

HB

404

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/27/98

FURTHER: 4/7/98

DATE TURNED
IN TO OFFICE: 7 April 98

Finance Committee considered CS FOR HOUSE BILL NO. 404(TRA)

"An Act relating to the regulation of commercial vehicles; relating to the temporary registration of out-of-state commercial vehicles; relating to registration fees for commercial vehicles; and providing for an effective date."

and recommends:

- be **replaced** with _____ CS _____ (_____)
- adopt **previous** _____ CS HB 404 (TRA)
- 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>John Ingersoll</i>	✓	<i>Sean Farrell</i>	X		
<i>David Donley</i>	✓	<i>Lee Adams</i>	X		
Co-Chair: <i>Sean Farrell</i>	✓	Co-Chair:			
Co-Chair: <i>David Donley</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Admin; DMV	4/1/98		***

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

DOT+PF; Commission	2/23/98		5129

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

4/7/98

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO: CSHB 404(TRA)

Revision Date: 4/1/98 Dept. Affected: Administration
 Title: "An Act relating to the regulation of commercial vehicles..." BRU: Motor Vehicles
 Component: Field Services
 Sponsor: H. Transportation
 Requestor: (S) FIN COMPONENT SERIAL NO. 2151

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

OPERATING	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	•	•	•	•	•	•
TRAVEL	•	•	•	•	•	•
CONTRACTUAL	•	•	•	•	•	•
SUPPLIES	•	•	•	•	•	•
EQUIPMENT	•	•	•	•	•	•
LAND & STRUCTURES	•	•	•	•	•	•
GRANTS CLAIMS	•	•	•	•	•	•
MISCELLANEOUS	•	•	•	•	•	•
TOTAL OPERATING	•	•	•	•	•	•

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1005) Revenue Code	195.5	17.5	17.5	17.5	17.5	17.5
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FUNDING: (Thousands of Dollars)

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

Estimate of current year (FY 98) impact: \$ 0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared By: Juanita M. Hensley Phone: 465-5648
 Division: Motor Vehicles Date: 4/1/98
 Approved by Commissioner: Mark Boyer *Alkon M. Elgee* Date: 4/1/98
 Agency: Department of Administration

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Revision Date: 4/1/98

Dept. Affected: Administration

ANALYSIS CONTINUED:

COMMERCIAL TRAILER PERMANENT REGISTRATION

DMV is in the process of redefining and re-energizing the way we do business. The efficiency measures are allowing the division to keep up with increased workload each year. For example from 1996 to 1997 the number of registered vehicles increased by 26,047.

The proposal to issue permanent registrations to commercial trailers is intended to be an efficiency savings for DMV and the transportation industry together. In 1997 there were 18,268 registered commercial trailers.

All of the trailer registrations will not be eliminated in one year. During the first year of implementation which would be CY 99 all trailers would still have to be registered and issued the permanent registrations and plate or decal so costs would remain the same. After that there would still be new trailers coming into the state each year and typically this figure would be 20% so the actual workload savings beginning in CY 2000 would be approximately 14,000 registration renewals. The transaction cost for renewal of a commercial trailer is \$7.74 per transaction. Registration and titling for a first time registration in the state is \$12.45 per transaction.

At this time, DMV cannot estimate the amount of savings associated with this bill. Rounding fees for the registration of the trailers and transferring those fees to the trucks (power-units) and charging a one-time registration fee for trailers derives revenue indicated.

FISCAL NOTE

4/7/98
 No: 2
 Bill Version: CSHB 404 (TRA)
 (H) Publish Date: 2/27/98

STATE OF ALASKA
 1998 LEGISLATIVE SESSION

Revision Date		Dept. Affected	DOT&PF
Title	Regs of Commercial Vehicles	BRU	Commissioners Office
Sponsor	House Transportation	Component	Office of the Commissioner
Requester	House Transportation	Component Serial No.	530

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	Phone 465-3900
Division	Office of the Commissioner	Date 2/23/98
Approved by	<i>Joseph L. Poshard</i> Commissioner	Date 2/23/98
Agency	Department of Transportation and Public Facilities	

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Analysis
Program Summary:

This legislation will:

Add nine new Weigh Station Operator I, 2453-12, positions distributed as follows:

	#	Amount
Tok	3	147.5
Fairbanks	1	42.7
Sterling	3	128.4
Anchorage	2	86.3
	9	404.9

Add three new inspection vehicles as follows:

	#	Amount
Tok	1	35.0
Fairbanks	1	35.0
Sterling	1	35.0
Anchorage	0	0
	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.