include contractor requirements regarding his methods of transport, disposal, and compliance with all federal and state regulations regarding hazardous materials, abandoned vehicles, etc., and would consequently require borough oversight of these details.

In summary, there is an important distinction between "junked" vehicles (provided by their title owner for disposal) and "abandoned" vehicles (where the title owner cannot be located). In consideration of the express requirements of AS Chapter 28.11, I would suggest that we clearly distinguish between the two situations and limit our active involvement in a vehicle disposal program to those vehicles presented by the titled owners. If we choose to deal with "abandoned" vehicles through an in-house program, we will have a significant effort involved in meeting the AS 28.11 requirements for notice to owners and lienholders of record and for sale by auction. If, however, the borough limits its involvement with abandoned vehicles to a grant program, whereby any private entity who brings a load of junked vehicles to the grant compliance officer's location in the course of removing those vehicles from the Borough will receive a grant payment on a per-vehicle basis, then I believe we can substantially limit any

Memorandum -- Abandoned Vehicles  
July 16, 1991

Page 3

potential borough liability/responsibility arising from the  
transporters' means and methods.

PAR:bl

FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. CSSSHB 379(TRANS)

Revision Date: 3/12/92 Department Affected: Public Safety  
 Title: "An Act relating to motor vehicle registration" BRU: Motor Vehicles  
 Component: Field Service  
 Sponsor: Representative G. Phillips  
 Requestor: House C&RA COMPONENT SERIAL NO. 

5	0	2
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EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	7.5	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>7.5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	445.0	890.0	890.0	890.0	890.0	890.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	7.5	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
<b>TOTAL</b>	<b>7.5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

See attached.

Prepared By: Charles Hosack Phone: 269-5559  
 Division: Motor Vehicles Date: 3/12/92  
 Approved by Commissioner: *Wayne A. H. Oster* Richard L. Burton  
 Agency: Department of Public Safety Date: 3/12/92

*PHH*  
*5/12/92*

This bill requires the Division of Motor Vehicles to collect an additional fee of \$2.00 each time a motor vehicle is registered or upon a renewal of the registration. Approximately 445,000 motor vehicles are registered in Alaska each year. At \$2.00 per vehicle, this will bring in revenues of approximately \$890.0 per year to the state. These funds will be used to provide grants to municipal governments to recycle junked or abandoned vehicles.

7.5 in contractual monies will be needed for 100 hours of contract programmer time to revise all registration programs to collect the new fees and to revise all revenue reports so that the fees are correctly reported to AKSAS. This is a one-time expenditure, for the first year of the program only.

All registration fee amounts except those for trailers will be increased by \$2.00. Trailers are not included because the bill addresses "motor vehicles" rather than "vehicles". Forms will be revised to indicate the new fee and a new revenue account will be established to identify the fees collected under this bill.

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE G.PHILLIPS

TO: CSHB 379 (TRANSPORTATION)

Page 1, line 11:

Delete "AS 44.47.070"

Insert "AS 44.46.120"

Page 1, line 12, after "centers":

Insert "and to the Department of Environmental Conservation to pay the cost of administering the grant program"

Page 1, line 13:

Delete "AS 44.47"

Insert "AS 44.46"

Page 1, line 14:

Delete "1A"

Insert "3"

Page 2, line 1:

Delete "Sec. 44.47.070"

Insert "Sec. 44.46.120"