

**SB**

**226**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

REPORTED BY: \_\_\_\_\_  
SFC 3/8/96

DATE: 2/14/96

DATE TURNED INTO OFFICE: \_\_\_\_\_

The Finance Committee considered SB 226

Relating to motor vehicle registration and emissions.

and recommends:

- be replaced with CS SB 226 (FIN)
- adopt previous CS \_\_\_\_\_
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:**
- same title
  - new title
- House Bill:**
- same title
  - technical change
  - new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Steve Rios</i>	✓	<i>Daniel Donley</i>	✓		
<i>Bob F. Hill</i>	✓				
<i>Bob Meyer</i>	✓				
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal
<i>Public Safety</i>	<i>3/8/96</i>		<i>5,065.</i>

**PREVIOUS FISCAL NOTE(S):\***

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

# FISCAL NOTE

#1 3/12/96 727

**STATE OF ALASKA**  
**1996 LEGISLATIVE SESSION**

**BILL NO: SB 226**

Revision Date: \_\_\_\_\_ Dept. Affected: Public Safety  
 Title: An act relating to biennial registration of motor BRU: Motor Vehicles  
vehicles: imposing biennial registration fees.... Component: Field Services  
 Sponsor: Senator Frank  
 Requestor: S.TRANS COMPONENT SERIAL NO. 0501

**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	15.0	(64.0)	(64.0)	(64.0)	(64.0)	(64.0)
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>15.0</b>	<b>(64.0)</b>	<b>(64.0)</b>	<b>(64.0)</b>	<b>(64.0)</b>	<b>(64.0)</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1003) 1 Revenue Code		(580.0)	(580.0)	(580.0)	(580.0)	(580.0)
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**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GE Match						
1004 GE	15.0	(64.0)	(64.0)	(64.0)	(64.0)	(64.0)
1005 GE/Program Receipts						
1006 GE/MHTIA						
Other						
<b>TOTAL</b>						

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

**POSITIONS:**

FULL-TIME	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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: 2/9/96  
 Approved by Commissioner: *Ronald L. Otte* Date: 2/9/96  
 Agency: Ronald L. Otte, Dept. of Public Safety

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ANALYSIS

This bill will require all vehicles to be registered on a biennial rather than an annual basis. This bill will reduce some of the workload for DMV but it will not reduce it by 50%. The annual renewal of registration is one of the easiest transactions to process and the total volume of annual renewal transactions is only 15%-20% of the total workload for the division. The average renewal transaction takes less than a minute to process as compared to 10 minutes for a vehicle title change or a driver license renewal, 45 minutes for an original non-commercial driver license with road test, or 3 hours for an original commercial driver license with a road test.

Some other factors will affect the financial analysis and impact of this bill. DMV has already implemented two separate programs for multi-year or biennial registration. In 1995 DMV began a program to allow a 3 year registration for non-commercial trailers and nearly all of the trailers owners took advantage of this program to register for more than one year. In July, 1996, SB 28 will go into effect which authorizes biennial Emission Inspections. At the same time, DMV will offer vehicle owners the opportunity to voluntarily register for two years. This will apply to all vehicles not just those that require an emission inspection. Under this program the owners will still have the option to renew for only one year if they choose. It is estimated that at least 50% of the owners will take advantage of the biennial option. This program is voluntary whereas SB 226 would make biennial registration mandatory. In addition to the above two programs, DMV has authorized emission inspection stations to process registration renewals so the annual workload would be reduced by the renewals processed by these stations. In 1996 it is estimated that these stations will process 75,000 renewal transactions.

In 1995 there were approximately 150,000 original registrations for new vehicles and vehicles first coming into the state and there were approximately 430,000 registration renewals. The total number of registration transactions, 580,000, will be the basis for estimating costs and revenue. Of these registrations the 60,000 non-commercial trailers and 50% (280,000) of the remaining vehicles will already be on a biennial or longer registration due to the voluntary programs implemented by DMV. The 280,000 registration which will be required to change from annual to biennial registration by this bill will be used for estimating the cost savings.

Expenditure

The data system will allow vehicle owners the option of registering for more than one year in July, 1996, and therefore much of the initial programming will already be in place. There will be some required programming changes to remove the optional programs and make biennial registration a mandatory transaction. This is estimated to require 200 hours of contract programmer time at \$75 per hour for a total expenditure of \$15,0

Cost Savings

There will be cost savings in forms and postage since only 50% of the 280,000 remaining vehicles will be sent renewal notices. There will also be a savings in postage for the return renewals for the 60% of vehicles registered by mail. These savings are shown as follows:

<u>Postage</u>	
130,000 renewal notices @ \$0.27	\$35.1
78,000 mail renewals @ \$0.32	\$25.0
<u>Forms</u>	
130,000 forms @ \$0.03	\$3.9
<b>Total Savings</b>	<b>\$64.0</b>

Revenue

This bill increases the registration fees for all vehicles which for this estimate is the 580,000 registration transactions in 1995. The new registration amount is twice the current amount minus \$2. The net affect on revenue is that there will be a loss of \$1 per vehicle per year or an annual revenue decrease of \$580,000.

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL

No. 1  
Bill Version: SB 226  
(S) Publish Date: 2/14/96

Revision Date: \_\_\_\_\_ Dept. Affected: Public Safety  
Title: An act relating to biennial registration of motor vehicles imposing biennial registration fees.... BRU: Motor Vehicles  
Sponsor: Senator Frank Component: Field Services  
Requestor: S.TRANS COMPONENT SERIAL NO 0501

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

	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	15.0	(64.0)	(64.0)	(64.0)	(64.0)	(64.0)
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>15.0</b>	<b>(64.0)</b>	<b>(64.0)</b>	<b>(64.0)</b>	<b>(64.0)</b>	<b>(64.0)</b>
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (1000)		(580.0)	(580.0)	(580.0)	(580.0)	(580.0)
Revenue Code						

**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GE Match						
1004 GE	15.0	(64.0)	(64.0)	(64.0)	(64.0)	(64.0)
1005 GE Program Receipts						
1006 GE MMTIA						
Other						
<b>TOTAL</b>						

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

**POSITIONS:**

FULL-TIME						
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. Mosack Phone: 268-5559  
Division: Motor Vehicles Date: 2/9/96  
Approved by Commissioner: Ronald L. Otto Date: 2/9/96  
Agency: Ronald L. Otto, Dept. of Public Safety

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ANALYSIS

This bill will require all vehicles to be registered on a biennial rather than an annual basis. This bill will reduce some of the workload for DMV but it will not reduce it by 50%. The annual renewal of registration is one of the easiest transactions to process and the total volume of annual renewal transactions is only 15%-20% of the total workload for the division. The average renewal transaction takes less than a minute to process as compared to 10 minutes for a vehicle title change or a driver license renewal, 45 minutes for an original non-commercial driver license with road test, or 3 hours for an original commercial driver license with a road test.

Some other factors will affect the financial analysis and impact of this bill. DMV has already implemented two separate programs for multi-year or biennial registration. In 1995 DMV began a program to allow a 3 year registration for non-commercial trailers and nearly all of the trailers owners took advantage of this program to register for more than one year. In July, 1996, SB 28 will go into effect which authorizes biennial Emission Inspections. At the same time, DMV will offer vehicle owners the opportunity to voluntarily register for two years. This will apply to all vehicles not just those that require an emission inspection. Under this program the owners will still have the option to renew for only one year if they choose. It is estimated that at least 50% of the owners will take advantage of the biennial option. This program is voluntary whereas SB 226 would make biennial registration mandatory. In addition to the above two programs, DMV has authorized emission inspection stations to process registration renewals so the annual workload would be reduced by the renewals processed by these stations. In 1996 it is estimated that these stations will process 75,000 renewal transactions.

In 1995 there were approximately 150,000 original registrations for new vehicles and vehicles first coming into the state and there were approximately 430,000 registration renewals. The total number of registration transactions, 580,000, will be the basis for estimating costs and revenue. Of these registrations the 60,000 non-commercial trailers and 50% (260,000) of the remaining vehicles will already be on a biennial or longer registration due to the voluntary programs implemented by DMV. The 260,000 registration which will be required to change from annual to biennial registration by this bill will be used for estimating the cost savings.

Expenditure

The data system will allow vehicle owners the option of registering for more than one year in July, 1996, and therefore much of the initial programming will already be in place. There will be some required programming changes to remove the optional programs and make biennial registration a mandatory transaction. This is estimated to require 200 hours of contract programmer time at \$75 per hour for a total expenditure of \$15,000.

Cost Savings

There will be cost savings in forms and postage since only 50% of the 260,000 remaining vehicles will be sent renewal notices. There will also be a savings in postage for the return renewals for the 60% of vehicles registered by mail. These savings are shown as follows:

<u>Postage</u>	
130,000 renewal notices @ \$0.27	\$35,100
78,000 mail renewals @ \$0.32	\$25,000
<u>Forms</u>	
130,000 forms @ \$0.03	\$3,900
<b>Total Savings</b>	<b>\$64,000</b>

Revenue

This bill increases the registration fees for all vehicles which for this estimate is the 260,000 registration transactions in 1995. The new registration amount is twice the current amount minus \$2. The net affect on revenue is that there will be a loss of \$1 per vehicle per year or an annual revenue decrease of \$260,000.

# FISCAL NOTE

**STATE OF ALASKA**  
**1996 LEGISLATIVE SESSION**

**BILL NO: CSSB 226(FIN)**

Revision Date: 3/8/96  
 Title: An act relating to biennial registration of motor vehicles imposing biennial registration fees  
 Sponsor: Senator Frank  
 Requestor: S FIN

Dept. Affected: Public Safety  
 BRU: Motor Vehicles  
 Component: Field Services  
 COMPONENT SERIAL NO. 0501

**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		(64.0)	(128.0)	(128.0)	(128.0)	(128.0)
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		<b>(64.0)</b>	<b>(128.0)</b>	<b>(128.0)</b>	<b>(128.0)</b>	<b>(128.0)</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUE (1005) Revenue Code</b>	<b>5,085.0</b>	<b>5,085.0</b>	<b>(580.0)</b>	<b>(580.0)</b>	<b>(580.0)</b>	<b>(580.0)</b>
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**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF		(54.0)	(128.0)	(128.0)	(128.0)	(128.0)
1005 GF/Program Receipts						
1008 GF/INTIA						
Other						
<b>TOTAL</b>						

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

**POSITIONS:**

FULL-TIME						
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. Mosack  
 Division: Motor Vehicles

Phone: 269-5559  
 Date: 3/8/96

Approved by Commissioner: \_\_\_\_\_  
 Agency: \_\_\_\_\_

*Ronald L. Otto*  
 Ronald L. Otto, Dept. of Public Safety

Date: 3/8/96

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ANALYSIS

This bill will require all vehicles to be registered on a biennial rather than an annual basis. This bill will reduce some of the workload for DMV but it will not reduce it by 50%. The annual renewal of registration is one of the easiest transactions to process and the total volume of annual renewal transactions is only 15%-20% of the total workload for the division. The average renewal transaction takes less than a minute to process as compared to 10 minutes for a vehicle title change or a driver license renewal, 45 minutes an original non-commercial driver license with road test, and 1 hour for an original commercial driver license with a road test.

In 1995 there were approximately 150,000 original registrations for new vehicles and vehicles first coming into the state and there were approximately 430,000 registration renewals. The total number of registration transactions, 580,000, will be the basis for estimating costs and revenue.

Cost Savings

There will be cost savings in forms and postage since only 50% of the vehicles will be sent renewal notices each year after the phase in period. There will also be a savings in postage for the return renewals for the 60% of vehicles registered by mail. These savings are shown as follows:

Postage		
260,000 renewal notices @ \$0.27		\$70.2
156,000 mail renewals @ \$0.32		\$50.0
Forms		
260,000 forms @ \$0.03		\$7.8
	Total Savings	\$128.0

Only 50% of this savings will be shown in the initial year since the program goes into effect in January 97.

Revenue

This bill increases the registration fees for all vehicles which for this estimate is the 580,000 registration transactions in 1995. The new registration amount is twice the current amount minus \$2. During the first year of the phase-in period there will be an increase in revenue since all vehicles will be required to register but 50% will pay the higher fees for the biennial period. This increase will be shown half in FY 97 and half in FY 98. The total amount of the increase is based on the amount collected in FY 95 for registration which was \$21,500,000.00. During the first complete year of the program all vehicles will be required to register and half will pay the higher fees for biennial registration. The one time revenue increase will be shown in two fiscal years. After the first year of the program only half the vehicles will register but they will pay the higher fees. There will be a small revenue loss because the new fees are \$2.00 less than doubling the current fees.

SENATE FINANCE  
COMMITTEE

Amendment Number: 1

Bill Number: SB 226

Sponsor: \_\_\_\_\_ Date: 3-7-96

Logged In By: ML

9-LS1452A.2v

Ford

2/27/96

*Withdrawn  
3/8/96*

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR DONLEY

TO: SB 226

1 Page 8, after line 6:

2 Insert new bill sections to read:

3 **\*\* Sec. 16. AS 46.14.400 is amended by adding a new subsection to read:**

4 (k) A person who conducts a motor vehicle emissions inspection required  
5 under this section may charge a fee for the inspection, but the fee may not exceed \$35  
6 for each vehicle inspected.

7 **\* Sec. 17. AS 46.14.510 is amended by adding a new subsection to read:**

8 (g) A person who conducts a motor vehicle emissions inspection required  
9 under this section may charge a fee for the inspection, but the fee may not exceed \$35  
10 for each vehicle inspected."

11 Renumber the following bill sections accordingly.

sen. Frank move.  
adopted 3/8/96  
9-LS1452A.6 ✓  
Ford  
3/7/96

A M E N D M E N T

SENATE FINANCE  
COMMITTEE

Amendment Number: 1  
Bill Number: SB 226  
Sponsor: \_\_\_\_\_ Date: 3/8/96  
Logged In By: \_\_\_\_\_

OFFERED IN THE SENATE

TO: SB 226

- 1 Page 1, line 2:
- 2 Delete "authorizing"
- 3 Insert "setting the statutory amounts of"
  
- 4 Page 1, line 3:
- 5 Delete "fees for"
  
- 6 Page 1, line 4, after "programs;":
- 7 Insert "amending the effective date in sec. 7, ch. 56, SLA 1995;"
  
- 8 Page 8, after line 6:
- 9 Insert a new bill section to read:
- 10 " \* Sec. 16. Section 7, ch. 56, SLA 1995, is amended to read:
- 11 Sec. 7. Except as provided in sec. 6 of this Act, this Act takes effect
- 12 January 1, 1997 [JULY 1, 1996]."
  
- 13 Renumber the following bill sections accordingly.
  
- 14 Page 8, line 7, after "TRANSITION.":
- 15 Insert "(a)"
  
- 16 Page 8, line 11:
- 17 Delete "July"
- 18 Insert "January"

1 Page 8, line 12:

2 Delete "July"

3 Insert "January"

4 Page 8, after line 12:

5 Insert a new subsection to read:

6 "(b) Notwithstanding the provisions of ch. 56, SLA 1995, the biennial motor vehicle  
7 emissions inspection program imposed under ch. 56, SLA 1995, shall be imposed by a  
8 municipality or the Department of Public Safety in a manner that allows approximately one-  
9 half of vehicle inspections to occur by January 1, 1998, and the remaining emissions  
10 inspections to occur by January 1, 1999."

11 Page 8, line 13:

12 Delete "July"

13 Insert "January"

**DEPT. OF ENVIRONMENTAL CONSERVATION**

OFFICE OF THE COMMISSIONER  
410 Willoughby Avenue, Suite 105  
Juneau, Alaska 99801-1795

Phone: (907) 465-5066  
Fax: (907) 465-5070

March 4, 1996

Honorable Steve Frank  
Alaska State Senate  
State Capitol, Rm 518  
Juneau, AK 99801-1182

Dear Senator Frank:


I am writing to you regarding your bill, SB226, to convert vehicle registration from an annual program to a biennial program. As government continues to downsize, it is important to look for opportunities to coordinate our efforts to implement statewide program changes. SB226 provides such an opportunity.

Last year, SB28 was passed converting statewide vehicle inspection programs from annual inspections to biennial inspections. Now that the legislature is proceeding to do the same for general vehicle registration, it makes sense to coordinate the implementation of SB226 with SB28. I would like to suggest that SB226 be modified to provide for a six month delay in the implementation of SB28, while accelerating the implementation of SB226 to January 1, 1997. This type of coordination makes sense during periods of declining budgets. In the long run, the citizens of Alaska will benefit, as the costs for implementation can be coordinated.

Attached is a brief fact sheet describing the benefits associated with the suggested proposal to delay the implementation of SB28. I hope that you and your colleagues will agree that this approach will save time and money and that you will adopt amendments to allow the departments responsible for the implementation of these statutes to coordinate their efforts.

If your staff should have any questions, please have them contact Ron King of my staff at 465-5100.

Sincerely,



Michele Brown  
Commissioner

Enclosure

cc: Senator Dave Donley  
Shari Kochman, Governor's Office  
MB/RGK/sgm (11 W/18 2/19/96 11:00 AM)

## Summary of Benefits Associated with Delaying the Implementation of SB 28

Over the past 11 years, motorists living in Anchorage and Fairbanks have been required to obtain an I/M certificate before registering their vehicle each year. The linkage between I/M and registration has worked well and produced substantial air quality benefits in both communities. Since SB 28 will change the relationship between these programs, care must be taken to minimize public confusion over the relationship between biennial I/M and annual registration. The current debate over SB 226 provides an opportunity to reestablish the linkage between these two programs. By implementing both programs on January 1, 1997, this linkage will be preserved and public confusion will be minimized. The cost savings expected to result from this change in implementation date include the following:

- approximately \$150,000 in TAS software costs to I/M stations will be saved by combining two updates (to implement biennial I/M and vehicle registration separately) into a single update; this will result in a savings of roughly \$0.50/test in inspection fees (i.e., to pay for the added update), which would otherwise be passed onto motorists (this cost would only be incurred if a change to SB226 should be made that would require changes to our TAS software);
- costs that would be needed to fund additional staff to handle the increased counter traffic and phone calls expected to occur due to public confusion over separate I/M and registration biennial implementation schedules;
- the additional cost of modifying I/M certificate and vehicle registration tracking software maintained by DEC, DMV and the local I/M programs to account for two separate implementation schedules;
- the cost associated with adoption of regulations to prepare and implement separate mid-year conversions for the two biennial programs;
- no additional costs would be incurred if the implementation of SB28 should be delayed; and
- while it is difficult to place a price tag on confusion, the savings in time not spent on wasted trips to DMV and I/M stations, and related phone calls will be significant;

# STATE OF ALASKA

TONY KNOWLES, GOVERNOR

## DEPARTMENT OF PUBLIC SAFETY

OFFICE OF THE COMMISSIONER

P.O. BOX 111200  
JUNEAU, ALASKA 99811-1200  
PHONE: (907) 465-4322  
FAX: (907) 465-4362

March 7, 1996

The Honorable Steve Frank  
Alaska State Legislature  
State Capitol, Rm 518  
Juneau, AK 99801-1182

Dear Senator Frank:

I am writing to you regarding your bill, SB226, to convert vehicle registration from an annual program to a biennial program. As government continues to down size, it is important to look for opportunities to coordinate our efforts to implement statewide program changes. SB226 provides such an opportunity.

Last year, SB28 was passed converting statewide vehicle inspection programs from annual inspections to biennial inspections. Now that the legislature is proceeding to do the same for general vehicle registration, it makes sense to coordinate the implementation of SB226 with SB28. This would mean modifying SB226 to provide for a six month delay in the implementation of SB28, while accelerating the implementation of SB226 to January 1, 1997. This type of coordination makes sense during periods of declining budgets. In the long run, the citizens of Alaska will benefit, as the costs for implementation can be coordinated.

Attached is a brief fact sheet describing the benefits associated with the suggested proposal to delay the implementation of SB28. I hope that you and your colleagues will agree that this approach will save time and money and that you will adopt amendments to allow the departments responsible for the implementation of these statutes to coordinate their efforts.

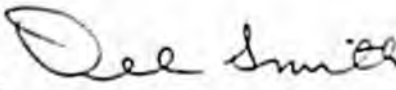
The Honorable Steve Frank

March 7, 1996

Page 2

If your staff should have any questions, please have them contact  
Gretchen Pence of my staff at 465-4322.

Sincerely,

  
for Ronald L. Otte  
Commissioner

Enclosure

cc: Senator Dave Donley  
Shari Kochman, Governor's Office

## Summary of Benefits Associated with Delaying the Implementation of SB 28

Over the past 11 years, motorists living in Anchorage and Fairbanks have been required to obtain an I/M certificate before registering their vehicle each year. The linkage between I/M and registration has worked well and produced substantial air quality benefits in both communities. Since SB 28 will change the relationship between these programs, care must be taken to minimize public confusion over the relationship between biennial I/M and annual registration. The current debate over SB 226 provides an opportunity to reestablish the linkage between these two programs. By implementing both programs on January 1, 1997, this linkage will be preserved and public confusion will be minimized. The cost savings expected to result from this change in implementation date include the following:

- approximately \$150,000 in TAS software costs to I/M stations will be saved by combining two updates (to implement biennial I/M and vehicle registration separately) into a single update; this will result in a savings of roughly \$0.50/test in inspection fees (i.e., to pay for the added update), which would otherwise be passed onto motorists (this cost would only be incurred if a change to SB226 should be made that would require changes to our TAS software);
- costs that would be needed to fund additional staff to handle the increased counter traffic and phone calls expected to occur due to public confusion over separate I/M and registration biennial implementation schedules;
- the additional cost of modifying I/M certificate and vehicle registration tracking software maintained by DEC, DMV and the local I/M programs to account for two separate implementation schedules;
- the cost associated with adoption of regulations to prepare and implement separate odd-year conversions for the two biennial programs;
- no additional costs would be incurred if the implementation of SB28 should be delayed; and
- while it is difficult to place a price tag on confusion, the savings in time not spent on wasted trips to DMV and I/M stations, and reduced phone calls will be significant;

SENATE FINANCE  
COMMITTEE  
Amendment Number: 2  
Bill Number: SB 226  
Sponsor: \_\_\_\_\_ Date: 9-8-96

*withdrawn  
by Sen. Frank  
9-LS1452A.4 - 9/8/96  
Ford  
2/28/96*

AMENDMENT By: \_\_\_\_\_

OFFERED IN THE SENATE BY SENATOR PHILLIPS  
TO: SB 226

1 Page 3, after line 2:  
2 Insert a new bill section to read:  
3 "• Sec. 8. AS 28.10.421(a) is amended to read:  
4 (a) Unless otherwise provided by law.  
5 (1) the fees prescribed in this section shall be paid to the department  
6 at the times provided under AS 28.10.108 and 28.10.111; and  
7 (2) [AN ADDITIONAL FEE OF \$10 SHALL BE ADDED TO] the  
8 registration fee set out in this section shall be reduced by \$10 when [FOR]  
9 registration is [NOT] conducted by mail or conducted at an emissions inspection  
10 station offering vehicle registration services and may be reduced by \$10 when  
11 registration is conducted by electronic transmission [; THE DEPARTMENT MAY  
12 WAIVE THIS ADDITIONAL FEE FOR A GOOD CAUSE BASED ON CRITERIA  
13 ESTABLISHED IN REGULATIONS ADOPTED BY THE DEPARTMENT]."

14 Renumber the following bill sections accordingly.

15 Page 3, line 8:  
16 Delete "\$68"  
17 Insert "\$78"

18 Page 3, line 11:  
19 Delete "\$78"  
20 Insert "\$88"

21 Page 3, line 12:

- 1 Delete "\$138"  
2 Insert "\$148"
- 3 Page 3, line 15:  
4 Delete "\$168"  
5 Insert "\$178"
- 6 Page 3, line 16:  
7 Delete "\$40"  
8 Insert "\$50"
- 9 Page 3, line 20:  
10 Delete "\$10"  
11 Insert "\$20"
- 12 Page 4, line 1:  
13 Delete "\$100"  
14 Insert "\$110"
- 15 Page 4, line 3:  
16 Delete "\$170"  
17 Insert "\$180"
- 18 Page 4, line 5:  
19 Delete "\$310"  
20 Insert "\$320"
- 21 Page 4, line 6:  
22 Delete "\$440"  
23 Insert "\$450"
- 24 Page 4, line 29:

- 1 Delete "~~\$68~~"
- 2 Insert "\$78"
  
- 3 Page 4, line 30:
- 4 Delete "~~\$10~~"
- 5 Insert "\$20"
  
- 6 Page 5, line 12:
- 7 Delete "~~\$88~~"
- 8 Insert "\$28"
  
- 9 Page 5, line 13:
- 10 Delete "~~\$50~~"
- 11 Insert "\$60"
  
- 12 Page 5, line 15:
- 13 Delete "~~\$10~~"
- 14 Insert "\$20"
  
- 15 Page 6, line 2:
- 16 Delete "~~\$60~~"
- 17 Insert "\$70"

# Alaska State Legislature

STEVE FRANK

119 N. Cushman, Rm. 211  
Fairbanks, Alaska 99701  
(907) 452-3421



White in Juneau  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-3700  
Capitol Rm. 417

## Senate

### MEMORANDUM

TO: Senator Rick Halford, Co-Chair  
Senate Finance Committee

FROM: Senator Steve Frank, Co-Chair  
Senate Finance Committee

RE: *SB 226: Biennial Motor Vehicle Registration*

DATE: February 26, 1996

---

Thank you for scheduling a hearing for Senate Bill (SB) 226. Attached is a sectional analysis, an overview outline, a summary of highlights, and an analysis of the revenue cash flow prepared by my office.

SB 226 requires motor vehicles registrations to be renewed once every two years instead of annually. This will result in shorter customer service lines at the Division of Motor Vehicles (DMV) by reducing the necessity for as frequent public contact.

To help offset the burden of having to pay two years of fees at once, this legislation gives the public a small registration fee break. However, despite the small fee break to the public, the state and those municipalities which have a motor vehicle registration tax will receive additional one time revenues in the year of implementation due to accelerated collections.

This legislation dovetails with DMV's current plans to convert to biennial vehicle registration in Anchorage and Fairbanks and allows DMV sufficient time to convert to a statewide biennial system!

I believe this is a good piece of legislation and encourage your support.

PROVIDED BY SENATOR FRANK  
**SB 226 SECTIONAL ANALYSIS**  
As of February 26, 1996

- Secs. 1-4:** Amends AS 28.10.108 by substituting biennial for annual.
- Sec. 5:** Amends AS 28.10.111(b) by substituting biennial for annual, maintaining the Commissioner's current authority to establish longer registration periods.
- Sec. 6:** Amends AS 28.10.411(a) by substituting biennial for annual.
- Sec. 7:** Amends AS 28.10.411(f) by changing the reference to the calendar year to the biennial registration period.
- Secs. 8-11:** Amends AS 28.10.421(b)-(d), (f) by making biennial fees two times the current fee minus \$2 for all annual fees that are currently equal to or greater than \$35; and making biennial fees two times the current fee for all annual fees that are currently less than \$35.
- Sec. 12:** Amends AS 28.10.423 by substituting biennial for annual.
- Sec. 13:** Amends AS 28.10.431(b) by changing the optional municipal motor vehicle registration tax to a biennial tax, based upon the age of the vehicle as determined by model year in the first year of the biennial period. Adds two years of fees together.
- Sec. 14:** Amends AS 28.10.431(h) adjusting a technical reference resulting from renumbering in this bill.
- Sec. 15:** Amends AS 28.35.155(a) by substituting biennial for annual.
- Sec. 16:** Provides for staggered implementation over a 2 year period.
- Sec. 17:** Makes the enacted changes effective July 1, 1997.

PROVIDED BY SENATOR FRANK  
**SB 226 OVERVIEW**  
As of February 26, 1996

This legislation:

1. changes the annual registration of motor vehicles to a biennial (every 2 years) registration;
2. makes biennial fees 2X the current fee minus \$2 for all annual fees that are currently equal to or greater than \$35;
3. makes biennial fees 2X the current fee for all annual fees that are currently less than \$35;
4. allows the state to receive \$9.6 million additional one time revenues (the net present value of a five year revenue stream) as a result of accelerated collections;
5. converts the municipal motor vehicle registration tax (MVRT) schedule to a biennial basis without any reduction to revenue for municipalities. Although registrations would be spread out over a 2 year period, collections per registration would double;
6. allows municipalities with MVRTs to receive additional one time revenues as a result of accelerated collections; and
7. allows staggered implementation over a 2-year period beginning July 1, 1997.

PROVIDED BY SENATOR FRANK  
**SB 226 HIGHLIGHTS**  
As of February 26, 1996

Ensures the public only has to register vehicles half as often!

Reduces customer service lines at DMV by spreading out registrations over two years!

Gives the public a small state registration fee break!

Maintains current municipal motor vehicle registration tax levels!

Provides a significant one time boost in revenues for the state and those municipalities which have a motor vehicle registration tax due to accelerated collections!

PROVIDED BY SENATOR FRANK  
**SB 226: PROJECTED CASH FLOW WITH NEW FEES**  
 Assuming a July 1, 1997 Effective Date

<u>Type of Registration</u>	<u>New Fee</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>	<u>FY 02</u>
Non-Commercial Passenger	\$68	\$16,931,611	\$11,626,373	\$11,975,164	\$12,334,419	\$12,704,451
Non-Commercial Pickups	78	9,155,740	6,286,942	6,475,550	6,669,816	6,869,911
Taxi	138	105,989	72,779	74,963	77,211	79,528
Tour Bus	168	85,342	58,601	60,359	62,170	64,035
Motorcycle	40	416,953	286,308	294,897	303,744	312,856
Trailers	10	491,350	337,394	347,515	357,941	368,679
Commercial (to 5,000 lbs)	100	3,349,644	2,300,089	2,369,091	2,440,164	2,513,369
Commercial (5,001 to 12,000 lbs)	170	3,204,435	2,200,379	2,266,390	2,334,382	2,404,414
Commercial (12,001 to 18,000 lbs)	310	2,760,210	1,895,344	1,952,204	2,010,770	2,071,093
Commercial (over 18,000 lbs)	440	1,912,485	1,313,240	1,352,637	1,393,216	1,435,013
Farm Vehicles	68	25,756	17,686	18,217	18,763	19,326
Snowmobile	10	78,161	53,670	55,280	56,939	58,647
Dealer - 1st set	88	11,798	8,101	8,344	8,594	8,852
Dealer - subsequent set	50	31,618	21,711	22,362	23,033	23,724
Municipal	10	23,711	16,282	16,770	17,273	17,792
Charitable	10	25,335	17,397	17,918	18,456	19,010
Winter Olympic Plate Vehicles	60	0	0	0	0	0
<b><u>Total Revenues with New Fees</u></b>		<b><u>38,610,138</u></b>	<b><u>26,512,295</u></b>	<b><u>27,307,663</u></b>	<b><u>28,126,893</u></b>	<b><u>28,970,700</u></b>
<b><u>Total Revenues with Current Fees</u></b>		<b><u>26,318,440</u></b>	<b><u>27,107,993</u></b>	<b><u>27,921,233</u></b>	<b><u>28,758,870</u></b>	<b><u>29,621,636</u></b>
<b><u>Cash Flow Difference</u></b>		<b><u>\$12,291,698</u></b>	<b><u>(\$595,698)</u></b>	<b><u>(\$613,569)</u></b>	<b><u>(\$631,976)</u></b>	<b><u>(\$650,936)</u></b>
<b><u>Present Value of 5 Yrs Revenues at 5%</u></b>						
Present Value with New Fees		\$130,247,745				
Less: Present Value with Current Fees		(120,641,660)				
<b><u>Net Present Value</u></b>		<b><u>\$9,606,085</u></b>				

PROVIDED BY SENATOR FRANK  
**SB 226: PROJECTED CASH FLOW WITH CURRENT FEES**  
 As of February 12, 1996

<u>Type of Registration</u>	<u>Current Fee</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>	<u>FY 02</u>
Non-Commercial Passenger	\$35	\$11,281,294	\$11,619,733	\$11,968,325	\$12,327,375	\$12,697,196	\$13,070,112
Non-Commercial Pickups	40	6,077,995	6,260,335	6,448,145	6,641,590	6,840,837	7,046,062
Taxi	70	69,596	71,683	73,834	76,049	78,330	80,680
Tour Bus	85	55,895	57,572	59,299	61,078	62,910	64,798
Motorcycle	20	269,872	277,969	286,308	294,897	303,744	312,856
Trailers	5	318,026	327,567	337,394	347,515	357,941	368,679
Commercial (to 5,000 lbs)	51	2,211,415	2,277,758	2,346,090	2,416,473	2,488,967	2,563,636
Commercial (5,001 to 12,000 lbs)	86	2,098,469	2,161,423	2,226,266	2,293,054	2,361,845	2,432,701
Commercial (12,001 to 18,000 lbs)	156	1,798,069	1,852,012	1,907,572	1,964,799	2,023,743	2,084,455
Commercial (over 18,000 lbs)	221	1,243,481	1,280,786	1,319,209	1,358,786	1,399,549	1,441,536
Farm Vehicles	35	17,161	17,676	18,206	18,752	19,315	19,894
Snowmobile	5	50,589	52,107	53,670	55,280	56,939	58,647
Dealer - 1st set	45	7,810	8,044	8,285	8,534	8,790	9,053
Dealer - subsequent set	25	20,465	21,079	21,711	22,362	23,033	23,724
Municipal	5	15,347	15,808	16,282	16,770	17,273	17,792
Charitable	5	16,398	16,890	17,397	17,918	18,456	19,010
Winter Olympic Plate Vehicles	30	0	0	0	0	0	0
<b><u>Total Revenues with Current Fees</u></b>		<b><u>\$25,551,883</u></b>	<b><u>\$26,318,440</u></b>	<b><u>\$27,107,993</u></b>	<b><u>\$27,921,233</u></b>	<b><u>\$28,758,870</u></b>	<b><u>\$29,621,636</u></b>

PROVIDED BY SENATOR FRANK  
**SB 226: ACTUAL AND PROJECTED VEHICLE REGISTRATIONS**  
 As of February 12, 1996

<u>Type of Registration</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Non-Commercial Passenger	305,465	308,310	317,559	327,086	336,899	347,006	357,416	368,138	379,182
Non-Commercial Pickups	142,265	145,344	149,704	154,195	158,821	163,586	168,494	173,548	178,755
Taxi	931	951	980	1,009	1,039	1,070	1,102	1,136	1,170
Tour Bus	547	629	648	667	687	708	729	751	774
Motorcycle	12,542	12,907	13,294	13,693	14,104	14,527	14,963	15,412	15,874
Trailers	68,689	60,840	62,665	64,545	66,482	68,476	70,530	72,646	74,826
Commercial (to 5,000 lbs)	39,491	41,476	42,720	44,002	45,322	46,682	48,082	49,525	51,010
Commercial (5,001 to 12,000 lbs)	21,952	23,340	24,040	24,761	25,504	26,269	27,057	27,869	28,705
Commercial (12,001 to 18,000 lbs)	10,618	11,025	11,356	11,696	12,047	12,409	12,781	13,164	13,559
Commercial (over 18,000 lbs)	5,427	5,382	5,543	5,710	5,881	6,057	6,239	6,426	6,619
Farm Vehicles	463	469	483	498	512	528	544	560	577
Snowmobile	12,366	9,678	9,968	10,267	10,575	10,893	11,219	11,556	11,903
Dealer - 1st set	160	166	171	176	181	187	192	198	204
Dealer - subsequent set	790	783	806	831	856	881	908	935	963
Municipal	2,987	2,936	3,024	3,115	3,208	3,304	3,404	3,506	3,611
Charitable	2,975	3,137	3,231	3,328	3,428	3,531	3,637	3,746	3,858
Winter Olympic Plate Vehicles	0	0	0	0	0	0	0	0	0
<b><u>Total Vehicles</u></b>	<b><u>627,668</u></b>	<b><u>627,373</u></b>	<b><u>646,194</u></b>	<b><u>665,580</u></b>	<b><u>685,547</u></b>	<b><u>706,114</u></b>	<b><u>727,297</u></b>	<b><u>749,116</u></b>	<b><u>771,590</u></b>
<b><u>Total Registrations Issued</u></b>	<b><u>564,577</u></b>	<b><u>564,577</u></b>	<b><u>581,514</u></b>	<b><u>598,960</u></b>	<b><u>616,929</u></b>	<b><u>635,436</u></b>	<b><u>654,499</u></b>	<b><u>674,134</u></b>	<b><u>694,358</u></b>

Calendar year 1994 and 1995 values are actual counts from the Division of Motor Vehicles. Calendar year 1996 through 2002 projections are based on an annual increase of 3% in each registration type.

**SENATE COMMITTEE REPORT**  
**First Committee of Referral**

DATE: 1/19/96

FURTHER: Finance

Date of 5-Day Notice: 2/8/96  
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2-13-96

The Transportation Committee considered SB 226

Relating to motor vehicle registration and emissions.

and recommends:

- EN*
- be replaced with \_\_\_\_\_ CS \_\_\_\_\_
  - adopt previous \_\_\_\_\_ CS \_\_\_\_\_
  - attached amendment(s)
  - adopt Letter of Intent by \_\_\_\_\_ Committee
  - further referral to the \_\_\_\_\_ Committee

Senate Bill:  
 same title  
 new title  
 House Bill:  
 same title  
 technical title  
 new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Lyle Green</i>	<input checked="" type="checkbox"/>	<i>See below</i>	<input checked="" type="checkbox"/>		
CHAIR: <i>Steve Thies</i>	<input checked="" type="checkbox"/>				

**NEW FISCAL NOTE(S):**

Department                      Date      Zero      Fiscal

<i>Public Safety</i>	<i>2/9/96</i>	<i>none</i>	<input checked="" type="checkbox"/>

**PREVIOUS FISCAL NOTE(S):\***

Department                      Date      Zero      Fiscal


APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

SENATE FINANCE COMMITTEE

SB 226 MOTOR VEHICLE REGISTRATION/EMISSIONS

PLEASE SIGN IN BELOW

NAME: Juanita Hensley

Co./DEPT./TITLE: DPS/DMV PHONE: 2650

ADDRESS: 450 Whittier Ave ZIP: 99801

DO YOU WISH TO TESTIFY?  YES  NO  RESPOND TO QUESTIONS

NAME: \_\_\_\_\_

Co./DEPT./TITLE: \_\_\_\_\_ PHONE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ ZIP: \_\_\_\_\_

DO YOU WISH TO TESTIFY?  YES  NO  RESPOND TO QUESTIONS

NAME: \_\_\_\_\_

Co./DEPT./TITLE: \_\_\_\_\_ PHONE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ ZIP: \_\_\_\_\_

DO YOU WISH TO TESTIFY?  YES  NO  RESPOND TO QUESTIONS

NAME: \_\_\_\_\_

Co./DEPT./TITLE: \_\_\_\_\_ PHONE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ ZIP: \_\_\_\_\_

DO YOU WISH TO TESTIFY?  YES  NO  RESPOND TO QUESTIONS

NAME: \_\_\_\_\_

Co./DEPT./TITLE: \_\_\_\_\_ PHONE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ ZIP: \_\_\_\_\_

DO YOU WISH TO TESTIFY?  YES  NO  RESPOND TO QUESTIONS

NAME: \_\_\_\_\_

Co./DEPT./TITLE: \_\_\_\_\_ PHONE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ ZIP: \_\_\_\_\_

DO YOU WISH TO TESTIFY?  YES  NO  RESPOND TO QUESTIONS

NAME: \_\_\_\_\_

Co./DEPT./TITLE: \_\_\_\_\_ PHONE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ ZIP: \_\_\_\_\_

DO YOU WISH TO TESTIFY?  YES  NO  RESPOND TO QUESTIONS

NAME: \_\_\_\_\_

Co./DEPT./TITLE: \_\_\_\_\_ PHONE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ ZIP: \_\_\_\_\_

DO YOU WISH TO TESTIFY?  YES  NO  RESPOND TO QUESTIONS

# A FAX

## Alaska State Legislature

Date: 3/8/96

To: Mike Ford, Legislative, Legal and Research

Fax #: 2029 Phone #: 2450

From: Jerry Soltani, Senate Finance Committee

Phone #: 4935

Re: using SB 226 as a basis please incorporate attached amend. #1 and Senator Donley's conceptual amendment as transcribed verbatim from this morning's hearing. Thanks.

Following this page, please find 11 pages(s). If this does not reach you in full, please inform us ASAP.



# THANK YOU