

**HB**

**43**

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Mary Pagenkopf

*Senate Rules Committee 2/26/97 12:26 p.m.*



**REPRESENTATIVE ELDON MULDER**  
DISTRICT 23 MULDOON-Ft. RICHARDSON



ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES

**Sponsor Statement**  
**CSHB 43 (FIN)**  
by  
Representative Eldon Mulder

CSHB 43 is a clean-up bill to solve an inadvertent problem from last year and extends the option of annual registration of motor vehicles to commercial vehicles.

SB 226 from the 19th Alaska Legislature changed vehicle registration from one year to two years. Amendments to SB 226 exempted rental vehicles since they were usually in the state for less than one year. In doing so we did not specifically allow collection of the municipal vehicle tax for rental vehicles on an annual basis.

CSHB 43 allows for the collection of municipal fees on annual registrations of rental vehicles. It also permits the collection of municipal fees for any rental vehicle registered between January 1, 1997 and the effective date of this legislation.

In registering their fleets of vehicles, many commercial fleet operators are restricted by the outlay of what could be used as investment capital. Registration of these fleets sometimes amounts to hundreds of thousands of dollars. Changes made to HB 43 in the House Finance Committee extend the option of annual registration to vehicles used for a commercial purpose.

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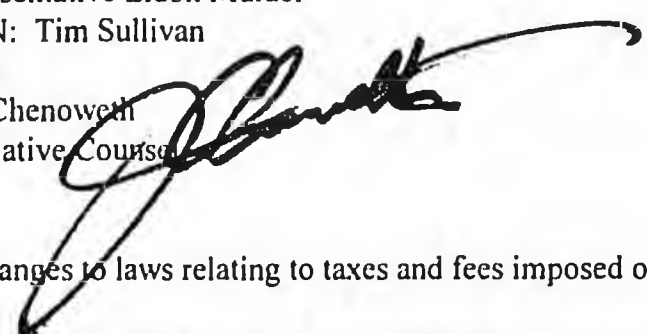
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## MEMORANDUM

January 30, 1997

**SUBJECT:** CSHB 43 (Finance), relating to vehicle registration, municipal taxation of vehicles, and emission control inspection fees for vehicles -- sectional analysis (Work Order No. 20-LS0254H)

**TO:** Representative Eldon Mulder  
ATTN: Tim Sullivan

**FROM:** Jack Chenoweth  
Legislative Counsel 

The bill makes a series of changes to laws relating to taxes and fees imposed on vehicles.

**Bill section 1** makes amendments to AS 28.10.108(f) to clarify what is required by way of the registration of motor vehicles used for commercial purposes when they are to be registered on an annual basis. Provisions of current law allow annual registration at the request of the vehicle owner and with payment of the annual registration fee due the state. Under the proposed additions, annual registration would require compliance with two additional provisions--payment of the appropriate proportions of the municipally-levied vehicle registration tax and, if applicable, the biennial emission control inspection fee.

**Bill section 2** makes a conforming change to AS 28.10.421(h) so that the rates set out for annual registration fees are made applicable to "vehicles used for commercial purposes" and are not limited to "rental motor vehicles." (A definition of "commercial purposes" is offered at AS 28.40.100(a)(3).)

AS 28.10.431(b) sets out the tax rates to be applied when a municipality levies a biennial motor vehicle registration tax. **Bill section 4** adds a new bill section, AS 28.10.431(1), setting out a municipally-levied registration tax rate table for the tax when it is levied on an annual basis. **Bill section 3** makes a necessary conforming change permitting municipalities to increase or decrease the municipally-levied registration tax that is annually levied (as they may now do for the tax when it is levied on a biennial basis).

**Bill section 5** specifically addresses the authority of a municipality to take advantage of the annual municipal registration tax provisions added by bill section 4. It authorizes collection of the annual tax on vehicles used for commercial purposes to those vehicles already

Representative Eldon Mulder

January 30, 1997

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registered during the period that began on January 1, 1997 and that will end on the effective date of the Act.

Bill section 6 makes the entirety of this Act retroactive to January 1, 1997.

Bill section 7 gives the measure an immediate effective date. This immediate effective date provision requires a two-thirds vote to be effective.

JBC:jdr

97-064.jdr

Municipality  
of  
Anchorage



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*Rick Mystrom, Mayor*

OFFICE OF THE MAYOR

January 27, 1997

Representative Eldon Mulder  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801

Re: House Bill 43, "An Act relating to registration of rental motor vehicles"

Dear Eldon:

Thank you for introducing House Bill 43, which is intended to correct a problem created with the passage of Senate Bill 226 during the 19th Legislature.

Senate Bill 226 provides for biennial registration of motor vehicles. It was amended late in the session to allow for continued annual registration of rental vehicles. Unfortunately, it appears that the language of the amendment precludes the collection of the existing motor vehicle registration tax on rental vehicles. This situation, if not corrected, will mean a loss of approximately \$150,000 annually to the Municipality of Anchorage.

House Bill 43 is designed to correct this situation while still allowing rental agencies the option of annual registration.

Thanks again for your help with this matter and please feel free to contact me if you need additional information.

Sincerely,

Rick Mystrom  
Mayor

*"City of Lights and Flowers"*

# FISCAL NOTE

**STATE OF ALASKA**  
**1997 LEGISLATIVE SESSION**

**BILL NO: CSHB 43 (FIN)**

Revision Date: 1/29/97 Dept. Affected: Public Safety  
 Title: An Act relating to registration and municipal BRU: Motor Vehicles  
tax on rental vehicle... Component: Field Service  
 Sponsor: Representative Mulder  
 Requestor: H, FIN COMPONENT SERIAL NO. 0502

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

OPERATING	FY 96	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0

<b>CAPITAL EXPENDITURES</b>	0	0	0	0	0	0
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<b>CHANGE IN REVENUES ( )</b>						
Revenue Code						

**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>						

Estimate of current year (FY 97) impact: \$ \_\_\_\_\_

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS: (Attach a separate page if necessary.)**

This bill will not fiscally impact the Division of Motor Vehicles

Prepared By: Juanita M. Hensley Phone: 465-2650  
 Division: Motor Vehicles Date: 1/30/97  
 Approved by Commissioner: *Ronald L. Witt* Date: 1/30/97  
 Agency: Ronald L. Witt, Dpt. of Public Safety

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