

HB309

I USE COMMITTEE REPORT

(11)

Date Referred: May 10, 1991

FURTHER REFERRALS:

Date of Committee Action: 2/21/92

The FINANCE Committee considered:

HB 309

HOUSE BILL NO. 309

MOTOR VEHICLE REGISTRATION TAX

"An Act requiring annual adjustment of the municipal motor vehicle registration tax; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CS HB 309 (FIN) the same title a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact DPS 2-21-92

fiscal note(s) _____

zero fiscal note CRA 2-21-92

zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>E. P. Mather</i>	<input checked="" type="checkbox"/>	<i>Roll E. ...</i>		<input checked="" type="checkbox"/>	
<i>Mike Savano</i>	<input checked="" type="checkbox"/>	<i>Ronald J. ...</i>		<input checked="" type="checkbox"/>	
<i>Mark ...</i>	<input checked="" type="checkbox"/>	<i>Boyd Sharp</i>		<input checked="" type="checkbox"/>	
<i>Kan Brown</i>	<input checked="" type="checkbox"/>	<i>Thomas ...</i>		<input checked="" type="checkbox"/>	
<i>...</i>	<input checked="" type="checkbox"/>	<i>/</i>			

Mike Savano E P Mather
CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CS HB 309

Revision Date: _____ Department Affected: Community and Regional Affairs
 Title: "...relating to the municipal motor vehicle registration tax; and providing for an effective date." BRU: _____
 Sponsor: Rep. Navarre, Bover, Brown, B.Davis, Finkelstein, Koponen Component: _____
 Requestor: _____ COMPONENT SERIAL NO.

0	0	0	0
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EXPENDITURES/REVENUES: (Thousands of Dollars)

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

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

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Remond Henderson Phone: 465-4708
 Division: Administrative Services Division Date: 2/21/92

Approved by Commissioner: E. J. ... Date: 2-21-92
 Agency: Department of Community and Regional Affairs

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CORRECTED CSHB 309(FIN)

Revision Date: 2/21/92 Department Affected: Public Safety
 Title: An Act relating to motor vehicle registration tax BRU: Motor Vehicles
 Component: Field Services
 Sponsor: Representative Navarre
 Requestor: House Finance 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	52.5	0	0	0	0	0
TRAVEL						
CONTRACTUAL	4.5	0	-0-	-0-	-0-	-0-
SUPPLIES						
EQUIPMENT	30.0	0	-0-	-0-	-0-	-0-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	87.0	0	0	0	0	0
CAPITAL						

REVENUE	275.0	671.0	748.0	748.0	822.8	822.8
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE: 1005	87.0	0	0	0	0	0
TOTAL	87.0	0	0	0	0	0

POSITIONS:

FULL-TIME	3	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

 See Attached.

Prepared By: Jay N. Dulany, Director Phone: 269-5559
 Division: Motor Vehicles Date: 2/27/92
 Approved by Commissioner: *Richard L. Burton* Richard L. Burton
 Agency: Department of Public Safety Date: 2/27/92

Department of Public Safety
 Fiscal Note Analysis - CSHB 309(FIN)

This bill changes the Motor Vehicle Registration Tax amounts. The first two years' increases will be 35% each year to equal the increase in the Anchorage area CPI since the program first began in 1978. After the first two years, adjustments to the tax schedule based upon the Federal Consumer Price Index will be made at three-year intervals by the Alaska Department of Labor.

Additional administrative work will be needed to change the computer programs to reflect the new rates and in training the employees on the new rate structure. This work alone is not enough to justify a full-time position, but absorbing it will adversely affect other administrative functions.

Approximately 355,000 vehicles, or 66% of the total number of registered vehicles, are in areas subject to the tax. Any increase in fees increases the workload in the public service offices of the Division since DMV employees collecting the tax will receive any public complaints, which take time and result in increased delays for others in line. Frequent changes to fees increase processing time because employees will not be familiar with the fees. There are only 17 different registration fees, but there are 89 different categories for the registration tax.

Based on DMV's experience, increases of this nature will impact workloads 3-5%. As a result, DMV will increase the field office staffing by 3% or 3 PFT positions for the first year. Under the proposed bill, DMV's retention of funds to cover collection costs would be increased from 5% to 8%, subject to appropriation by the legislature. The increase is adequate to cover the increased costs of administering this program.

The Revenue fund source for FY 93 through FY 98 is 8% of the total revenue that DMV will be collecting for the municipalities. Those totals are as follows:

FY93	FY94	FY95	FY96	FY97	FY98
6462.5	8387.5	9350.0	9350.0	10285.0	10285.0

The detailed costs are as follows:

	FY 93	
Personal Services		
3 Motor Vehicle Rep I/II positions (Range 8/9)	\$ 52.5	(6 months)
Contractual		
Terminal Charges (3 APSIN terminals)	\$ 4.5	
Equipment		
Office Equipment (3 new positions)	\$ 9.0	
Computer terminals and printers	\$ 21.0	
TOTAL	\$ 87.0	

Position Title Motor Vehicle Representative I/II		Number of Positions 3	Range/Step 8/9	Bargaining Unit GGU
Time Status PFT	Staff Months 36	Location Statewide	Election District Statewide	
Type of Expenditure		Justification		
		The adoption of this legislation is estimated to impact the workload of the Division by 3-5%. Approximately 355,000 vehicles or 68% of the total number of vehicles are in areas subject to the tax. Any increase in fees increases the workload in the public service offices of the Division since DMV employees collecting the tax will receive the public complaints. Also frequent changes to fees increase processing time because employees will not be familiar with the fees. For example, there are only 17 different registration fees but there are 89 different categories for the registration tax.		
1	2	3		
Salary*	69.3			
Benefits*	35.7			
Premium Pay (Included in Above)				
Other				
Total Personal Services		105.0		
Travel				
Contractual		4.5		
Commodities				
Equipment		30.0		
Other				
Total Cost		139.5		
Funding Source For Total Cost				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004			
Program Receipts/GF	1005	139.5		
I-A Receipts	1007			
CIP Receipts	1061			
Other				
* Personal Services Salary and Benefits Costs are from PACS calculations.				

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety

BRU Motor Vehicles

COMPONENT Field Services

FY 93

Page 3 of 3

Revised Date

CS FOR HOUSE BILL NO. 309 (FINANCE)
 IN THE LEGISLATURE OF THE STATE OF ALASKA
 SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
 Referred:

Sponsor(s): REPRESENTATIVES NAVARRE, Boyer, Brown, B.Davis, Finkelstein, Koponen

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the municipal motor vehicle registration tax; and providing for an
 2 effective date."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. AS 28.10.431(b) is amended to read:

5 (b) The tax is levied upon motor vehicles subject to the license tax under AS 28.10.411
 6 and 28.10.421, not including mobile homes, and is based upon the age of vehicles as determined
 7 by model year according to the following schedule:

		Tax According to Age of Vehicle Since Model Year							
		1st	2nd	3rd	4th	5th	6th	7th	8th or over
8									
9									
10									
11	Motor Vehicle								
12	(1) motorcycle	<u>\$ 11</u>	<u>\$ 9</u>	<u>\$ 8</u>	<u>\$ 7</u>	<u>\$ 5</u>	<u>\$ 4</u>	<u>\$ 3</u>	<u>\$ 3</u>
13		[\$ 8]	[\$ 7]	[\$ 6]	[\$ 5]	[\$ 4]	[\$ 3]	[\$ 2]	[\$ 2]
14	(2) vehicles specified in	<u>81</u>	<u>68</u>	<u>54</u>	<u>41</u>	<u>27</u>	<u>20</u>	<u>14</u>	<u>7</u>

1	AS 28.10.421(b)(1)	[60]	[50]	[40]	[30]	[20]	[15]	[10]	[5]
2	(3) vehicles specified in	<u>81</u>	<u>68</u>	<u>54</u>	<u>41</u>	<u>27</u>	<u>20</u>	<u>14</u>	<u>7</u>
3	AS 28.10.421(b)(3)	[60]	[50]	[40]	[30]	[20]	[15]	[10]	[5]
4	(4) vehicles specified in								
5	AS 28.10.421 (c)(1) - (4)								
6	5,000 pounds or less	<u>81</u>	<u>68</u>	<u>54</u>	<u>41</u>	<u>27</u>	<u>20</u>	<u>14</u>	<u>7</u>
7		[60]	[50]	[40]	[30]	[20]	[15]	[10]	[5]
8	5,001 - 12,000 pounds	<u>135</u>	<u>108</u>	<u>81</u>	<u>68</u>	<u>54</u>	<u>41</u>	<u>27</u>	<u>14</u>
9		[100]	[80]	[60]	[50]	[40]	[30]	[20]	[10]
10	12,001 - 18,000 pounds	<u>203</u>	<u>162</u>	<u>135</u>	<u>108</u>	<u>81</u>	<u>54</u>	<u>41</u>	<u>27</u>
11		[150]	[120]	[100]	[80]	[60]	[40]	[30]	[20]
12	18,001 pounds or over	<u>270</u>	<u>108</u>	<u>176</u>	<u>135</u>	<u>108</u>	<u>81</u>	<u>54</u>	<u>27</u>
13		[200]	[160]	[130]	[100]	[80]	[60]	[40]	[20]
14	(5) vehicles specified in	<u>135</u>	<u>108</u>	<u>81</u>	<u>68</u>	<u>54</u>	<u>41</u>	<u>27</u>	<u>14</u>
15	AS 28.10.421(b)(4)	[100]	[80]	[60]	[50]	[40]	[30]	[20]	[10]
16	(6) vehicles specified in	<u>11</u>	<u>9</u>	<u>8</u>	<u>7</u>	<u>5</u>	<u>4</u>	<u>3</u>	<u>3</u>
17	AS 28.10.421(b)(6)	[8]	[7]	[6]	[5]	[4]	[3]	[2]	[2]
18	(7) vehicles specified in	<u>81</u>	<u>68</u>	<u>54</u>	<u>41</u>	<u>27</u>	<u>20</u>	<u>14</u>	<u>7</u>
19	AS 28.10.421(d)(9)	[60]	[50]	[40]	[30]	[20]	[15]	[10]	[5]
20	(8) vehicles specified in	<u>81</u>	<u>68</u>	<u>54</u>	<u>41</u>	<u>27</u>	<u>20</u>	<u>14</u>	<u>7</u>
21	AS 28.10.421(b)(2)	[60]	[50]	[40]	[30]	[20]	[15]	[10]	[5]
22	(9) vehicles specified in	<u>54</u>							
23	AS 28.10.421(d)(10)	[40]							

* Sec. 2. AS 28.10.431(b) is repealed and reenacted to read:

(b) The tax is levied upon motor vehicles subject to the license tax under AS 28.10.411 and 28.10.421, not including mobile homes, and is based upon the age of vehicles as determined by model year according to the following schedule as adjusted under (j) of this section:

Tax According to Age of Vehicle Since Model Year								
	1st	2nd	3rd	4th	5th	6th	7th	8th or over

Motor Vehicle

1	(1) motorcycle	\$ 14	\$ 12	\$ 10	\$ 9	\$ 7	\$ 5	\$ 3	\$ 3
2	(2) vehicles specified in	102	85	68	51	34	26	17	9
3	AS 28.10.421(b)(1)								
4	(3) vehicles specified in	102	85	68	51	34	26	17	9
5	AS 28.10.421(b)(3)								
6	(4) vehicles specified in								
7	AS 28.10.421(c)(1) - (4)								
8	5,000 pounds or less	102	85	68	51	34	26	17	9
9	5,001 - 12,000 pounds	170	136	102	85	68	51	34	17
10	12,001 - 18,000 pounds	255	204	170	136	102	68	51	34
11	18,001 pounds or over	340	272	221	170	136	102	68	51
12	(5) vehicles specified in	170	136	102	85	68	51	34	17
13	AS 28.10.421(b)(4)								
14	(6) vehicles specified in	14	12	10	9	7	5	3	3
15	AS 28.10.421(b)(6)								
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18	(8) vehicles specified in	102	85	68	51	34	26	17	9
19	AS 28.10.421(b)(2)								
20	(9) vehicles specified in	68							
21	AS 28.10.421(d)(10)								

* Sec. 3. AS 28.10.431(e) is amended to read:

(e) The department shall refund money collected under this section, less eight [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. For the first year in which the tax is levied within a municipality, the department may retain actual costs of collection of the tax within the municipality as determined by the department.

* Sec. 4. AS 28.10.431 is amended by adding a new subsection to read:

(j) The Department of Labor shall adjust the schedule under (b) of this section every

1 three years to reflect changes in the transportation new vehicle segment of the Consumer Price
2 Index for all urban consumers for all items compiled by the Bureau of Labor Statistics, United
3 States Department of Labor for the second half of the preceding calendar year. The semiannual
4 index for the second half of 1994 is the reference base index. The Department of Labor shall
5 round each scheduled amount adjusted under this subsection to the nearest dollar. The
6 Department of Community and Regional Affairs shall provide the revised schedule to each
7 municipality in the state that imposes a tax under this section and to the Department of Public
8 Safety, and shall make the schedule available to the public by February 28th of each year in
9 which the schedule is revised. A tax imposed under an adjusted schedule takes effect on July 1
10 of the year in which the schedule is adjusted.

11 * Sec. 5. Sections 1 and 3 of this Act take effect January 1, 1993.

12 * Sec. 6. Section 2 of this Act takes effect January 1, 1994.

13 * Sec. 7. Section 4 of this Act takes effect January 1, 1997.

AMENDMENT # 1

Adopted
into
WD 4-2-92

TO WORK DRAFT CS HB 309 (2/13/92)

Page ~~2~~⁴, line 1, following "years"
Insert ", beginning in 1997,"

Page ~~2~~⁴, line 7, following "section"
Insert "and"

Page ~~2~~⁴, line 7, following "Safety"
Delete ", "

Page ~~2~~⁴, line 9, following "revised."

Insert "The revised rates shall go into effect on July 1 of the years in which
the schedule is revised."

AMENDMENT # 2

BY BARNES

TO: CSHB 309 (Finance)

Page 3, line 23:

Delete: "eight" [FIVE]

Insert: five

Failed

7-LS1019M
Ford
2/13/92

CS FOR HOUSE BILL NO. 309 ()

IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES NAVARRE, Boyer, Brown, B.Davis, Finkelstein, Koponen

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12	(1) motorcycle	<u>\$ 11</u>	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ 7</u>	<u>\$ 5</u>	<u>\$ 4</u>	<u>\$ 3</u>	<u>\$ 3</u>
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amended

WORK DRAFT	WORK DRAFT	WORK DRAFT	WORK DRAFT	WORK DRAFT	WORK DRAFT	WORK DRAFT	WORK DRAFT	WORK DRAFT	WORK DRAFT
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31	Motor Vehicle							

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23 (e) The department shall refund money collected under this section, less eight [FIVE]
24 percent as collection costs, to a municipality for which the money was collected, as determined
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26 vehicle if the vehicle is not owned by an individual; the tax situs is the location at which the
27 motor vehicle is usually, normally, or regularly kept or used. For the first year in which the tax
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3 States Department of Labor for the second half of the preceding calendar year. The semiannual
4 index for the second half of 1994 is the reference base index. The Department of Labor shall
5 round each scheduled amount adjusted under this subsection to the nearest dollar. The
6 Department of Community and Regional Affairs shall provide the revised schedule to each
7 municipality in the state that imposes a tax under this section, ^{And} to the Department of Public Safety,
8 and shall make the schedule available to the public by February 28th of each year in which the
9 schedule is revised.
- 10 * Sec. 5. Sections 1 and 3 of this Act take effect January 1, 1993.
- 11 * Sec. 6. Sections 2 and 4 of this Act take effect January 1, 1994.

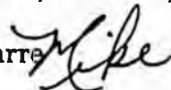
**ALASKA STATE LEGISLATURE
REPRESENTATIVE MIKE NAVARRE**

Co-Chair
House Finance Committee
P.O. Box V
Juneau, Alaska 99811
(907) 465-3779

SPONSOR'S STATEMENT

TO: Representative Mike Navarre, Co-Chair, House Finance Committee
Representative Eileen MacLean, Co-Chair, House Finance Committee

FROM: Representative Mike Navarre



SUBJECT: House Bill 309, An Act requiring annual adjustment of the municipal motor vehicle tax.

.....
House Bill 309 is a needed revision of AS 28.10.431, the annual motor vehicle registration tax. This tax schedule has not been revised since 1978.

Under current law, municipalities are given the option of participating in the registration tax program administered by the Division of Motor Vehicles (DMV) or collect their own local use or personal property tax. Due to the difficulty of collecting information on ownership of motor vehicles, the majority of the Alaskan municipalities have opted to participate in the state-administered program, which collects an annual registration tax according to a schedule established in statute. DMV currently retains 5% of the tax collected and refunds the balance to the municipality for which it was collected.

The registration tax schedule has not been reviewed or revised since 1978 when the statute was first written. The current tax schedule is out of line compared to other forms of personal property tax. The average purchase price for all motor vehicles has increased dramatically since 1978, therefore the gap between what is raised by personal property taxes based on the full value of the vehicle and what is collected by the state continues to widen. It is estimated that if local property tax rates were applied to current values, municipal revenues would be three times as high.

HB 309 would institute an indexing system to solve the needed annual adjustment of this personal property tax. On the effective date of this legislation there would be an annual increase of 35% for two years. The schedule would then be adjusted tri-annually, reflecting a closer relationship to full and true value of the vehicles.

Another feature of HB 309 is a fee increase of 3% (from 5% to 8%) for the Division of Motor Vehicles. DMV is expecting an increase in operating costs and this percentage increase should more than offset anticipated costs.

The index calculation will be based on the annual All Urban Consumer Price Index(CPI-U), using the transportation new vehicle segment of the CPI-U.

As state shared revenues decline, adjustments to the motor vehicle tax will provide municipalities with the means to offset lost revenues. The legislation also allows for a continued inflation-proofing adjustment to the fee schedule.

HB 309 and the positive changes it will bring are endorsed by the Alaska Municipal League.

DISTRICT 5

34824 K-Beach Road • Soldotna, Alaska 99669 • (907) 262-7842



PRINTED ON RECYCLED PAPER

House Bill 309 Fact Sheet

- AS 28.10.431, dealing with the Annual Motor Vehicle Registration Tax has not been adjusted since its inception in 1978. Inflationary factors have eroded the value of the revenue generated.
- HB 309 would over a two year period bring the values back to within 70% of what they would have been had they been annually adjusted.
- An indexing plan would be implemented to adjust the rate every third year after the initial two year catch-up period.
- The index would be calculated on the Consumer Price Index for All Urban Consumers (CPI-U), using the new vehicle transportation segment of the index.
- 1991 revenues were \$ 5,235,112.15 for the participating municipalities.
- The Division of Motor Vehicles receives 5% from the total collected for the municipalities. In 1991 DMV share amounted to \$276,081.85. Under HB 309 DMV's percentage increases to 8%. FY 1995 anticipated state share will be \$ 763,000.
- DMV claims increased operational costs because of tri-annual chart adjustments, consumer misunderstandings, and additional personnel. The additional 3% should cover the anticipated costs.
- HB 309 is a major plank in the Alaska Municipal League 1992 legislative platform.

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 19, 1992

POSITION PAPER

RE: CS HB 309 (Fin) Work Draft

SPONSOR: Representatives Navarre, Boyer, Brown, B. Davis,
Finkelstein, Koponen

Program Effects of Bill

The bill proposes to update the motor vehicle registration tax schedule under AS 28.10.431 and keep the schedule current into the future using the Consumer Price Index. The registration tax schedule has not been updated since 1978.

Comments

The Department previously filed a position paper on HB 309. The comments in that position paper continue to be valid for the work draft dated 2/13/92 before the House Finance Committee. These comments are provided to assist in comparing the original legislation with the work draft.

The original legislation provided for an annual revision of the tax schedule but did not list the schedule with the revised tax figures. The work draft lists the schedule to be applied in 1993 in Section 1 and the schedule to be applied in 1994 in Section 2. Thereafter, the schedule will be revised every three years by the Department of Labor using the transportation new vehicle segment of the Consumer Price Index for all urban consumers. The Department of Community and Regional Affairs will provide the revised schedule to the Department of Public Safety, to the public, and to the municipalities in the state that impose a motor vehicle registration tax, by February 28th of each year in which the schedule is revised.

An additional change between the original legislation and the work draft is the increase in the percent of money collected to be retained by the Department of Public Safety for collection costs from 5% to 8%.

Position Paper for CS HB 309
February 19, 1992
Page Two

The Department supports the changes made in the legislation by the work draft. The Department also supports the tax equity that will result by revising the motor vehicle registration schedule so that owners of motor vehicles are treated equally under local tax laws with owners of other personal property subject to local property taxes.

Ed. Blatchford

Edgar Blatchford, Commissioner

BILL NO: CSHB 309(C&RA)

DATE: 5/13/91

TITLE: "An Act requiring annual adjustment of the municipal motor vehicle registration tax. . ."

CONTACT: Charles Hosack
Div. of Motor Vehicles
269-5559

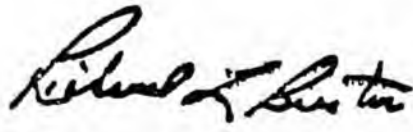
DEPARTMENT OF PUBLIC SAFETY

CSHB 309(C&RA) does two things. First, it raises by 70% (over a two-year period) the Motor Vehicle Registration Tax (MVRT). Second, the bill will require the Division of Motor Vehicles (DMV) to annually adjust the 89 different tax rates for the Motor Vehicle Registration Tax. Local governments have the option to have DMV collect this tax at the time of vehicle registration in lieu of the local governments collecting a personal property tax on vehicles. The tax revenue is passed on to the cities, minus a 5% fee to cover the costs of collection.

The present program was started in 1978 at the request of the cities, which were having difficulties collecting taxes due. By collecting the tax at the time the vehicle is registered, it is difficult for a person to avoid paying the proper tax; the cities also were spared the administrative work of collection. To avoid placing an undue administrative burden on DMV, the tax rates were based solely on the age of the vehicle. This method eliminated the cumbersome process associated with ad valorem taxes. The tax fees have only been changed once since 1978, and that change reduced the tax for older vehicles.

The concept of this program was to perform a service for the cities without unnecessarily impacting services at DMV's already crowded offices. That is one of the reasons that the tax has been seldom changed. This bill will alter the concept of the program by requiring changes to the tax rates every year, which will make it administratively more difficult for both DMV and the public. This is likely to decrease the efficiency of the service at most of DMV's main offices.

Another consideration is the total cost of registering a vehicle. The normal registration fee for a passenger vehicle is \$35, and the tax can be up to \$60. In addition, many owners must also obtain an emissions control inspection, which averages \$20-\$35. All motorists are also required to obtain motor vehicle insurance. Often, all of these fees must be paid at the same time. A 70% increase in the present tax rates is a substantial increase; the result will be more time spent at the public service counters handling complaints about the higher and continually changing costs. The Department has submitted a fiscal note which reflects our judgement regarding the program impact of the proposed tax increases.



Richard L. Burton
Commissioner



CITY OF PETERSBURG

P.O. BOX 329 • PETERSBURG, ALASKA 99833

TELEPHONE (907) 772-4511

TELECOPIER (907) 772-3759

February 7, 1991

Representative Mike Navarre
Room 511, Capital Building
P. O. Box V
Juneau, AK 99811

RE: HOUSE BILL NO. 309

Representative Navarre:

It has come to the attention of the City of Petersburg, via communications with the Alaska Municipal League, that you are sponsoring House Bill No. 309. As one of the municipalities who receives the motor vehicle registration tax, we would like to express our appreciation for your efforts in addressing the need to have this tax updated to more closely reflect current values.

A copy of Committee Substitute for HB 309 has been sent to us and based on that proposed legislation the following increases would result. The City of Petersburg in FY '91 received a total of \$27,338 in revenues from the motor vehicle registration tax. The increases proposed by your legislation would increase these revenues to, roughly, \$35,000 the first year and \$49,000 for the second year. These numbers do not take into account an increase in the number of vehicles, only the increase in rate and the decrease of revenues due to the increase in the administration percentage. These additional revenues can help off-set expenses of street and road maintenance within the City of Petersburg.

Your efforts and support for this legislation are applauded and, hopefully, this year will be passed by the legislature.

Sincerely,

Jodell Jones, City Treasurer

cc: Governor Walter Hickel
Alaska Municipal League



Matanuska-Susitna Borough

BOROUGH MANAGER

February 7, 1992

The Honorable Mike Navarre
Alaska State Legislature
Room 511, Capitol
P. O. Box V
Juneau, Alaska 99811

Dear Representative Navarre:

Subject: **HOUSE BILL 309**

The Matanuska-Susitna Borough very much supports passage of changes to the motor vehicle registration tax to make this tax more equitable to tax on other forms of personal property.

The tax rate structure of HB 309 represents a compromise among municipalities due to relative mill levy which results in registration tax for less than what would be taxed if vehicles were taxed as personal property in the Matanuska-Susitna Borough and most other boroughs, however, it will result in a 35% increase in pass through tax receipts less the increase in Department of Motor Vehicles (DMV) administrative fee the first year and a 70% increase the second year. Current receipts from DMV are about \$500,000 annually.

We appreciate the wisdom of indexing the registration tax to reflect changes in the Consumer Price Index. This will hopefully avoid major adjustments such as we face now.

The Matanuska-Susitna Borough Assessor has been instrumental in development of this legislation and is available if there are questions. Feel free to call him at 745-9641 at any time on this subject. Please do pass HB 309.

Sincerely,

A handwritten signature in cursive script that reads "Donald L. Moore".

Donald L. Moore
Borough Manager

Ltr/2792-1

1

February 7, 1992



CITY OF WASILLA

290 E. HERNING AVE.
WASILLA, ALASKA 99654-7091
PHONE: (907) 373-9050
FAX: (907) 373-0788

February 11, 1992

The Honorable Mike Navarre
Alaska State Legislature
P. O. Box V
Juneau, Alaska 99811

Re: HB 309 CS

Dear Representative Navarre:

I'm writing to support HB 309, Vehicle Registration Tax. Vehicle ad valorem tax represents a significant portion of personal property tax revenues. Loss of local revenue as the result of outdated tax rates not only diminishes critical school and general fund support but discriminates against other fully-taxed property including aircraft.

Adjustments to the vehicle registration tax program should be made as rapidly as possible. More consideration should be given to the years of free ride enjoyed by vehicle owners than to the impact of the rate increase adjustment.

Sincerely,

John C. Stein
Mayor, City of Wasilla

JCS/sbh



KENAI PENINSULA BOROUGH

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

DON GILMAN
MAYOR

Position Paper

HB 309 - Amending AS 28.10.431, Annual Motor Vehicle Registration Tax

The Kenai Peninsula Borough Supports HB 309 and urges passage by the legislature this session.

The fee schedule, contained in AS 28.10.431 has not been updated since 1978 when the statute was first written, and now falls far out of line when compared to other forms of personal property taxation.

Under current law, municipalities are given the option of participating in the registration tax program administered by the Division of Motor Vehicles or electing to levy local use or property taxes. Personal property taxation relies on a self reporting system. It is very difficult to assess and collect taxes under this system, as compared to the collection of a fee at the time of vehicle registration. It is for this reason that the Kenai Peninsula Borough opted to participate in the state program in January of 1989. While the collection rate is much higher, the difference in the statutorily established fee structure and the revenue based on the current mill rate is great.

The Kenai Peninsula Borough currently collects \$673,000 annually from this program, which is shared with the other municipalities and service areas in the borough. The proposed changes will increase this level of funding to approximately \$1,226,700 in two years. The indexing system will allow the rate structure to maintain inflationary increases.

As state shared revenue to municipalities decline, local assessments are one of the few methods for sustaining revenue.

12/10/91
12/10/91

CLERK'S OFFICE
APPROVED

Date: 12/03/91

Submitted by: Assemblymember Flynn
Prepared by: Assembly Budget Analyst
For reading: December 3, 1991

ANCHORAGE, ALASKA
AR NO. 91-260

A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY URGING THE PASSAGE OF HB 309 WHICH INCREASES REGISTRATION FEES FOR MOTOR VEHICLES TO MORE ACCURATELY REFLECT THE FULL AND TRUE VALUE.

WHEREAS, the Municipality of Anchorage does not levy a property tax on motor vehicles but instead receives registration fees collected by the Department of Motor Vehicles; and

WHEREAS, the registration fee tax schedule in AS 28.10.431 was adopted in 1978 and has not been revised since that time; and

WHEREAS, the registration fees received by the Municipality are less than half of the revenue that could be generated by levying a local personal property tax on motor vehicles; and

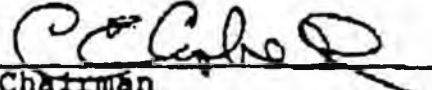
WHEREAS, currently, Alaskan motor vehicle licensing and registration fees are among the lowest in the United States; and

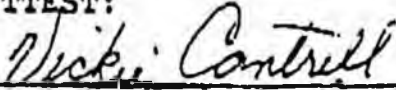
WHEREAS, the Alaska Municipal League supports increasing the tax table in AS 28.10.431 by 100 percent and statutory provision for an annual adjustment in motor vehicle registration tax rates.

NOW, THEREFORE, The Anchorage Municipal Assembly resolves:

That the Municipality of Anchorage urge the Alaska Legislature to increase the registration fees in AS 28.10.431 and provide for an annual adjustment in those rates by passage of HB 309 or other similar legislation.

PASSED AND APPROVED by the Anchorage Assembly this 3rd day of December, 1991.


Chairman

ATTEST:

Municipal Clerk, *Signature*



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 1151-91

Meeting Date: December 3, 1991

From: Assemblymember Flynn
Subject: A Resolution supporting HB 309, Increase of vehicle registration fees

Alaska State Statute 29.45.110 requires full and true valuation on all real and personal property. The Division of Motor Vehicles, for 5% fee, collects personal property tax on vehicles. For that reason, rates of valuation/taxation are set in Statute. The Statutes have not been revised for more than a decade and in no way reflect full and true value.

HB 309 will raise tax rates to more accurately reflect full and true value.

Alaskan rates for vehicle registration/license taxes are the lowest in the country.

An increase in the personal property taxes on vehicles will not expand taxes beyond the tax cap. It will merely spread the base beyond real property taxpayers.

Prepared by:

Jean G. Ruppert

Respectfully submitted,

Heather Flynn
Assemblymember

JGR:dab
DOCC/AM

MUNICIPALITY OF ANCHORAGE

MEMORANDUM

DATE: November 22, 1991

TO: Assemblyperson Heather Flynn

THRU: Larry Crawford, Municipal Manager

THRU: Jerry Anderson, Chief Fiscal Officer

FROM: Steve Van Sant, Municipal Assessor

SUBJECT: Motor Vehicle Percentage of Total Personal Property Roll

The following information is in response to your inquiry as to what percentage of the total personal property roll is motor vehicles.

In 1990, our personal property rolls (including business and oil & gas properties) totaled approximately \$1.242 billion and generated about \$25.9 million tax revenue. The State Assessor's office estimates that the value of motor vehicles in the Municipality was \$664.8 million and we received almost \$3.4 million in registration fees.

Based upon these numbers, motor vehicles represent 34.8% of the assessed value and generate 11.5% of the personal property taxes. Motor vehicle taxes equate to approximately .5% of value while all other personal property taxes equate to about 2%.



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 1151-91

Meeting Date: December 3, 1991

From: Assemblymember Flynn
Subject: A Resolution supporting HB 309, Increase of vehicle registration fees

Alaska State Statute 29.45.110 requires full and true valuation on all real and personal property. The Division of Motor Vehicles, for 5% fee, collects personal property tax on vehicles. For that reason, rates of valuation/taxation are set in Statute. The Statutes have not been revised for more than a decade and in no way reflect full and true value.

HB 309 will raise tax rates to more accurately reflect full and true value.

Alaskan rates for vehicle registration/license taxes are the lowest in the country.

An increase in the personal property taxes on vehicles will not expand taxes beyond the tax cap. It will merely spread the base beyond real property taxpayers.

Prepared by:

Jean G. Ruppert

Respectfully submitted,

Heather Flynn
Assemblymember

JGR:dab
DOCC/AM



City of Nenana

P.O. Box 00070
Nenana, Alaska 99760
(907) 832-5441
FAX 832-5503



February 12, 1992

Representative Mike Navarre
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, AK 99811

RE: CSHB 309 - an Act Relating to Municipal Motor Vehicle Registration Tax

Dear Representative Navarre,

The City of Nenana supports the proposed Committee Substitute to HB 309. The current rates, established circa 1978, are long overdue for revision. For example, assuming the value of a new vehicle is \$17,000, the mil equivalence of the \$60 flat fee tax would be 3.5 mils. At the City's current 12.3 mil rate, the same \$17,000 vehicle would be assessed \$209 in personal property tax. This is almost four times the amount collected thru MVRT. The two year phased increase in registration rates, with an automatic adjustment in the rate every three years to reflect changes in the Consumer Price Index, allows for a more equitable adjustment of the rates.

Nenana currently receives more than \$6,000 per year under the current rate structure. This represents approximately 5% of our locally generated revenues. The proposed increase would most likely produce \$2000 in additional revenues. Do not hesitate to call me should you require additional information.

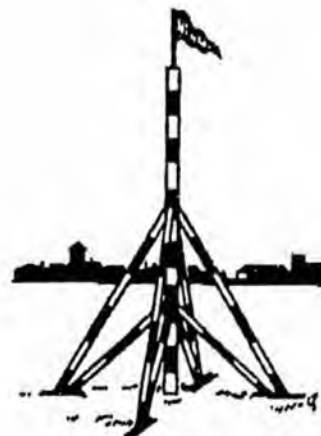
Sincerely,

Steve Bainbridge
City Administrator

cc: Governor Walter Hickel
Senator Dick Shultz
Representative John Gonzales
Scott Burgess, Executive Director/AML

 FAX TRANSMITTAL MEMO
 TO: Representative Mike Navarre
 DEPT: Legislature FAX #: 465-2278
 FROM: Steve Bainbridge PHONE: 832-5501
 CO: City of Nenana FAX #: 832-5503
 Post-It brand fax transmittal memo 7071

NO. OF PAGES
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Unique — even in Alaska

THE CITY OF WHITTIER

Representative Mike Navarre
Fax # 465-2278
Subject: HB 309 Committee Substitute

Dear Representative Navarre:

Attached is a copy of a resolution which the City Council will consider at a special meeting on 2-11-92 supporting the increase in motor vehicle registration tax to reflect current values and the provision for inflation adjustment.

The Finance director and I support this resolution and will recommend council approval. If passed, we will fax a copy to you immediately prior the 2-14-92 hearing with the Finance Committee.

We appreciate your efforts to bring the motor vehicle registration tax rates current. Our City depends on an equitable distribution of revenues from the state to fund many basic services, including road maintenance. We depend on the legislature to adjust the base rates of these shared taxes when necessary.

Thanks for your attention to the issues that really matter to the local communities.

Sincerely,
Lynda Hyce
Lynda Hyce
Acting City Manager

Roger Casad
Roger Casad
Finance Director

Post-It™ brand fax transmittal memo 7671		# of pages > 2	
To	R. P. Mike Navarre	From	LYNDA HYCE
Co.		Co.	CITY OF WHITTIER
Dept.		Phone #	472-2337
Fax #	465-2278	Fax #	472-2404



CITY OF WHITTIER

RESOLUTION NO. 279-92

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITTIER, ALASKA SUPPORTS THE PROPOSED COMMITTEE SUBSTITUTE TO HB 309.

WHEREAS, Motor vehicle registration tax rates have not been adjusted since 1978; and

WHEREAS, Motor vehicle values have increased substantial since 1978, and

WHEREAS, Motor vehicle registration tax rates should automatically increase in the future according to the consumer. Price index or some other criteria; and

WHEREAS, the motor vehicle registration tax is collected by the state on behalf of municipalities; and

WHEREAS, equitable adjustments to the motor vehicle registration tax rates will increase revenue to the City of Whittier.

NOW, THEREFORE, BE IT RESOLVED

THAT the City of Whittier supports the proposed committee substitute to HB 309 and urges the Alaska state legislature to approve this bill.

PASSED AND APPROVED by a duly constituted quorum of the Whittier City Council on this _____ day of _____.

Kelly Carlisle, Mayor

ATTEST:

Tina Lorrekovich, City Clerk



Matanuska-Susitna Borough

BOROUGH MANAGER

February 7, 1992

PostNet™ brand fax transmittal memo 7871		# of pages	2
To	REPRESENTATIVE Mike Navarre	From	Donald L. Moore
Co.		Co.	
Dept.		Phone	(907) 745-9688
Fax #	465-2278	Fax #	

The Honorable Mike Navarre
Alaska State Legislature
Room 511, Capitol
P. O. Box V
Juneau, Alaska 99811

Dear Representative Navarre:

Subject: **HOUSE BILL 309**

The Matanuska-Susitna Borough very much supports passage of changes to the motor vehicle registration tax to make this tax more equitable to tax on other forms of personal property.

The tax rate structure of HB 309 represents a compromise among municipalities due to relative mill levy which results in registration tax for less than what would be taxed if vehicles were taxed as personal property in the Matanuska-Susitna Borough and most other boroughs, however, it will result in a 35% increase in pass through tax receipts less the increase in Department of Motor Vehicles (DMV) administrative fee the first year and a 70% increase the second year. Current receipts from DMV are about \$500,000 annually.

We appreciate the wisdom of indexing the registration tax to reflect changes in the Consumer Price Index. This will hopefully avoid major adjustments such as we face now.

The Matanuska-Susitna Borough Assessor has been instrumental in development of this legislation and is available if there are questions. Feel free to call him at 745-9641 at any time on this subject. Please do pass HB 309.

Sincerely,

Donald L. Moore
Borough Manager

Lx/2792-1

1

February 7, 1992

cr

cc: Representative Mark Boyer
Representative Kay Brown
Representative Bettye Davis
Representative David Finkelstein
Representative Nillo Koponen
Representative Ronald L. Larson
Representative Eileen MacLean
Representative George Jacko
Representative Fran Ulmer
Representative Ramona Barnes
Representative Randy Phillips
Representative Bert Sharp



CITY OF PETERSBURG
P.O. BOX 329 • PETERSBURG, ALASKA 99833
TELEPHONE (907) 772-4511
TELECOPIER (907) 772-3759

February 7, 1991

Representative Nike Navarre
Room 511, Capital Building
P. O. Box V
Juneau, AK 99811

RE: HOUSE BILL NO. 309

Representative Navarre:

It has come to the attention of the City of Petersburg, via communications with the Alaska Municipal League, that you are sponsoring House Bill No. 309. As one of the municipalities who receives the motor vehicle registration tax, we would like to express our appreciation for your efforts in addressing the need to have this tax updated to more closely reflect current values.

A copy of Committee Substitute for HB 309 has been sent to us and based on that proposed legislation the following increases would result. The City of Petersburg in FY '91 received a total of \$27,338 in revenues from the motor vehicle registration tax. The increases proposed by your legislation would increase these revenues to, roughly, \$35,000 the first year and \$49,000 for the second year. These numbers do not take into account an increase in the number of vehicles, only the increase in rate and the decrease of revenues due to the increase in the administration percentage. These additional revenues can help off-set expenses of street and road maintenance within the City of Petersburg.

Your efforts and support for this legislation are applauded and, hopefully, this year will be passed by the legislature.

Sincerely,

Jodell Jones, City Treasurer

cc: Governor Walter Hickel
Alaska Municipal League



February 14, 1992

Position Paper

HB 309 - Requiring Adjustment of Municipal Motor Vehicle Registration Tax

The Alaska Municipal League, which represents 118 local governments and their citizens throughout the State of Alaska, supports HB 309, which would require a regular indexing of the motor vehicle registration tax collected by the state on behalf of municipalities to reflect changes in the value of automobiles since the tax schedule was statutorily established in 1978. This issue was identified by the League's Board of Directors as one of its top priorities for the 1992 legislative session.

The proposed Committee Substitute for HB 309 calls for a phased increase in the tax structure that would total approximately 70 percent over two years and partially compensate for inflation in the value of vehicles between 1978 and 1992. It also includes a provision for the tax structure to be adjusted every three years to keep up with inflation in the future and more equitably tax motor vehicles in comparison to other forms of personal property. The proposed CS would allow an increase in the administrative fee retained by the state from 5 percent to 8 percent.

Under the current provisions of AS 28.10.431, Annual Motor Vehicle Registration Tax, municipalities are given the option of participating in the registration tax program administered by the Division of Motor Vehicles or electing to levy local use or property taxes. Because of the difficulty of collecting information on ownership of motor vehicles, the majority of Alaskan municipalities that tax motor vehicles have opted to participate in the state-administered program (see attachment). This program collects a tax based on a schedule established in statute in 1978. The Division of Motor Vehicles retains 5 percent of the tax collected as an administrative fee and refunds the balance to the municipality for which it was collected.

A recent study of motor vehicle values and property tax rates in Alaskan municipalities conducted by the Municipal Finance Officers Association at the request of the Alaska Municipal League found that in order to reflect current motor vehicle values and local mill rates the registration tax would have to be as much as 300 percent of the current level. The approach included in the proposed CS for HB 309, which would regularly adjust the tax structure to reflect inflation (beginning with an adjustment from 1978 to the present, an increase of approximately 70 percent), will more accurately reflect the value of motor vehicles and thus tax them more equitably as compared to other types of personal property, make additional local revenues available from this source, and allow for regular adjustments. Increasing the state-retained administrative fee from 5 percent to 8 percent will more than compensate the state for the costs of administering the program, especially when the increased rate is applied to the adjusted tax structure.

The Alaska Municipal League supports HB 309.



217 Second Street, Suite 200 ■ Juneau, Alaska 99801 ■ Tel (907) 586-1325. Fax (907) 463-5480

Revision of Motor Vehicle Registration Tax Rates

The Alaska Municipal League urges the legislature and the governor to support legislation to revise AS 28.10.431, which establishes motor vehicle registration tax rates, to reflect equity in taxation of vehicles compared to other forms of personal property.

The Alaska Municipal League, which represents 118 local governments and their citizens throughout the State of Alaska, supports legislation that would require the motor vehicle registration tax collected by the state on behalf of municipalities to be increased 100 percent and automatically adjusted annually to reflect changes in the Consumer Price Index. Such legislation would allow an updating of the statutory motor vehicle registration rates, which were originally established in 1978 and have not been changed to reflect increases in the prices of motor vehicles, to ensure a proportionate and equitable treatment of taxes on vehicles as compared to other forms of personal property.

Under the current provisions of AS 28.10.431, Annual Motor Vehicle Registration Tax, municipalities are given the option of participating in the registration tax program administered by the Division of Motor Vehicles or electing to levy local use or property taxes. Because of the difficulty of collecting information on ownership of motor vehicles, the majority of Alaskan municipalities that tax motor vehicles have opted to participate in the state-administered program (see Table 1). This program collects a tax based on a schedule established in statute in 1978. The Division of Motor Vehicles retains 5 percent of the tax collected as a collection fee and refunds the balance to the municipality for which it was collected. However, local officials estimate that the registration tax collected by the state and returned to municipalities is less than half the local revenue that could be generated by levying a local personal property tax.

A study of motor vehicle values and property tax rates in Alaskan municipalities conducted by the Municipal Finance Officers Association at the request of the Alaska Municipal League found that in order to reflect current motor vehicle values and local mill rates, the registration tax would have to be as much as 300 percent of the current statutory rate. The League is advocating a 100 percent increase with an automatic annual adjustment for inflation. Another approach would be to index each year's registration tax rates to the Consumer Price Index beginning with an adjustment from 1978 to the present, an increase of approximately 67 percent.

Table 1: Local Policy on Taxation of Motor Vehicles

Municipality	Form of Taxation
Municipality of Anchorage	State-collected ^a
Bristol Bay Borough	Full and true value ^b
Cordova	Exempt ^c
Craig	Exempt
Dillingham	Exempt
Eagle	Exempt
Fairbanks North Star Borough	Exempt
Haines Borough	Exempt
City and Borough of Juneau	Exempt
Kenai Peninsula Borough	State-collected
Ketchikan Gateway Borough	State-collected
Kodiak Island Borough	State-collected
Matanuska-Susitna Borough	State-collected
Nenana	State-collected
Nome	State-collected
North Slope Borough	Full and true value
Pelican	Exempt
Petersburg	State-collected
Skagway	Exempt
City and Borough of Sitka	Exempt
Unalaska	Exempt
Valdez	Exempt
Whittier	State-collected
Wrangell	Exempt
Yakutat	Exempt

^a Collected by the state on behalf of municipality under AS 28.10.431.

^b Taxed by the municipality at full and true value.

^c Exempt from municipal taxation.

Source: *Alaska Taxable, 1991*

Legislation revising AS 28.10.431, Annual Motor Vehicle Registration Tax, should be approved to more accurately and equitably reflect the value of motor vehicles, make additional local revenues available from this source, and allow for annual adjustments. The revenue received as a result of an adjustment in rates will more than compensate the state for the administration of the program.



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**Projected Return to Selected Municipalities Resulting from
Adjustment in Motor Vehicle Taxes (AS 28.10.431)
under Provisions of Proposed CS HB 309**
(rounded to nearest \$1,000)

Municipality	FY 91 Received by Municipality	FY 94 Projected Return*	FY 95 Projected Return*
Currently Participating in Program**			
Anchorage	\$ 3,420,000	\$ 4,471,000	\$ 5,947,000
Kenai Peninsula Borough	672,000	878,000	1,168,000
Mat-Su Borough	628,000	820,000	1,092,000
Ketchikan Gateway Borough	190,000	248,000	330,000
Currently Not Participating in Program***			
Fairbanks North Star Borough	na	1,357,000	1,805,000
City and Borough of Juneau	na	441,000	586,000

*FY 94 return would in fact be somewhat higher because adjusted registration tax schedules would go into effect in January 1993 and January 1994, half-way through the fiscal year. Based on FY 91 statistics from Division of Motor Vehicles and using a 35% adjustment of tax schedule beginning in January 1993 and an additional 33% adjustment beginning in January 1994 as well as an increase in state administrative fee from 5% to 8%.

**For currently participating municipalities, calculations are based on actual FY 91 average return/registered vehicle figures: Anchorage's average return was \$15.31; Kenai Peninsula Borough's, \$11.73; Mat-Su's, \$10.26; and Ketchikan Peninsula Borough's, \$12.77. These return figures vary because of the mix of vehicle types and ages within each municipality. Projections assumed no increase in the number of vehicles registering.

***Calculated using an average return to a municipality of \$12/registered vehicle.

Prepared by Alaska Municipal League, 13 February 1992