

HB

404

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 404

Revision Date _____	Dept. Affected <u>DOT&PF</u>
Title <u>Regs of Commercial Vehicles</u>	BRU <u>Commissioners Office</u>
	Component <u>Office of the Commissioner</u>
Sponsor <u>House Transportation</u>	
Requester <u>House Transportation</u>	Component Senal No. <u>530</u>

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	407.9	411.0	415.0	419.2	423.4	427.6
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	9.5	9.5	9.5	9.5	9.5
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	105.0	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	512.9	420.5	424.5	428.7	432.9	437.1

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	612.5	612.5	612.5	612.5	612.5	612.5
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	512.9	420.5	424.5	428.7	432.9	437.1
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	512.9	420.5	424.5	428.7	432.9	437.1

Estimate of any current year (FY98) cost: 0.0

POSITIONS

POSITIONS	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Full-time	9	9	9	9	9	9
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This bill transfers the responsibility for establishing and collecting out of state registration fees for commercial trucks and increases the registration fee from the \$10 range to \$350 thereby generating approximately 612.5 in new revenue to fund size, weight & safety inspections. When added to the current collections of about 40.0 there is adequate funding to support this fiscal note. Additionally, this will provide protection to the motoring public by ensuring safer commercial vehicles and to our bridges and highways by ensuring properly loaded trucks. This will also create a level playing field for the industry that is essential to their ability to compete fairly in the market place and to ensure that a good part of Alaska's work is done by Alaskans.

Prepared by Dennis Poshard, Special Assistant
 Division Office of the Commissioner
 Approved by *Joseph L. Rubino* Commissioner
 Agency Department of Transportation and Public Facilities

Phone 465-3900
 Date 2/23/98
 Date 2/23/98

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Analysis:
Program Summary:

This legislation will:

Add nine new Weigh Station Operator I, 2453-12, positions distributed as follows:			Add three new inspection vehicles as follows:		
	#	Amount		#	Amount
Tok	3	147.5	Tok	1	35.0
Fairbanks	1	44.7	Fairbanks	1	35.0
Sterling	3	123.4	Sterling	1	35.0
Anchorage	2	86.3	Anchorage	0	0
	9	407.9		3	105.0

Tok

Add three additional positions to issue temporary registration permits 24 hours per day and perform size, weight and driver/vehicle safety inspections. Trained personnel will be on duty at all times to ensure that truck traffic coming into and leaving the state at Tok is complying with our laws and regulations. One or more persons will be trained to perform driver/vehicle inspections at commercial vehicle crash scenes. The additional revenue collections are estimated to be 1,750 vehicles at \$350 per vehicle = \$ 612.5.

Fairbanks

Add one position to allow additional coverage to increase truck size, weight and safety enforcement at the weigh stations by performing size and weight as well as safety inspections. Temporary registrations will be issued at the Fairbanks Weigh Stations.

Sterling

Add three new positions to the current one position staff at the Sterling Weigh Station to perform size, weight and driver/vehicle safety inspections and to issue temporary registrations for those vehicles entering the state at Seward, Kenai or Homer. This station is the only truck size, weight and safety inspection facility on the Kenai Peninsula located on the very busy Sterling Highway. There is no resident driver/vehicle safety inspector located on the Kenai Peninsula at this time. Since the weigh station is open only one shift per day, five days per week, it is nearly impossible to estimate the volume of unregistered out of state commercial vehicle traffic. The potential for increased revenue is small. The priority at this station is to provide the size, weight and safety inspections that are not being done at the present time.

Anchorage

Add two new positions to enable 24 hour per day, seven day per week staffing at the Glenn Outbound and the Potter Weigh Stations. These two positions will focus on truck size and weight enforcement with the present seven other size and weight enforcement personnel. There are presently three commercial vehicle inspector positions stationed in Anchorage who can effectively monitor truck traffic for driver and vehicle safety concerns. This additional coverage will allow for the issuance of temporary registrations at the Anchorage Weigh Stations for unregistered vehicles arriving at the Port of Anchorage.

These new positions will monitor all incoming and outgoing traffic into the state at the Tok Weigh Station and will enhance the coverage at the other stations listed above. The new positions will enable us to:

- issue out of state temporary registrations to foreign (out of state) commercial vehicles, thereby ensuring the proper payment of fees from those who live outside of our state.
- conduct size and weight inspections to ensure that the vehicles and their loads conform with state regulations governing truck size and weight.
- perform safety inspections of both the drivers and their vehicles to ensure compliance with state and federal safety and hazardous materials regulations.
- verify that the proper insurance coverage is in place to provide liability protection to our citizens.

Vehicle maintenance of \$ 9.5 for the three vehicles will be absorbed in the division budget in FY99. This cost has been identified as an increase in Contractual Services for the next five years.

Funding:

The intent of this fee increase is to provide additional new revenue to fund badly needed truck size, weight and safety enforcement. We estimate that \$ 612.5 in revenue can be generated with three new positions in Tok to operate the weigh station 24 hours per day, seven days per week. The other six positions will be placed in the locations with the greatest need for increased size, weight and safety enforcement. While these other six positions will generate a small increase in revenue, the important issue is the increased size, weight and safety enforcement. When the trucking activities were consolidated into DOT&PF, it was recognized that the funding for the program is inadequate. This is an attempt to increase the level of enforcement at a minimal cost to the state. It is important to recognize that the fee increase helps to correct an inequity that has existed for many years in that out of state vehicles can operate in our state at a very minimal cost while Alaska carriers do not enjoy the same low fees in other states.

ALASKA TRUCKING ASSOCIATION, INC.

3443 Minnesota Drive • Anchorage, Alaska 99503 • PHONE (907) 276-1149 • FAX (907) 274-1946

1998 Trucking Legislation

HB 404 Before House Transportation Committee

February 25, 1998

The Alaska Trucking Association, in cooperation with General Teamsters Local 959, are supporting House Transportation Committee Bill 404, crafted to resolve problems related to truck user's concerns in three major areas:

First: A current Statute related to commercial vehicle safety inspections (Sec.19.10.310) is amended to allow for the inspection criteria found in the Federal Motor Carrier Safety Regulations as adopted by Alaska to meet the State's requirements. Needed badly and a good deal.

Second: Fees for out-of-state trucks (Sec.28.10.152) that wish to operate in Alaska temporarily, are increased from \$50 to \$350. This brings Alaska fees more in line with what is charged by other States and Provinces issuing temporary permits. Revenue generated from this fee will be identified as a program receipt. The Governor's Budget will request this "new" money be appropriated for weigh station operation. It does not solve the problem of under funding for weighing and safety issues, but does help.

Third: The Bill will eliminate the requirement for annual registration of commercial trailers with DMV. The money currently collected will be added to the registration cost of commercial "power units", so as to be revenue neutral. A \$10 one time fee will be assessed commercial trailers. This change will result in saving about 20,000 transactions annually at DMV saving more than \$100,000 annually. The change is also required if Alaska wants to become part of the International Registration Plan. IRP allows for a greatly simplified method of prorating the use of trucks between various States and Provinces. The industry gains substantial efficiency by not having to physically "tag" every one of the almost 20,000 commercial trailers in Alaska annually.



A M E N D M E N T

OFFERED IN THE HOUSE

TO: HB 404

1 Page 4, lines 10 - 11:

2 Delete all material.

3 Renumber the following bill sections accordingly.

4 Page 9, following line 10:

5 Insert a new bill section to read:

6 **** Sec. 20.** AS 28.10.421 is amended by adding a new subsection to read:

7 (i) A one-time registration fee of \$10 is imposed upon initial registration for
8 a trailer or semi-trailer used for commercial purposes."

9 Renumber the following bill sections accordingly.

A M E N D M E N T

OFFERED IN THE HOUSE

TO: HB 404

1 Page 8, following line 11:

2 Insert a new bill section to read:

3 **** Sec. 19.** AS 28.10.421(b) is amended to read:

4 (b) The biennial registration fees under this subsection are imposed within the
5 following classifications for:

6 (1) a passenger vehicle or motor home not primarily used or
7 maintained for the transportation of persons or property for hire or for other
8 commercial use \$ 68;

9 (2) a pick-up truck or a van not exceeding 6,000 pounds unladen
10 weight and not primarily used or maintained for the transportation of persons or
11 property for hire or for other commercial use \$ 78;

12 (3) a taxicab \$138;

13 (4) a motor bus with a seating capacity for 20 or more persons and
14 used exclusively for commercial purposes in the transporting of visitors or tourists
15 \$168;

16 (5) a motorcycle or a motor-driven cycle \$ 38;

17 (6) a trailer not primarily used or maintained for the transportation
18 of persons or property for hire or for other commercial use, including, but not limited
19 to, a boat trailer, baggage trailer, box trailer, utility trailer, house trailer, travel trailer,
20 or a trailer rented or offered for rent \$ 10."

21 Renumber the following bill sections accordingly.

22 Page 8, line 18, following "is":

23 Insert "primarily"

1 Page 8, line 19, following "or":

2 Insert "primarily used"

3 Page 8, line 31, following "and":

4 Insert "primarily"

5 Page 9, following line 10:

6 Insert a new bill section to read:

7 "* **Sec. 22.** AS 28.10.661 is amended by adding a new paragraph to read:

8 (3) "primarily used" means use for a period that exceeds six months
9 of a calendar year."

10 Renumber the following bill sections accordingly.

11 Page 11, line 11:

12 Delete "secs. 1 - 23"

13 Insert "secs. 1 - 25"

14 Page 11, line 13:

15 Delete "Section 24"

16 Insert "Section 26"

17 Page 11, line 14:

18 Delete "sec. 25"

19 Insert "sec. 27"

Alaska State Legislature

DATE: 143 March 1998
143 March 1998
143 March 1998
143 March 1998
143 March 1998




NO. 1998
State Capital
Juneau, AK 99801
907 465-2603
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Representative Gary Davis

MEMORANDUM

DATE: February 23, 1998

TO: Representative Bill Williams, Chair
House Transportation Committee

FROM: Representative Gary Davis 

RE: Amendment to House Bill 404

Please review the attached amendment that I would like to offer to House Bill 404 scheduled in your committee Wednesday, February 25, 1998. It has come to my attention that current statutes regarding registration rates for vehicles are all-encompassing and difficult to enforce.

Currently rates are set for vehicles not used for commercial purposes and for vehicles used for commercial purposes. Unfortunately, the statutes don't specify an amount or percentage of time the vehicle must be used for commercial purposes. This means, because of the way the statute is phrased, that any vehicle used for any commercial purpose for any amount of time must technically be registered as a commercial vehicle. Several examples of individuals affected are listed below. The frequency of which they use their vehicle is not considered; only whether or not the vehicle is used for any commercial use.

- Realtors who use their vehicles to go to homes they show to potential buyers
- Attorneys who use their vehicles to go interview their clients at locations other than the attorneys' offices (such as the clients home, or place in which they are incarcerated)
- Individuals with a home-based business, such as a secretarial service, who use their vehicles to take their work either to the post office or to clients' establishments
- Commercial fishermen who use their vehicles to take their nets to their boats;

Representative Bill Williams

February 23, 1998

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- Guides who use their vehicle to tow their boats to launch sites
- Pizza delivery persons who use their own vehicle to make deliveries to client's home
- Even parents of children with paper delivery routes should register their vehicles as commercial vehicles if they ever provide their children ride in inclement weather.

I do not believe this was the intent of the legislation when it was enacted. The attached amendment inserts the word "primarily" in the sections concerning registration fees and defines primarily as being more than six months in a calendar year. I believe that this clarifies the statutes and is more in line with its intent.

I realize the Division of Motor Vehicles will most likely present a fiscal note showing a revenue loss for this amendment; however, I would be curious to know their estimate of the revenues never collected from individuals who are technically in violation of current law. Also, while the amendment would still make enforcement of the statute difficult and the state would have to rely on voluntary compliance, that situation is no different than the one we currently face.

If you have any questions, please contact me or Deb Davidson of my staff.

GLD/dld

Attachment

A M E N D M E N T

OFFERED IN THE HOUSE

TO: HB 404

- 1 Page 7, line 4:
- 2 Delete "60"
- 3 Insert "30"