

HB

179

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/21/93

FURTHER:

DATE TURNED INTO OFFICE: _____

The Finance Committee considered CS FOR HOUSE BILL NO. 179(FIN) and

"An Act relating to motor vehicles and mobile homes; and providing for an effective date."

Died in SFC 1994.

and recommends:

- replace with _____ CS _____ (FINANCE)
- or adopt previous _____ CS _____
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS.

OTHER RECOMMENDATIONS:

1. _____
 Co-Chair: Signature/Recommendation

2. _____
 Co-Chair: Signature/Recommendation

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO: CSHB 179(FIN) am

Revision Date: 4/22/93 Dept. Affected: Public Safety
 Title: "An Act relating to motor vehicles" BRU: Motor Vehicles
 Component: Field Services
 Sponsor: House Labor & Commerce
 Requestor: Senate Finance COMPONENT SERIAL NO. 502

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

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	82.0	109.5	0	0	0	0
TRAVEL						
CONTRACTUAL	55.1	1.6	1.6	1.6	1.6	1.6
SUPPLIES						
EQUIPMENT	15.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	152.1	111.1	1.6	1.6	1.6	1.6
CAPITAL						
REVENUE FUND	2591.0	2731.6	2731.6	2731.6	2731.6	2731.6
SOURCE: 1005						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	152.1	111.1	1.6	1.6	1.6	1.6
1006 GF/MHTIA						
Other						
TOTAL	152.1	111.1	1.6	1.6	1.6	1.6

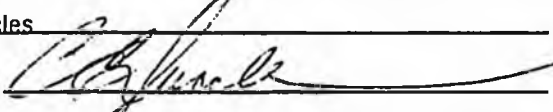
POSITIONS:

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

Estimate of current year (FY 93) impact: \$ none

ANALYSIS: (Attach a separate page if necessary.)

Please see attached.

Prepared By: Juanita Hensley Phone: 465-4361
 Division: Motor Vehicles Date: 4/22/93
 Approved by Commissioner:  Date: 4/22/93
 Agency: Richard W. Burton Dept. of Public Safety

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

For further distribution information call the Governor's Legislative Office

SECTION 1

This is a technical amendment to reflect the current computer technology in use. The Department of Public Safety uses a relational database in the Alaska Public Safety Information Network (APSIN). With this type of database there is no separate file or database that could be called "the vehicle register". The creation of such a list for sale to user has historically been done for more than 20 years and this amendment clarifies this sale as an electronic service. This protects over \$100,000 in revenue from those vendors who argue that this list should be provided at no charge. There is no fiscal since this amendment clarifies the current situation.

SECTION 2

This Section clarifies Section 1.

SECTION 3

This section would place Alaska in compliance with uniform federal regulatory guidelines for the issuance of handicap plates. These standards limit the plates and the use of special parking places to those persons with mobility handicaps. Current Alaska law allows those with other than mobility handicaps to obtain the plates. Revenue estimates are based on the assumption that 15% or 480 of the 3200 persons with these plates would not qualify and would have to pay regular fees.

Revenue - 480 registrations @ \$35	\$16,800
------------------------------------	----------

SECTION 4

This amendment closes a loop hole in the current law that allows dealers to misuse the dealer plate and prevents further loss of revenue. Since only one dealer was known to have misused the plates the additional revenue will be negligible.

SECTION 5

This amendment takes away the authority to issue vehicle titles to mobile homes. In almost all cases the mobile homes are permanently mounted in trailer parks and should be classed as real property. A title is usually only required when the mobile home is financed because the banks feel getting a vehicle title is easier than filing a UCC lien or a real property lien. Since the title is optional the division usually cannot guarantee ownership since there is no clear chain of documents normally associated vehicle ownership. There would be a small loss of revenue from the approximately 150 titles issued each year.

Revenue - 150 title and lien fees @ \$10 (\$1,500)

SECTION 6

This amendment improves efficiency by removing ambiguity associated with senior citizen exemptions and eliminating associated problems. Many senior citizens buy and sell several vehicles during the year and try to claim exemptions on each one. The statute only allows one exemption per year. There is no fiscal impact.

SECTION 7

Historically only 25-30% of vehicle owners use the mail to renew vehicle registrations. The remainder, over 300,000, come in person to a DMV office adding to the long lines when there is no need to do so. This section charges an additional \$10 for those who do not use the mail service. This approach was taken over giving a discount to those who use the mail because it is a revenue generator rather than a revenue loss. It places the cost directly on those who are creating the efficiency loss. Even with this incentive it is estimated that 200,000 owners will still come in person to renew their vehicles.

Revenue - 200,000 @ \$10 \$2,000,000

SECTION 8

Many businesses are registering their vehicles in the non-commercial categories claiming they are not used for business but are used for such things as personal transportation. This eliminates this loop hole and requires them to pay commercial fees. The biggest category affected will be passenger cars and rental vehicles which have been rented for non-commercial transportation. The average difference in registration fees will be \$16 for approximately 25,000 vehicles.

Revenue - 25,000 vehicles @ \$16	\$400,000
----------------------------------	-----------

SECTION 9 AND 10

This Section changes the Municipal Vehicle Registration Tax amounts to 10% for FY 94.

Additional work must be performed 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 480,000 vehicles, or 81% of the total number of registered vehicles, are in areas subject to the tax. Any increase in fees increases the workload in public service offices of the Division, since DMV employees collecting the tax will receive public complaints, which take time and result in increased delays for the others in line. The public sees this as a state tax and not a local municipal property tax. Frequent changes to the fee increase processing time, because employees will not be as familiar with the fees. There are only 17 different registration fees, but there are 89 different categories for the registration tax.

Department of Public Safety
Fiscal Note Analysis - CSHB 179(FIN) am
Page 5 of 7

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. 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 cost of administering the program in FY 94 and FY 95.

The increase in revenue for DMV retention, above the FY 94 current rate calculations, is as follows:

FY94	FY95	FY96	FY97	FY98	FY 99
140.6	281.2	281.2	281.2	281.2	281.2

Detailed costs for Sections 10 through 13 are as follows:

Personal Services	FY94 (9mos.)	FY95
3 Motor Vehicle Rep I/II positions	\$ 82.0	\$109.5
Contractual	\$ 55.1	\$ 1.6
Mail-out registration forms		
Regular registration forms		
Computer line charges		
Equipment	\$ 15.0	
3 Computer work stations		
	TOTAL	\$152.1
		\$111.1

SECTION 11

This Section clarifies Section 4.

SECTION 12

This amendment further clarifies the definition of mobile homes (see related SECTION 6.)

Position Title Motor Vehicle Representative I/II			Number of Positions 3	Range/Step 8/9	Bargaining Unit GGU
Time Status PFT	Staff Months 9 (1st year)		Location Statewide	Election District Statewide	
Type of Expenditure			Justification		
Amount			<p>The adoption of this legislation is estimated to impact the workload of the Division by 3-5%. Approximately 355,000 vehicles, or 66% 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 increases 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.</p>		
1	2	3			
Salary*	54.7				
Benefits*	27.3				
Premium Pay (Included in Above)					
Other					
Total Personal Services		82.0			
Travel					
Contractual		55.1			
Commodities					
Equipment		15.0			
Other					
Total Cost			152.1		
Funding Source For Total Cost					
Federal Receipts	1002				
G.F. Match	1003				
General Fund	1004				
Program Receipts/GF	1005		152.1		
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 94

Page 7 of 7

Revised Date

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

No. 2
Bill Version: CSHB 179 (FIN)
(H) Publish Date: 4/15/93

Revision Date: 4/14/93 Dept. Affected: Public Safety
Title: "An Act relating to motor vehicles" BRU: Motor Vehicles
Component: Field Services
Sponsor: House Labor & Commerce
Requestor: House Labor & Commerce COMPONENT SERIAL NO. 502

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

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	82.0	109.5	0	0	0	0
TRAVEL						
CONTRACTUAL	115.1	61.6	61.6	61.6	61.6	61.6
SUPPLIES						
EQUIPMENT	15.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	212.1	171.1	61.6	61.6	61.6	61.6

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE: 1005	2891.0	3031.6	3031.6	3031.6	3031.6	3031.6
---------------------------	--------	--------	--------	--------	--------	--------

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	212.1	171.1	61.6	61.6	61.6	61.6
1006 GF/MHTIA						
Other						
TOTAL	212.1	171.1	61.6	61.6	61.6	61.6

POSITIONS:

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

Estimate of current year (FY 93) impact: none

ANALYSIS: (Attach a separate page if necessary.)

Please see attached.

Prepared By: Juanita Hensley Phone: 465-4361
Division: Motor Vehicles Date: 4/14/93
Approved by Commissioner: *[Signature]* Date: 4/14/93
Agency: Richard I. Burton, Dept. of Public Safety

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

For further distribution information call the Governor's Legislative Office

Department of Public Safety
Fiscal Note Analysis - CSHB 179(FIN)
Page 2 of 7

SECTION 1

This is a technical amendment to reflect the current computer technology in use. The Department of Public Safety uses a relational database in the Alaska Public Safety Information Network (APSIN). With this type of database there is no separate file or database that could be called "the vehicle register". The creation of such a list for sale to user has historically been done for more than 20 years and this amendment clarifies this sale as an electronic service. This protects over \$100,000 in revenue from those vendors who argue that this list should be provided at no charge. There is no fiscal since this amendment clarifies the current situation.

SECTION 2

This Section clarifies Section 1.

SECTION 3

This section allows the Division to design special plates and charge a one-time fee of \$30.00 for their issuance. This is similar to the existing fee structure for personalized plates and these fees would be in addition to the normal registration fees and taxes. This analysis assumes that 10,000 plates would be issued annually.

Contractual cost - 10,000 plates @ \$6	\$60,000
Revenue - 10,000 plate fees @ \$30	\$300,000

SECTION 4

This section would place Alaska in compliance with uniform federal regulatory guidelines for the issuance of handicap plates. These standards limit the plates and the use of special parking places to those persons with mobility handicaps. Current Alaska law allows those with other than mobility handicaps to obtain the plates. Revenue estimates are based on the assumption that 15% or 480 of the 3200 persons with these plates would not qualify and would have to pay regular fees.

Revenue - 480 registrations @ \$35	\$16,800
------------------------------------	----------

Department of Public Safety
 Fiscal Note Analysis - CSHB 179 (FIN)
 Page 3 of 7

SECTION 5

This amendment closes a loop hole in the current law that allows dealers to misuse the dealer plate and prevents further loss of revenue. Since only one dealer was known to have misused the plates the additional revenue will be negligible.

SECTION 6

This amendment takes away the authority to issue vehicle titles to mobile homes. In almost all cases the mobile homes are permanently mounted in trailer parks and should be classed as real property. A title is usually only required when the mobile home is financed because the banks feel getting a vehicle title is easier than filing a UCC lien or a real property lien. Since the title is optional the division usually cannot guarantee ownership since there is no clear chain of documents normally associated vehicle ownership. There would be a small loss of revenue from the approximately 150 titles issued each year.

Revenue - 150 title and lien fees @ \$10 (\$1,500)

SECTION 7

This amendment improves efficiency by removing ambiguity associated with senior citizen exemptions and eliminating associated problems. Many senior citizens buy and sell several vehicles during the year and try to claim exemptions on each one. The statute only allows one exemption per year. There is no fiscal impact.

SECTION 8

Historically only 25-30% of vehicle owners use the mail to renew vehicle registrations. The remainder, over 300,00, come in person to a DMV office adding to the long lines when there is no need to do so. This section charges an additional \$10 for those who do not use the mail service. This approach was taken over giving a discount to those who use the mail because it is a revenue generator rather than a revenue loss. It places the cost directly on those who are creating the efficiency loss. Even with this incentive it is estimated that 200,000 owners will still come in person to renew their vehicles.

Revenue - 200,000 @ \$10 \$2,000,000

Department of Public Safety
Fiscal Note Analysis - CSHB 179 (FIN)
Page 5 of 7

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. 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 cost of administering the program in FY 94 and FY 95.

The increase in revenue for DMV retention, above the FY 94 current rate calculations, is as follows:

FY94	FY95	FY96	FY97	FY98	FY 99
140.6	281.2	281.2	281.2	281.2	281.2

Detailed costs for Sections 10 through 13 are as follows:

Personal Services	FY94 (9mos.)	FY95	
3 Motor Vehicle Rep I/II positions	\$ 82.0	\$109.5	
Contractual	\$ 55.1	\$ 1.6	
Mail-out registration forms			
Regular registration forms			
Computer line charges			
Equipment	\$ 15.0		
3 Computer work stations			
	TOTAL	\$152.1	\$111.1

SECTION 12

This Section clarifies Section 4.

SECTION 13

This amendment further clarifies the definition of mobile homes (see related SECTION 6.)

Position Title Motor Vehicle Representative I/II			Number of Positions 3	Range/Step 8/9	Bargaining Unit GGU
Time Status PFT	Staff Months 9 (1st year)		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 66% 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 increases 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*	54.7				
Benefits*	27.3				
Premium Pay (Included in Above)					
Other					
Total Personal Services		82.0			
Travel					
Contractual			55.1		
Commodities					
Equipment			15.0		
Other					
Total Cost		152.1			
Funding Source For Total Cost					
Federal Receipts	1002				
G.F. Match	1003				
General Fund	1004				
Program Receipts/GF	1005	152.1			
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 94

Page 7 of 7

Revised Date

ALASKA STATE LEGISLATURE
HOUSE BILL NO. 179

HISTORY IN THE HOUSE

1993
2/24 Read first time and referred to:
L & C Fin

3/11 L & C RPT CS(L & C) New Title
2 DP 0 DNP 4 NR 0 AM
1 FN OFN Previous FN

4/15 Fin RPT CS(Fin) New Title
4 DP 3 DNP 1 NR 1 AM
1 FN OFN Previous FN

4/20 Read second time
CS(FIN) Adopted #1... Passed

Amended

4/20 Advanced

4/20 Read third time

4/20 Return to second for specific amendment

4/20 PASSED EFD Same or
Yeas 24 Yeas 36
Nays 15 Nays 3
Excused 0 Excused 0
Absent 1 Absent 1

Intent adopted

4/20 Reconsideration *Martin*
4/21 Reconsideration ~~not~~ taken up

PASSED ON RECON. EFD Same or
Yeas 24 Yeas 35
Nays 15 Nays 4
Excused 0 Excused 0
Absent 1 Absent 1

Intent adopted

4/21 Reported correctly engrossed
Signed by Speaker, to the Senate
[Signature]
Chief Clerk of the House

HISTORY IN THE SENATE

1993
4/21 Read first time and referred to:
FIN

RPT() CS DP NR DNP AM
New Title Same Title Previous FN
FN OFN To

RPT() CS DP NR DNP AM
New Title Same Title Previous FN
FN OFN To

RPT() CS DP NR DNP AM
New Title Same Title Previous FN
FN OFN To

Rules Calendar() CS AM Other
New Title Same Title Previous FN
FN OFN

Read second time

CS Adopted () New Title
Amended Advanced

Read third time

Letter of Intent adopted
Return to second for specific amendment

PASSED EFD Same or
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reconsideration
Reconsideration not taken up

PASSED EFD Same or
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reported correctly engrossed
Signed by President, to the House
Secretary of the Senate

HOUSE-SENATE HISTORY Continued

19	<p>Received from the Senate _____</p> <p>Concur in Senate amendment Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___</p> <p>Failed to concur Senate amendment, ask Senate recede Y ___ N ___ E ___ A ___</p> <p>Senate failed to \ receded from amendment Y ___ N ___ E ___ A ___</p> <p>CC appointed by House _____ Chair</p> <p>_____</p> <p>CC appointed by Senate _____ Chair</p> <p>_____</p> <p>(H) Granted Limited Powers of Free Conference</p> <p>(S) Granted Limited Powers of Free Conference</p>
----	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

19	<p>(H) Adopted CC Rpt _____ Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___</p> <p>(S) Adopted CC Rpt _____ Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___</p> <p>To enrolling Reported enrolled and sent to Governor</p> <p>_____ By Governor</p> <p>Legislative Resolve Number _____</p> <p>Filed with Lieutenant Governor</p>
----	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

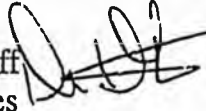
130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 23, 1993

SUBJECT: Sectional Summary of CSHB 179(FIN) am (An Act relating to motor vehicles and mobile homes)

TO: Representative Bill Hudson
Chair, House Labor and Commerce Committee

FROM: David R. Dierdorff 
Revisor of Statutes

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. - If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

As introduced, HB 179 initially consisted only of that portion of HB 65, an omnibus fee bill introduced at the request of the governor, that dealt with motor vehicles. In the House committees and on the floor, amendments were made that deleted former sec. 3, rewrote the amendment to AS 28.10.181(d) relating to special plates for persons with disabilities, and increased the motor vehicle tax that a municipality may elect to have collected by the state. To the extent that sections of CSHB 179(FIN)-am are identical to those of HB 65, this sectional incorporates by reference the sectional analysis transmitted by the governor, a copy of which is attached.

Section 1. This appeared in HB 65 as sec. 50. In HB 179, the concept of "registered vehicles," which was amended out in the governor's bill, has been retained. This was done because the term "registered vehicles" is used in eight other provisions of AS 28.10 and the language included in the second sentence of AS 28.10.071(a) is the closest thing there is to a definition of the term.

Sec. 2. This was not in HB 65. It is needed to conform the language to the amendment made in sec. 1.

Secs. 3 - 8. These were secs. 52 - 57 in HB 65. Some minor changes were made to reflect our drafting style, but the substance of the provisions is identical.

Sec. 9. This section was not in HB 65. The section was originally in HB 179 only to delete the reference to mobile homes, which reference is not needed given the exclusion of mobile homes from the definition of "vehicle" in sec. 12 of the bill. In CSHB 179(FIN) am, the amounts of the tax on motor vehicles are increased, effective January 1, 1994. This tax is one that a municipality may elect to levy and have the state collect for it. A municipality may elect not to impose a tax, or to tax at a different rate and collect the tax itself. This bill does not change that.

Sec. 10. Increases from five to eight the percentage that may be retained by the state for collecting the optional motor vehicle tax for municipalities.

Sec. 11. This was not in HB 65. The amendment of AS 28.10.181(d) in sec. 4 (relating to registration and special license plates for vehicles owned by persons with disabilities) requires this amendment to AS 28.10.495(c), relating to special parking permits for vehicles used to transport persons with disabilities.

Sec. 12. This was in HB 65 as sec. 58. It excludes "mobile homes" from the definition of "vehicle" for purposes of AS 28. Because of provisions incorporating this definition by reference, this amendment may have an effect on that term as it is used in AS 11.46.490, AS 45.45.240, and AS 46.03.900. It should be pointed out that AS 28 contains references to "house trailers," and that neither that term nor "mobile homes" is defined. Because registration fees and other important provisions are involved, it is recommended that the legislature consider further amendments and clarification to ensure, for example, that recreational house trailers, which some might categorize in some instances as "mobile homes," continue to be licensed when used on the state's highways.

Sec. 13. The repealers are those that were in sec. 70 of HB 65, plus the additional repeal of AS 28.10.421(d)(12), which is rendered meaningless by the repeal of AS 28.10.181(k).

Secs. 14 - 15. The effective date provisions.

BILL NO: CSHB 179(FIN) am

DATE: April 23, 1993

TITLE: "An Act relating to motor vehicles and mobile homes..."

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

P O S I T I O N P A P E R - Department of Public Safety

CSHB 179(FIN)am was originally introduced as part of HB 65, the Governor's Omnibus bill. House Labor and Commerce Committee chose to separate HB 65 into separate bills dealing with sectional content, thus introducing HB 179 dealing with the motor vehicle portions of the Governor's Omnibus bill. The fiscal note analysis describes each section and breaks out the revenue per section. The following is a brief sectional analysis:

Section 1 and 2 clarifies current law to reflect the current computer technology by allowing the Division to sell the vehicle registration list in an electronic format.

Section 3 would place Alaska in compliance with uniform federal regulatory guidelines for the issuance of handicap license plates. The federal guidelines require the person with the handicap be mobility impaired. The current law allows those other than mobility handicap to obtain the handicap license plate.

Section 4 closes a loop hole in existing law that allows car dealers to misuse dealer license plates. This amendment will require a car dealer to use both plates on a car instead of one.

Section 5 takes away the authority to issue vehicle titles to mobile homes. In almost all cases the mobile homes are permanently mounted in trailer parks or on private property and should be classed as real estate property.

Section 6 improves efficiency by removing ambiguity associated with senior citizen exemptions and eliminates associated problems. Many senior citizens buy and sell several vehicles during a year and try to claim exemptions on each one. Existing law allows for one free registration per year.

Section 7 allows the Division to charge an additional \$10.00 fee to a persons vehicle registration renewal if a person chooses to come in person to a Division office to renew their registration instead of renewing by mail. This section is meant to lessen the long lines at the Division field offices.

Section 8 will require businesses to register their vehicles as commercial vehicles and not as passenger cars. The largest category affected by this section will be rental car companies who claim they are not using the vehicles for commercial purposes.


Section 9 and 10 increases the Municipal Vehicle Registration Tax amounts by 10%. These sections were amended in House Labor and Commerce Committee by Representative Porter and were further amended by House Finance Committee.

Section 11 further clarifies Section 3 of the bill.

Section 12 further clarifies the definition of mobile homes.

Section 13 repeals the mobile home titling requirement in Section 5.

The Department of Public Safety wholeheartedly supports this legislation, as 2 million dollars in program receipt authority for the Division of Motor Vehicles operating budget is based on the passage of SB 99 or HB 179.



Richard L. Burton
Commissioner

HOUSE LABOR AND COMMERCE COMMITTEE

ALASKA STATE LEGISLATURE

STATE CAPITOL, JUNEAU, AK 99801-1182
(907) 465-4954



House Bill 179, Motor vehicle registration, fees, etc.

Departmental contact: Lee Ann Lucas, Department of Public Safety
465-4322

Departmental personnel who testified:

Juanita Hensley
Division of Motor Vehicles
465-2650

Omnibus Legislation - Fiscal Impact Sectional					
Section	Department	Brief Description	Discussion of Fiscal Impact	Revenues (including savings)	Cost
1 thru 32	Revenue	Changes issuances of liquor licenses by the Alcohol Beverage Control Board from the current annual issuance to biennial.	Will enable staff to spread workload out over two years thereby enabling more efficient processing and utilization of existing staffing levels.		
33 thru 35	Administration	Office of Public Advocacy: Will enable OPA to determine a reasonable fee schedule for public guardians.	Due to time required to develop and implement regulations, no revenue is projected for FY 94. Until fee schedule is established, future revenue projections are difficult.	Not yet determined	
36 thru 38	Education	Alaska Commission on Postsecondary Education: Authorizes assessment of a 1% guarantee fee to be used to offset losses due to student loan debt cancellation due to death, disability or bankruptcy of the student.	Total revenue to be generated in FY 94 is 500.0 in corporate receipts	500.0	
39 thru 43	Education	Alaska Commission on Postsecondary Education: Authorizes same 1% guarantee fee as established in sections 36 through 38 in these other loan programs: Memorial Scholarship Loan Program, Teacher Scholarship Loan Program, and Family Education Loan Program.	Total revenue to be generated in FY 94 is 13.0 in corporate receipts	13.0	
44	Labor	Allows department to set fees by regulation for administering certain examinations and processing applications for special boiler and pressure vessel inspector commissions (currently there is no charge).	Anticipate fee of \$25.00 which will annually generate estimated \$375.00 to general fund.	0.4	
45	Labor	Eliminates the current statutory requirement that plumber and electrician certificates of fitness be valid for either one year or three years; gives the department the authority to set time frame by regulation	No fiscal impact; currently revenues fluctuate due to one or three year renewal. Change to a two year certificate will stabilize program receipts coming to the department.		

Omnibus Legislation - Fiscal Impact Sectional

Section	Department	Brief Description	Discussion of Fiscal Impact	Revenues (including savings)	Cost
46	Labor	Eliminates current statutorily prescribed certificate of fitness fees for plumbers and electricians and gives the department the authority to do so by regulation; allows the department to charge for issuing duplicate certificates	Anticipate application and exam fee of \$50.00 to generate 118.5 in program receipts. Of this amount, 93.5 is currently authorized in the Governor's FY 94 operating budget. Fiscal note requests additional authorization of 25.0.	25.0	25.0
47	Public Safety	Alaska Police Standards Council: Authorizes the adoption of regulations to collect fees for processing applications for state certification of non-state police and correctional officers and instructors.	Based on issuance of 170 non-state certificates at a charge of \$50.00 per certificate, an estimate 8.5 in general fund program receipts is expected. The amount is projected to increase by 5% in future years.	8.5	
48	Labor	Increases the application filing fee for employment agency permits from the current \$10 to \$100.	Only eight agencies are currently licensed; fee increase will generate an additional \$720.00.	0.7	
49	Administration	Office of Public Advocacy: Deletes the requirement that OPA provide guardian ad litem in child custody proceedings.	Estimated savings is 100.0. Because OPA is continually underfunded, this reduction was not taken in the Governor's FY 94 operating budget.	100.0	
50	Public Safety	Clarifies department's ability to recover cost in generating computerized vehicle registration lists by clarifying this sale as an electronic service.	No new revenues; "protects" the department's ability to continue collecting the current 100.0 in revenue now collected from vendors who have argued the list should be provided at no charge.		

Omnibus Legislation - Fiscal Impact Sectional

Section	Department	Brief Description	Discussion of Fiscal Impact	Revenues (including savings)	Cost
51	Public Safety	Allows the department to issue special vehicle license plates depicting Alaska wildlife and other images; \$30.00 fee for issuance will be charged.	Estimate 10,000 plates will be annually issued. Contractual cost is 60.0 and estimated annual revenue is 300.0. These costs and revenues are not reflected in FY 94 operating budget.	300.0	60.0
52	Public Safety	Changes the eligibility for free vehicle registration and license plates for disabled persons by narrowing the definition to include only those most in need of special parking. Will put Alaska in compliance with uniform federal regulatory guidelines.	Increased revenue of 16.8 is expected. Based on assumption that 15% (or 480) of current persons with these plates will not qualify and will have to pay regular fees.	16.8	
53	Public Safety	Clarifies current statute that requires car dealers to use two dealer plates per vehicle.	No fiscal impact.		
54	Public Safety	Eliminates authority to issue vehicle titles to mobile homes. Revenue impact is noted in sec. 70.	Will result in loss of revenues based on 50 titles and lien fees of \$10.00 not being issued by Public Safety.	-1.5	
55	Public Safety	Clarifies the statute that senior citizens are entitled to free vehicle registration of only one vehicle each calendar year.	Fiscal impact discussed in sec. 70.		
56	Public Safety	Provides an additional vehicle registration fee of \$10.00 for registration not done by mail.	Currently 25-30% of vehicle owners use mail. With this financial incentive, it is estimated 100,000 of the 300,000 "walk in" registrants will use mail. The remaining 200,000 that will continue to "walk in" will generate 2,000.0 in increased revenues.	2,000.0	

Omnibus Legislation - Fiscal Impact Sectional

Section	Department	Brief Description	Discussion of Fiscal Impact	Revenues (including savings)	Cost
57	Public Safety	Clarifies the requirement that companies and businesses that register a vehicle in a company or business name must pay a commercial registration fee.	Estimated revenue increase is 400.0 based on average difference in registration fees of \$ 16.00 for approximately 25,000 vehicles.	400.0	
58	Public Safety	Amends the definition of vehicle in statute to delete "mobile homes."	Relates to section 54; no additional fiscal impact.		
59	Administration	Exempts money that state receives for administering group insurance programs under AS 39.30.090 (primarily health insurance programs) from the definition of program receipts.	The Governor's FY 94 operating budget makes this fund source shift from general fund/program receipts to Benefit Systems Receipts.	683.0	
60 thru 61	Administration	Amend State Insurance Catastrophe Reserve Account statute by providing that payments to the state of insurance claim settlement money and money received as recovery for losses are deposited directly into this account.	No fiscal impact; however will enable compliance with existing federal cost allocation standards. Failure to comply may require state to reimburse some federal funds.		
62	Natural Resources	Clarifies the department's authority to accept cash or other donations to support state park operations	No fiscal impact.		
63	Natural Resources	Expands the department's authority to collect fees for services in state parks; fees would vary for each park.	Installation of estimated 44 fee stations would be phased. Revenue estimate from these fees is reflected in sec. 71.		
64	Administration	Office of Public Advocacy: This section is related to the changes made in sections 33-35; eliminates the requirement that OPA provide free attorney representation in certain cases.	Estimated savings of 100.0 as a result of these changes are included in section 49.		

Omnibus Legislation - Fiscal Impact Sectional

Section	Department	Brief Description	Discussion of Fiscal Impact	Revenues (including savings)	Cost
65	Environmental Conservation	Allows charging of fees for any services relating to programs currently stipulated in AS 44.26.025 (a) (now can only charge for permits and inspections). Also modifies list of services for which fees can be charged to reflect direct costs of program.	Because regulations would have to be adopted, fees would not be collected until FY 95 and projected increased revenues are 700.0. FY 94 cost of implementation is 75.3. This impact is not reflected in FY 94 operating budget.	700.0	75.3
66	Environmental Conservation	Authorized department to set fees for both direct and indirect costs of air quality permit program. Change is required by federal Clean Air Act.	Due to start up delays, revenues and expenditures would not be in place until FY 95.	3,747.1	1,882.0
67	DIHSS	Adds new category to state's optional list for federal Medicaid coverage. These are children under age 21 who are eligible for adoption assistance under current law because of special medical or rehabilitative needs.	Estimated FY 94 GF savings is 17.7 which increases in future years. The GF savings is made up by matching federal funds. This savings has not been reflected in FY 94 operating budget.	17.7	
68	DIHSS	Adds new category established in section 67 to priority list of Medicaid eligibility list.			
69	Administration	Office of Public Advocacy: Deletes the requirement that OPA represent minors in commitment proceedings (corresponds to section 64 amendment).	Estimated savings of 100.0 as a result of these changes are included in section 49.		
70	Public Safety	Section includes the repeal of the "occasional use" provision which will require owner of vehicles registered under the "occasional use" category to pay full fees.	Average increase as a result of "occasional use" change is \$20.00.	35.1	

Omnibus Legislation - Fiscal Impact Sectional					
Section	Department	Brief Description	Discussion of Fiscal Impact	Revenues (including savings)	Cost
71	Natural Resources	Establishes a temporary fee schedule for state parks pending the promulgation of permanent regulations.	FY 94 costs of 78.0 includes installing 18 fee collection stations and the design/production of fee collection envelopes and the fee stations. Revenues of 150.0 are estimated in FY 94 and increase in future years.	150.0	76.0
72.	Revenue	Provides the time table for implementing the biennial issuance of liquor licenses by the Alcoholic Beverage Control Board.			
73 thru 77	Multiple	Effective dates			
Total				8,545.8	2,042.3