

HB

34



Official Business

Alaska State Legislature

HOUSE OF REPRESENTATIVES

State Capitol
Juneau, AK 99801-1182

SPONSOR STATEMENT
BY REPRESENTATIVE CURT MENARD
FOR HB 34, SNOWMOBILE REGISTRATION TAX

I introduced HB 34 at the request of the snowmobile owners in my area. The Mat-Su Motor Musers are concerned about theft of snowmobiles and would also like more recreational trails for snowmobiles built.

The Sponsor Substitute adds in a provision that provides for titles for snow vehicles (snowmobiles). Having titles for snow machines should help owners track stolen snow vehicles. Without a title, it is difficult to prove ownership. The Alaska Department of Public Safety, Division of Motor Vehicles would administer the titling of snow vehicles in the same manner as other motor vehicles.

The bill has a provision that allows for a snow vehicle exemption from municipal personal property tax since it isn't my intention to have owners paying two taxes on their snow vehicles. The registration tax schedule is modeled after the current tax on motorcycles and would be administered in the same manner.

The registration tax would only apply to municipalities that pass an ordinance to create the registration tax. This allows municipalities local control over taxation.

Establishing the number of snow vehicles in the Mat-Su or other regions could help local groups obtain Symms National Recreational Trail funding. Right now it is difficult to assess the actual number of snow vehicles in any given area, so it is difficult to obtain recreational trail monies.

I would appreciate your support for this bill.

BILL NO: SSHB 34

DATE: March 6, 1993

TITLE: "An Act relating to a registration tax and a certificate of title for a snow vehicle. . ."

CONTACT: C.E. Swackhammer
Deputy Commissioner
465-4322

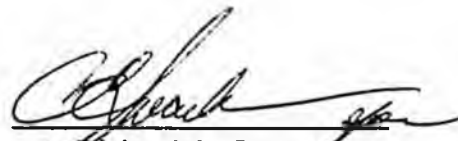
SSHB 34 would require the issuance of a title for all snowmachines and would include snowmachines in the Municipal Vehicle Registration Tax (MVRT) program. In the MVRT program the Division of Motor Vehicles collects a tax that is in lieu of the personal property tax collected by a local government. The tax revenue is returned to the local government, less 5% for collection costs.

The Department of Public Safety is opposed to this bill in its present form, however, this position could be changed to neutral if the titling provisions of the bill were removed.

Snowmachine groups have proposed titling of snowmachines so that owners would have a state document to prove ownership and the information would be available to police agencies to deter theft, but this capability already exists. Registration of snowmachines is now required by law and those owners who comply with the law are issued a registration document. The information on the owner and the snowmachine is maintained on the Alaska Public Safety Information Network (APSIN) in the same manner as other vehicle information so that it is available to any police agency in case the snowmachine is stolen. This current system satisfies most of the concerns that the snowmachine groups have raised on this issue. The Department recognizes that compliance with this law is very low however a change from a registration requirement to a title requirement will not change the compliance level.

The Department could implement the MVRT provisions with few problems since a system is already in place for regular vehicles. The Department recognizes that there is concern from citizen groups over the differences charged under the MVRT program for registered vehicles and the mil rate charged for personal property by local governments. The department believes that the level of taxation is best determined by the legislative bodies. The department can implement the system proposed in the bill.

The Department is completely neutral on the tax issue but we do not feel the title provisions should be included to support a need for a tax change. This is especially true when other alternatives are already in place. The Department recommends that the title provisions be deleted from the bill and only the tax and registration issues be addressed.


Richard L. Burton
Commissioner

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO: SSHB 34

Revision Date: _____ Dept. Affected: Public Safety
 Title: An Act relating to a registration tax and a BRU: Motor Vehicles
certificate of title for a snow vehicle. Component: Field Services
 Sponsor: Representative Menard
 Requestor: Representative Menard COMPONENT SERIAL NO. _____

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

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	73.0	73.0	0	0	0	0
TRAVEL						
CONTRACTUAL	11.3	1.3	0	0	0	0
SUPPLIES	.5	.5	0	0	0	0
EQUIPMENT	10.0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	94.8	74.8	0	0	0	0
CAPITAL						
REVENUE FUND	66.0	62.5	8.5	5.0	8.5	5.0
SOURCE: GF						

FUNDING: (Thousands of Dollars)

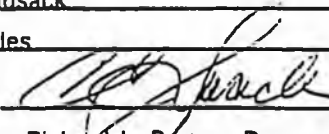
1002 Federal Receipts						
1003 GF Match						
1004 GF	94.8	74.8	0	0	0	0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	94.8	74.8	0	0	0	0

POSITIONS:

FULL-TIME	2	2	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year (FY 93) impact: \$ _____

ANALYSIS: (Attach a separate page if necessary.)
See attached

Prepared By: Charles R. Hosack Phone: 269-5559
 Division: Motor Vehicles Date: 2/18/93
 Approved by Commissioner:  Date: 2/23/93
 Agency: Richard L. Burton, Dept. of Public Safety

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For fur _____

Office _____

SSHB 34 requires that all owners of snowmachines in the state obtain a certificate of title. Current law requires only that these vehicles be registered if they are operated on public property. In 1992 there were 7,181 snowmachines registered. However, this does not reflect the true number of snowmachines in the state, since there is very little enforcement on this requirement, especially in the bush areas. Estimates from industry indicate that there are approximately 25,000 snowmachines in the state. The Division believes this is a more accurate number and this figure will be used as the basis for estimating costs and revenue.

OPERATING COSTS

The division currently has a system in place to collect the registration tax for motor vehicles. Snowmachine registration information is contained on the same system as vehicle registration. It would be a relatively minor task to include snowmachines in the current tax system. The tax would be collected at the same time as the registration fees, so no additional work is involved other than responding to public complaints on the additional fee.

A title issuance takes approximately 10 minutes per transaction, including the actual transaction and a small amount of time for responding to questions. For 25,000 titles this equates to 4,166.6 work hours which is the equivalent of two full time positions. The initial work of titling all those snowmachines currently in the state will be spread over the first two years of the program, as the public becomes aware of the requirement. This will be the period of greatest impact for the Division and the two positions are required so that the new workload does not impact our existing services. After the first two years the workload will decrease to 1,000 titles per year for new snow machines and title transfers when the snowmachine is sold.

Personal Services - 2 MVR II positions (Rng 9B)	\$73.0
Contractual - 25,000 forms @ .05	\$ 1.3
Advertising	\$10.0
Commodities - office supplies for 2 PFT	\$ 0.5
Equipment - 2 terminal workstations	\$10.0
 FY 94 Total	 \$94.8

REVENUE

There is a \$5.00 fee for each title transaction. The initial titling of the 25,000 snowmachines will be spread over a two-year period, resulting in \$62,500.00 in revenue each year. After the first two years, the 1,000 title transactions per year will generate \$5,000.00 in revenue.

Snowmachine registrations are valid for two years and they expire in even numbered years. If we assume that the average snowmachine is five years old, the tax collected on each machine would be \$4.00. Another assumption is that 70% of the snowmachines would be located in areas that elect the tax. This would yield a total revenue collection of \$70,000 and the 5% retained by the division would be \$3,500. This revenue would occur only in even numbered years when the snowmachine registrations expire.

The sponsor has indicated a desire to have the program pay for itself with increased revenues. The division feels that the best way to accomplish that is to change the registration fees, rather than creating a separate title fee for snowmachines, since these fees already exist for all other vehicles in the title statutes. There are two methods to increase revenue with the registration fees. The first would be to change the registration period from two years to one year and put snowmachines on the same registration basis as all other vehicles. The revenue collection would remain the same in even years, but this would generate an additional \$125,000 in the odd years. The second option would be to retain the two year registration and increase the fees to \$7.00. This would generate an additional \$50,000 every even year and, together with the new title revenue, would recover the costs over a two year period. This is presented for discussion only and is not included in the revenue portion of the fiscal note.

Position Title Motor Vehicle Representative II		Number of Positions 2	Range/Step 9B	Bargaining Unit GGU
Time Status PFT	Staff Months 12 months each	Location Anchorage	Election District	
Type of Expenditure		Amount		
1	2	3		
Salary *	48.8			
Benefits *	24.4			
Premium Pay (Included in Above)				
Other				
Total Personal Services		73.0		
Travel				
Contractual		11.3		
Commodities		.5		
Equipment		10.0		
Other				
Total Cost		94.8		
Funding Source For Total Cost				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	94.8		
Program Receipts/GF	1005			
I-A Receipts	1007			
CIP Receipts	1061			
Other				
* Personal Services Salary and Benefits Costs are from PACS calculations.				
Justification These positions would be responsible for processing 25,000 snowmachine registrations and titles. It takes approximately 10 minutes per transaction, which averages to 4,166.6 work hours.				

**REQUEST FOR
NEW POSITION**

(1/92) RFNP

AGENCY Department of Public Safety
BRU Motor Vehicles
COMPONENT Field Services

FY 94

Page 4 of 4
Revised Date _____



Matanuska-Susitna Borough

BOROUGH MANAGER

February 24, 1993


The Honorable Curt Menard
Alaska State Legislature
Room 405, State Capitol
Juneau, Alaska 99801-1182

Dear Representative Menard:

Thank you for seeking comments from the Matanuska-Susitna Borough on SS HB34, which would establish a registration tax for snow machines, with a fee schedule modeled after the fees established for motorcycles. We greatly appreciate your efforts to gather suggestions and responses from your constituents to ensure that pending legislation is in the best interests of borough residents as a whole.

We have reviewed and discussed the information on SS HB34 provided by your assistant, Nancy Hemenway. The Borough supports the proposal to establish a registration tax for snow machines, as long it remains the option of the municipality to decide whether to implement the registration tax system.

Sincerely,


Donald L. Moore
Borough Manager

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Ltr/32593-5



HOUSE COMMUNITY AND REGIONAL AFFAIRS

SUBJECT OF MEETING:

HB 221
SSHB 34

DATE: 3/30/93

PLACE: Rm. 124

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
KENNETH LEA	PUBLIC SAFETY	POB 111200 JUNEAU	99811	789-4332	465-4335	Y	(N)
Larry Fanning	ALASKA FIRE CLUB	820 Glacier Hse JUNEAU AK 99801	99801	586-5322	586-5322	(Y)	N 221
✓ Jeff OTTENSEN	TOTPF	2132 CHANNEL DR. JUNEAU	99801	465-6954		Y	N HB 24 1KAS1460
Juanita Hensley	DPS/DMV	Box 111200 JUNEAU AK	99811		4335	Y	N HL 59
John George	AK ST Firefighters	9515 Moraine Way JUNEAU AK	99801	9-0172		(Y)	N HB 221
						Y	N
						Y	N
						Y	N
						Y	N
						Y	N
						Y	N