

HB

440

CS FOR HOUSE BILL NO. 440(TRA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE TRANSPORTATION COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE KOTT

A BILL

FOR AN ACT ENTITLED

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

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

4 * Section 1. AS 28.10.021 is amended by adding a new subsection to read:

5 (d) The department shall establish procedures that allow a person who renews
6 registration for a commercial or noncommercial vehicle to renew registration by mail.

7 * Sec. 2. AS 28.10.108(b) is amended to read:

8 (b) Subject to the provisions of (f) of this section, a vehicle subject to
9 registration

10 (1) under AS 28.10.011 and 28.10.421(b)(3) and (4) and (c)(1) - (4)
11 shall have its initial registration, and may have its annual registration, renewed during
12 the month of December;

13 (2) under AS 28.10.181, 28.10.411 and 28.10.421(d)(3) and (8) [(9)]
14 shall have its initial registration, and may have its annual registration, renewed during

1 the month of January.

2 * Sec. 3. AS 28.10.421(a) is amended to read:

3 (a) Unless otherwise provided by law,

4 (1) the fees prescribed in this section shall be paid to the department
5 at the times provided under AS 28.10.108 and 28.10.111; and

6 (2) [AN ADDITIONAL FEE OF \$10 SHALL BE ADDED TO] the
7 registration fee set out in this section shall be reduced by \$5 when [FOR] registration
8 is [NOT] conducted by mail and may be reduced by \$5 when registration is
9 conducted by electronic transmission [; THE DEPARTMENT MAY WAIVE THIS
10 ADDITIONAL FEE FOR A GOOD CAUSE BASED ON CRITERIA ESTABLISHED
11 IN REGULATIONS ADOPTED BY THE DEPARTMENT].

12 * Sec. 4. AS 28.10.421(b) is amended to read:

13 (b) The annual registration fees under this subsection are imposed within the
14 following classifications for:

15 (1) a passenger vehicle or motor home not used or maintained for the
16 transportation of persons or property for hire or for other commercial use
17 \$40 [~~\$35~~];

18 (2) a pick-up truck or a van not exceeding 6,000 pounds unladen
19 weight and not used or maintained for the transportation of persons or property for hire
20 or for other commercial use \$45 [~~\$40~~];

21 (3) a taxicab \$75 [~~\$70~~];

22 (4) a motor bus with a seating capacity for 20 or more persons and
23 used exclusively for commercial purposes in the transporting of visitors or tourists
24 \$90 [~~\$85~~];

25 (5) a motorcycle or a motor-driven cycle \$25 [~~\$20~~];

26 (6) a trailer not used or maintained for the transportation of persons
27 or property for hire or for other commercial use, including, but not limited to, a boat
28 trailer, baggage trailer, box trailer, utility trailer, house trailer, travel trailer, or a trailer
29 rented or offered for rent \$10 [~~\$ 5~~].

30 * Sec. 5. AS 28.10.421(c) is amended to read:

31 (c) The annual registration fees under this subsection are imposed and are

1 based upon the actual unladen weight as established by the manufacturer's advertised
2 weight or upon the actual weight which the owner shall furnish, subject to the approval
3 of the commissioner or the commissioner's representative, for a vehicle, including a
4 motor vehicle pulling a trailer or semi-trailer, that is registered in the name of a
5 company or business, or is used or maintained for the transportation of passengers for
6 hire, excepting taxicabs and buses under (b) of this section, or for the transportation
7 of property for hire or for other commercial purposes, including a trailer, semi-trailer,
8 truck, wrecker, tow car, hearse, ambulance, and tractor, as follows:

- 9 (1) up to and including 5,000 pounds \$56 [\$51];
10 (2) more than 5,000 pounds to and including 12,000 pounds
11 \$91 [\$86];
12 (3) more than 12,000 pounds to and including 18,000 pounds
13 \$161 [\$156];
14 (4) more than 18,000 pounds \$226 [\$221].

15 * Sec. 6. AS 28.10.421(d) is amended to read:

16 (d) The special registration fees under this subsection are imposed annually,
17 unless otherwise specified, for:

- 18 (1) an historic vehicle (one time only upon initial registration under
19 AS 28.10.181) \$10;
20 (2) special request plates for
21 (A) Alaska National Guard personnel \$30;
22 (B) veterans or retired veterans \$30;
23 (C) recipients of the Purple Heart \$30;
24 (D) owners of custom collector vehicles \$55 [\$50];
25 (E) other special request plates \$35 [\$30];

26 plus the fee required for that vehicle under (b) of this section; the fee required
27 by this paragraph shall be collected only on the first issuance and on the
28 replacement of special request plates;

29 (3) a vehicle owned by a disabled veteran or other handicapped person,
30 and registered under AS 28.10.181 or a resident 65 years of age or older who files a
31 written application for an exemption on a form prescribed by the department

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..... none;
(4) a vehicle owned by the state none;
(5) a vehicle owned by an elected state official the fee
required for that vehicle under (b) of this section;
(6) [REPEALED]
(7) a vehicle owned by a rancher, farmer, or dairyman and registered
under AS 28.10.181 \$40 [\$35];
(7) [(8)] a snowmobile or off-highway vehicle \$10 [\$ 5];
(8) [(9)] an amateur mobile radio station vehicle,
(A) with transceiver capable of less than 5-band operation
... the fee required for that vehicle under (b) or (c) of this section;
(B) in recognition of service to the public: a mobile amateur
radio station owned by an amateur with general class or higher license,
provided the station must be satisfactorily proved capable of operating on at
least five bands from 160 through 10 meters, must have an antenna, and must
have a power supply and wiring as a permanent part of the vehicle; the
transmitting unit may be removed from the car for service or dry storage ...
..... none
for a mobile amateur radio station vehicle included in (b)(1) or (2) of this
section;
(9) [(10)] dealer registration plates,
(A) the initial set of plates \$50 [\$45];
(B) each subsequent set of plates \$30 [\$25];
(10) [(11)] a vehicle owned by a municipality or charitable organization
meeting the requirements of AS 28.10.181(e) \$10 [\$ 5];
[(12) REPEALED]
(11) [(13)] a vehicle owned by a Pearl Harbor survivor or a former
prisoner of war none;
(12) [(14) REPEALED]
(15)] special request university plates \$50 plus the fee
required for that vehicle under (b) (1) or (2) of this section; the fee required by this

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paragraph shall be collected only on the first issuance and on the replacement of special request plates; the commissioner of administration shall separately account by university campus designation for the fees received under this paragraph that the department deposits in the general fund; the annual estimated balance in the accounts that is in excess of the cost of issuing special request university plates may be appropriated by the legislature for the support of programs at each campus.

* Sec. 7. AS 28.10.431(b)(7) is amended to read:

(7) vehicles specified 66 55 44 33 22 17 11 8
in AS 28.10.421(d)(8) [AS 28.10.421(d)(9)]

* Sec. 8. AS 28.10.431(b)(9) is amended to read:

(9) vehicles eligible for 44
dealer plates under AS 28.10.421(d)(9)
[AS 28.10.421(d)(10)].

* Sec. 9. AS 28.10.431(h) is amended to read:

(h) A vehicle owned by a former prisoner of war exempted from registration fees under AS 28.10.431(d)(11) [AS 28.10.421(d)(13)] is subject to a motor vehicle registration tax under this section.

* Sec. 10. This Act takes effect July 1, 1996.

Alaska State Legislature House of Representatives

COMMITTEE ASSIGNMENTS:

LABOR & COMMERCE, CHAIRMAN
MILITARY & VETERANS AFFAIRS, CHAIRMAN
COMMUNITY & REGIONAL AFFAIRS
RESOURCES
INTERNATIONAL TRADE / TOURISM
LEGISLATIVE COUNCIL



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SPONSOR STATEMENT HB 440 - VEHICLE REGISTRATION FEES

In an era of decreasing state revenues, Alaskans have to begin looking for additional sources of revenue wherever possible. This bill raises all motor vehicle registration fees by a modest \$5.00. This is far less than the doubling of such fees recommended by the Long Range Financial Planning Commission, but it still increases the revenue stream without placing too onerous a cost increase on drivers. Certainly, the fee adjustment included in the 1993 Act was overdue, because the vehicle registration fees prior to that had not been increased since 1978.

Besides a modest raising of fees, HB 440 would repeal the motor vehicle registration fee for walk-in customers imposed by an Act of this legislature in 1993. Instead of charging \$10 extra for those who wanted to pay their fees in person, this bill would allow a \$5 reduction in fee costs if the person paid by mail or paid electronically. The current system of charging \$10 has imposed a hardship on those who, for whatever reason, prefer to conduct their business with the state in person.

Full and unhindered access to state government is an important element of a free society. An individual who desires to conduct business with the state in a face-to-face meeting rather than through the mail should not be penalized \$10 for that decision. The current fee structure for vehicle registration renewal imposes such a penalty. This bill would place the focus instead on giving a \$5 fee reduction to those who do not come to do their business in person.

Besides meeting the philosophical concern of keeping government more open, this bill shows a net revenue gain, and it should reduce the waiting lines at DMV, or at least not appreciably change them.



Representative Pete Kott

SPONSOR STATEMENT



LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH 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

January 31, 1996

SUBJECT: Sectional Summary of HB 440.

TO: Representative Pete Kott
Attn: Roger

FROM: Michael F. Ford *M.F. Ford*
Legislative Counsel

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.

Section 1. Requires the Department of Public Safety to establish procedures that allow a person who renews registration for a commercial or noncommercial vehicle to renew registration by mail.

Section 2. Technical amendment.

Section 3. Allows a \$5 reduction in registration fees when registration is conducted by mail or electronic transmission.

Section 4. Increases registration fees for certain vehicles by \$5.

Section 5. Increases registration fees for certain commercial vehicles by \$5.

Section 6. Increase special registration fees for certain vehicles by \$5.

Section 7. Technical amendment.

Section 8. Technical amendment.

Section 9. Technical amendment.

Section 10. Effective date.

MFF:glc
96-075.glc

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO: HB 440

Revision Date: 3/19/96 Dept. Affected: Public Safety
 Title: An act relating to motor vehicle registration and BRU: Motor Vehicles
motor vehicle registration fees..... Component: Field Services
 Sponsor: Rep Kott
 Requestor: H. Transportation COMPONENT SERIAL NO. 0502

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

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	22.5					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	22.5					
CAPITAL EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-
CHANGE IN REVENUES (1005) Revenue Code	698.6	698.6	698.6	698.6	698.6	698.6

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GE Match						
1004 GE						
1005 GE/Program Receipts	22.5					
1006 GE/MHTIA						
Other						
TOTAL						

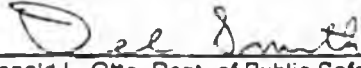
Estimate of current year (FY 96) impact: \$ _____

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared By: Charles R. Hosack Phone: 269-5559
 Division: Motor Vehicles Date: 3-19-96
 Approved by Commissioner:  Date: 3/19/96
 Agency: Ronald L. Otte, Dept. of Public Safety

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Revenue

This bill raises annual registration fees by \$5.00 and it provides for a \$5.00 reduction if the registration is conducted by mail or electronic transmission. The current \$10.00 fee for registration renewals not conducted by mail is eliminated. The bill also increases the one-time fee for special request plates such as personalized plates, veteran plates, and custom collector plates by \$5.00.

In 1994 DMV processed 139,000 new registrations and 425,000 renewal registrations. Prior to FY 94 only 30% of vehicle owners used the mail to renew their registrations and the remainder renewed in person at a DMV office. With the implementation of the \$10.00 fee for in person renewals the use of the mail for registration renewal increased to 60%. With this program over 130,000 customers were eliminated from the busy DMV lines and those customers who did not choose to use the mail generated approximately \$870,000 in additional revenue which would be reduced under this bill.

All new registrations which includes new vehicles sold in the state and used vehicles from another state registering in Alaska would pay an additional \$5.00 more than the current registration fees. The 139,000 new registrations would generate an additional \$695,000 in revenue. For purposes of this analysis it is assumed that the 60% use of the mail or electronic transmission will continue. Therefore, 40% of the 425,000 renewals will pay the additional \$5.00. These 170,000 renewals will generate \$850,000 in additional revenue.

The total additional new revenue from the registration change will be \$1,545,000 (\$695,000 + \$850,000). The revenue loss from the elimination of the \$10 fee will be \$870,000, leaving a net revenue change of \$675,000.

Annually the division issues approximately 4,200 personalized plates, 500 veteran plates, and 20 custom collector plates. The additional revenue from the \$5.00 increase in the one-time fee for these 4,720 registrations is \$23,600.

Expenditure

This bill will require changes to DMV's computer system to remove programming associated with the \$10 fee and replace it with the new fees and to provide a mechanism to reduce the fees if the registration renewal is conducted by mail. All fees are calculated by the computer system so that there is no likelihood of error or abuse by any employee. These changes will require 300 hours of contract programming time at \$75 per hour for a total expenditure of \$22,500.00. Contract programmers are used since all authorized programmers are committed to existing programs.

January 7, 1994

JAN 12 1994
LIEUTENANT GOVERNOR'S OFFICE

Office Of The Lieutenant Governor
John B. "Jack" Coghill, Lieutenant Governor
Third Floor, State Capitol
P O Box 110015, Juneau 99811

Dear Lieutenat Governor Coghill:

Perhaps you can tell me why I am being penalized for paying my bills in person. I refer to the \$10.00 fee required when registering a vehicle in person at the DMV in Fairbanks. The DMV prefers that the registration be mailed to Juneau. Since I pay all my bills in cash and have no checking account this means that I now have to purchase a money order or bank check to register my vehicle or pay the additional \$10.00 for over the counter registration. In the past I could take time off from work to schedule an I/M test then go to DMV and register. Now I have to take time off from work for the I/M test and then go to a bank to buy the money order then buy postage for the letter to Juneau.

When did it become a problem for the employees in Fairbanks to do the job they were hired for so that they must be paid an additional \$10.00 to do it? This, along with the I/M test, which on brand new vehicles is another dandy idea that costs tax payers extra money for nothing, is another fine example of how our state government is protecting the rights of the individuals.

On a new vehicle the manufacturer has to comply with federal regulations so I suggest that the dealer selling the vehicle should be required to provide the I/M free of charge for the duration of that vehicle's warrantee. If an individual tampers with the emission system it automatically voids the warrantee and the dealer then no longer provides a certificate and the perpetrator is liable for prosecution. After the vehicle warrantee expires then annual I/M test would be reasonable. The current system of requiring annual I/M tests on all new vehicles is one more case of common sense missing from government.

Just who does the government represent in Alaska? I am writing to you because I believe that you actually care about the welfare of Alaska and Alaskans. With a few exceptions the quality of government in Alaska and the United States is in a sorry condition. Where has all the common sense gone?

Sincerely,

Ken Lohr
740 Goldvein Rd
Fairbanks AK 99712

Ken Lohr

The OFFICE

CONCERNING HOUSE BILL #328

FEB. 3, 1994

AS A SMALL BUSINESS, I DON'T FEEL THAT THE BIENNIAL REGISTRATION WOULD HARM OUR BUSINESS. HOWEVER, BECAUSE THE \$10.00 SURCHARGE IS ALSO MENTIONED IN THE BILL, PLEASE READ THE FOLLOWING.....

MY UNDERSTANDING IS THAT OUR OFFICE IS THE ONLY PRIVATE CONTRACT LEFT THAT DOES VEHICLE TITLE AND REGISTRATION IN THE STATE. AS A SMALL BUSINESS THIS \$10.00 SURCHARGE HAS TAKEN BUSINESS AND MONEY DIRECTLY AWAY FROM US. FOR THE MONTH OF JANUARY WE TOOK IN \$4,387.00, THE SAME MONTH LAST YEAR, BEFORE THE SURCHARGE, WE TOOK IN \$8,357.00. THIS DIFFERENCE OF \$3,970.00 DRASTICALLY REDUCED OUR COMMISSION.

WE'RE ALSO CONCERNED ABOUT THE PUBLIC'S INCONVENIENCE HAVING TO PAY FOR MONEY ORDERS, IF THEY DON'T HAVE A BANK ACCOUNT. OR FISHERMEN THAT AREN'T IN TOWN WHEN THE RENEWAL COMES IN THE MAIL AND THEY HAVE NO CHOICE BUT TO BE PENALIZED BY COMING INTO OUR OFFICE.

WE ALSO SERVE PEOPLE FROM WRANGELL AND KAKE WHO THINK THEY'RE DOING THE RIGHT THING BY SENDING THE REGISTRATION THROUGH THE MAIL. TO US. WE HAVE TO TURN AROUND AND SEND IT BACK TO THEM SAYING THAT THEY NEED TO SEND IT TO ANCHORAGE OR SEND US MORE MONEY. BY THAT TIME IT'S TOO LATE TO SEND IT TO ANCHORAGE SO THEY, AGAIN, HAVE NO CHOICE BUT TO GO THROUGH OUR OFFICE.

WE'VE ALSO HAD QUITE A FEW SITUATIONS WHERE EITHER ANCHORAGE WAS BEHIND, NO PLANE BECAUSE OF WEATHER OR THE TAGS GET LOST IN THE MAIL. AT THAT TIME, ANCHORAGE TELLS US TO REISSUE AT NO CHARGE, AND FOR THAT WE GET NOTHING.

THE MAIN CONCERN SEEMS TO BE 1. MONEY...WITH US THEY ARE COMPETING WITH OUR BUSINESS. 2. LONG LINES...WE DON'T HAVE MORE THAN 2 OR 3 PEOPLE AT A TIME AND THEY WOULD RATHER WAIT IN OUR LINE FOR TWO TO THREE MINUTE THEN TO WAIT FOR ANCHORAGE AND THE MAIL FOR WEEKS.

WE'RE IN BUSINESS TO SERVE THE PUBLIC AND THE STATE IS NOW SAYING THAT WE HAVE TO CHARGE MORE MONEY FOR THAT. I DON'T THINK THAT'S FAIR.

THANK-YOU

Jan Hill
JAN HILL

(7)

HOUSE COMMITTEE REPORT

Date Referred to Committee: January 22, 1996

FURTHER REFERRALS:

Finance

Date of Committee Action: 3/13/96

The TRANSPORTATION Committee considered:

HB 440

HOUSE BILL NO. 440

VEHICLE REGISTRATION & REGISTRATION FEES

"An Act relating to motor vehicle registration and motor vehicle registration fees; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 440 (TRA) the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
 fiscal note(s) Public Safety fiscal note(s) _____

zero fiscal note(s) _____ zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<u>W.K. William</u>	<input checked="" type="checkbox"/>			
<u>Jim Sanders</u>	<input checked="" type="checkbox"/>			
<u>Tom Bice</u>			<input checked="" type="checkbox"/>	
<u>Henry L. Davis</u>			<input checked="" type="checkbox"/>	

CHAIR'S SIGNATURE Henry L. Davis