

HB

141

ALASKA STATE LEGISLATURE

REPRESENTATIVE
JEANNETTE JAMES
PO Box 56622
North Pole, Alaska 99705
(907) 488-1546
FAX (907) 488-4271



While in Juneau
State Capitol
Juneau, Alaska
99801-1182
(907) 465-3743
FAX (907) 465-2381

House of Representatives
House District 34

SPONSOR STATEMENT

HB 141

HB 141, "An Act Relating To Registration Fees For Certain Leased Motor Vehicles".

The Department of Motor Vehicles defines a commercial vehicle as a vehicle used in a business for the purpose of transporting persons, goods, or properties. Their registration fees for commercial vehicles are calculated on the empty weight of the vehicle and are valid for two years. Registration fees for passenger vehicles are based on the class of the vehicle, but on the weight of a vehicle in cases of trucks, buses and for hire vehicles. The registration fee is \$68.00 for standard passenger vehicles and motor homes. Fees for trucks and cargo vans less than 10,000 pounds run \$78.00. In addition, some municipalities and boroughs levy a Motor Vehicle Registration Tax (MVRT).

Complaints have been growing about the cost of registration for leased passenger vehicles, especially since the State went to a biannual renewal program. The fee for leased "non-commercial" vehicles for one year was \$158.00 before going to the biannual renewal program, now the registration cost for the 2-year period is \$323.00.

Even lessors agree that the Department of Motor Vehicles regulations are unfair to consumers. It is a DMV problem. Leased vehicles are a capital asset to the company that owns them; however, the responsibility for paying the registration for a leased vehicle according to DMV regulations is the person leasing the vehicle. Lessees are charged the commercial rate (\$158) for a two-year registration even though they are not **using or maintaining the vehicle for the transportation of persons or property for hire or for other commercial purposes.**

Fairness demands that this be changed so that lessee's pay the same registration fee (\$68.00) as anyone else for a passenger vehicle not being used for commercial purposes. HB 141 makes this change by adding a subsection that states: (i) notwithstanding the other provisions of this section, a leased motor vehicle registered by the lessee that is not being used for a commercial purpose is subject to the fee required for that vehicle under (b) of this section.

Sec. 28.10.421. Registration fee rates.

(a) Unless otherwise provided by law,

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

(2) an additional fee of \$10 shall be added to ... registration fee set out in this section for registration not conducted by ... or not conducted at an emissions inspection station or contract office offering vehicle registration services; the department may waive this additional fee for a good cause based on criteria established in regulations adopted by the department.

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

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

(2) a pick-up truck or a van not exceeding 10,000 pounds unladen weight and not registered in the name of a company or business ... \$78;

(3) a taxicab \$138;

(4) a motor bus with a seating capacity for 20 or more persons and used exclusively for commercial purposes in the transporting of

visitors or tourists \$168; (5) a motorcycle or a motor-driven cycle \$38;

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

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

(1) up to and including 5,000 pounds \$158;

(2) more than 5,000 pounds to and including 12,000 pounds \$246;

(3) more than 12,000 pounds to and including 18,000 pounds \$494;

(4) more than 18,000 pounds \$640. (d) The special

registration fees under this subsection are imposed biennially, unless otherwise specified, for
(1) an historic vehicle, one time only upon initial registration under AS 28.10.181 \$10;

(2) special request plates for

(A) Alaska National Guard personnel \$30;

(B) veterans or retired veterans \$30;

(C) recipients of the Purple Heart \$30;

(D) owners of custom collection vehicles \$50;

(E) other special request plates \$30;



home driver's manuals license plates parking permits vehicle registration

Motor Vehicle Registration Fees and Taxes

Registration fees for passenger vehicles are based on the class of vehicle and on the weight of a vehicle in cases of trucks, buses and for hire vehicles. In addition, some municipalities and boroughs levy a Motor Vehicle Registration Tax (MVRT). The tax is based on the class, year of the vehicle and owner's residence address, with a new passenger vehicle and a passenger vehicle that is up to its second year of age having a MVRT tax of \$121 if the owner resides in Anchorage. FOR EXAMPLE, in Anchorage, the tax on a passenger vehicle registration expiring in January 2000 with a 2000 or 2 year would be \$121.00. For a 1993 model, the tax would be \$16.00.

The residence address listed on the application for title & registration (section 4) determines whether or not taxes are required prior to registering a vehicle in the State of Alaska. To determine the correct registration fee, look for the type of vehicle under REGISTRATION FEES. Next, check CHARTS under TAXABLE LOCATION. If the residence city is listed, look for the VEHICLE TYPE and then look for the vehicle model year to determine tax amount. If the vehicle year is not on the chart, use the tax for a 1992 model year.

All registration fees are for a two year renewal.

REGISTRATION FEES

Non-Commercial

- \$68.00 Passenger Vehicles & Motorhomes (For LEASED vehicles, see Commercial Fees)
- \$78.00 Trucks & Cargo Vans under 10,000 pounds (Trucks and vans in a business name or over 10,000 lbs. are automatically registered commercial vehicles.)
- \$10.00 Trailers
- \$38.00 Motorcycles
- \$168.00 Tour Buses
- \$138.00 Taxi Cabs

Commercial (Including all LEASED vehicles)

- \$158.00 0 - 5,000 pounds
- \$246.00 5,001 - 12,000 pounds
- \$494.00 12,001 - 18,000 pounds
- \$640.00 18,001 and over
- \$10.00 Trailers (One time fee)

MISCELLANEOUS FEES

- \$5.00 Title
- \$5.00 Lien Recording
- \$2.00 I/M Administrative Fee
- \$5.00 Specialty Plate Transfer
- \$2.00 Duplicate Registration

For a complete list of all fees, see [registration fees](#).

For commercial vehicles, see [commercial vehicle information](#).

For vehicles which are subject to an [emissions inspection](#) - 1968 and newer vehicles principally used or operated in the Municipality of Anchorage and newer vehicles principally used or operated in the Fairbanks North Star Borough (excluding the two most current model years) - there is a \$2.00 administrative fee, which is collected to help defray the additional costs of administering the I/M program.

Motor Vehicle Registration Tax (MVRT) Communities

- Anchorage (Municipality of Anchorage)
- Bethel (City of Bethel)
- Dillingham (City of Dillingham)
- Kenai Peninsula Borough
- Ketchikan Gateway Borough
- Kodiak Island Borough
- Matanuska-Susitna Borough

- Nenana (City of Nenana)
- Nome (City of Nome)
- Petersburg (City of Petersburg)
- Sitka (City and Borough of Sitka)
- Unalaska (City of Unalaska)
- Whittier (City of Whittier)

TAX CHARTS - EFFECTIVE JANUARY 1st, 2000

BETHEL								
VEHICLE TYPE	VEHICLE MODEL YEAR							
	2001	2000	1999	1998	1997	1996	1995	1994
Non-Commercial Passenger, Motorhomes, Pickups & Cargo Vans Commercial (1 - 5,000) & Taxi Cabs	151	151	124	96	69	49	35	24
Non-Commercial Trailers & Motorcycles	21	21	19	16	13	9	6	4
Commercial (5,001 - 12,000) & Tour Bus	248	248	193	151	124	96	69	47
Commercial (12,001 - 18,000)	521	521	453	398	343	288	246	211
Commercial (18,001 & Over)	645	645	549	466	398	343	288	231

KENAI - Anchor Point, Clam Gulch, Cooper Landing, English Bay, Fritz Creek, Halibut Cove, Homer, Hope, Kaslof, Kenai, Moose Pass, Nanwalek, Nickolovsk, Ninilchik, Port Graham, Red Mountain, Seldovia, Seward, Soldotna, Sterling, Tyonek								
VEHICLE TYPE	2001	2000	1999	1998	1997	1996	1995	1994
Non-Commercial Passenger, Motorhomes, Pickups & Cargo Vans	140	140	120	100	80	60	50	40
Commercial (1 - 5,000) & Taxi Cabs	150	150	130	110	90	70	60	50
Non-Commercial Trailers & Motorcycles	20	20	18	16	14	12	10	10
Commercial (5,001 - 12,000) & Tour Bus	200	200	180	160	140	120	100	70
Commercial (12,001 - 18,000)	450	450	410	370	330	290	250	230
Commercial (18,001 & Over)	550	550	500	450	400	350	300	250

KETCHIKAN - Ketchikan, Loring, Saxman, Ward Cove								
VEHICLE TYPE	2001	2000	1999	1998	1997	1996	1995	1994
Non-Commercial Passenger, Motorhomes, Pickups & Cargo Vans Commercial (1 - 5,000) & Taxi Cabs	152	152	126	102	76	50	40	20
Non-Commercial Trailers & Motorcycles	20	20	18	16	14	10	6	4
Commercial (5,001 - 12,000) & Tour Bus	254	254	202	152	126	102	76	50

Commercial (12,001 - 18,000)	530	530	454	404	352	302	252	221
Commercial (18,001 & Over)	656	656	554	478	404	352	302	251

MAT-SU BOROUGH - Alexander Creek, Beluga River, Big Lake, Broad Pass, Chickaloon, Curry, Eska, Houston, Jonesville, Palmer, Skwentna, Sutton, Talkoetna, Trapper Creek, Wasilla, Willow, Yenina

VEHICLE TYPE	2001	2000	1999	1998	1997	1996	1995	1994
Non-Commercial Passenger, Motorhomes, Pickups & Cargo Vans Commercial (1 - 5,000), Taxi Cabs & Tour Bus	145	145	135	125	115	105	95	80
Non-Commercial Trailers & Motorcycles	20	20	20	20	20	20	20	20
Commercial (5,001 - 12,000)	220	220	220	220	220	185	110	110
Commercial (12,001 - 18,000)	480	480	480	480	480	400	320	320
Commercial (18,001 & Over)	632	632	596	560	524	488	452	410

ANCHORAGE AND OTHER AREAS - Akhlok, Anchorage, Bird Creek, Chinik Bay, Chuglak, Dillingham, Dutch Harbor, Eagle River, Eklutna, Elmendorf, Ft. Richardson, Girdwood, Indian, Karluk, Kodlak, Larsen Bay, Nenana, Nome, Old Harbor, Ouzinkle, Peters Creek, Petersburg, Port Lions, Sill, Unalaska, Whittier

VEHICLE TYPE	2001	2000	1999	1998	1997	1996	1995	1994
Non-Commercial Passenger, Motorhomes, Pickups & Cargo Vans Commercial (1 - 5,000) & Taxi Cabs	121	121	99	77	55	39	28	15
Non-Commercial Trailers & Motorcycles	17	17	15	13	10	7	5	4
Commercial (5,001 - 12,000) & Tour Bus	198	198	154	121	99	77	55	30
Commercial (12,001 - 18,000)	447	447	392	348	304	260	227	200
Commercial (18,001 & Over)	546	546	469	403	348	304	260	210

3300 B Fairbanks St., Anchorage, AK 99503
[fees and taxes](#) - [registration info](#) - [general info](#) - [motor vehicles](#) - [administration](#) - [state](#) - [feedback](#)

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 141
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affect: Administration
 Title: An act relating to registration fees for certain lease BRU: Motor Vehicles
 Component: Motor Vehicles
 Sponsor: Representative James
 Requester: H (STA) Component Number: 2348

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
CHANGE IN REVENUES ()	(540.0)	(540.0)	(540.0)	(540.0)	(540.0)	(540.0)

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(540.0)	(540.0)	(540.0)	(540.0)	(540.0)	(540.0)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	(540.0)	(540.0)	(540.0)	(540.0)	(540.0)	(540.0)

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 141 would reduce some registration rates for leased vehicles from commercial to non-commercial fees. The determination of vehicle use would be made by the lessee at the time of lease. In 2000 there were 22,400 commercial passenger vehicles and 14,400 commercial pickup trucks registered in Alaska. Approximately 1/3 of all these vehicles are leased. If 1/2 of the leased vehicles are registered for personal use, the revenue loss would be \$540,000. The Division of Motor Vehicles has no way to effectively police the stated use (commercial or non-commercial) of a leased vehicle.

Prepared by: Mary Marshburn Phone 269-5559
 Division: Motor Vehicles Date/Time 03/07/01
 Approved by: Jim Duncan, Commissioner Date 3/7/01
 Agency: Department of Administration

For distribution information, call the Governor's Legislative Office

ALASKA STATE LEGISLATURE

REPRESENTATIVE
JEANNETTE JAMES
PO Box 56622
North Pole, Alaska 99705
(907) 488-1546
FAX (907) 488-4271



While in Juneau
State Capitol
Juneau, Alaska
99801-1182
(907) 465-3743
FAX (907) 465-2381

House of Representatives
House District 34

Memorandum

To: House State Affairs/ Rep. John Coghill
Committee Aide: Rynniva Moss
From: Representative Jeannette James / Myrna McGhie
Date: 02/27/01
Re: Request for Hearing on HB 141

This is to request a hearing on HB 141, which is an "Act relating to registration fees for certain leased motor vehicles." This will add an item to Section 1 of AS 28.10.421 to exempt individuals from paying commercial registration fees on vehicles leased for non-commercial use.

Thank you.

ALASKA STATE LEGISLATURE

REPRESENTATIVE
JEANNETTE JAMES
PO Box 56622
North Pole, Alaska 99705
(907) 488-1546
FAX (907) 488-4271



While in Juneau
State Capitol
Juneau, Alaska
99801-1182
(907) 465-3743
FAX (907) 465-2381

House of Representatives
House District 34

Memorandum

To: House State Affairs/ Rep. John Coghill
Committee Aide: Rynnieva Moss
From: Representative Jeannette James / Myrna McGhie
Date: 02/27/01
Re: Request for Hearing on HB 141

This is to request a hearing on HB 141, which is an "Act relating to registration fees for certain leased motor vehicles." This will add an item to Section 1 of AS 28.10.421 to exempt individuals from paying commercial registration fees on vehicles leased for non-commercial use.

Thank you.