

**HB**

**64**

<TARGET><BILL>HB 64</BILL><SUBJECT>HB  
64</SUBJECT><COMM>HFIN27</COMM></TARGET>



# FISCAL NOTE

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

Bill Version HB64  
Fiscal Note Number \_\_\_\_\_  
( ) Publish Date \_\_\_\_\_

Identifier (file name) HB064CS(FIN)-DOA-DMV-3-30-2012 Dept. Affected Administration  
Title Permanent motor vehicle registration Appropriation Motor Vehicles  
Allocation Motor Vehicles  
Sponsor Representatives Stoltze, Keller  
Requester House Finance OMB Component Number 2348

**Expenditures/Revenues** (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>	<b>FY13</b>	<b>FY13</b>					
Personal Services							
Travel							
Services				100.1			
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>100.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)			100.1			
1037	GF/MH (UGF)						
1178	temp code (UGF)						
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>100.1</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS							
Full-time							
Part-time							
Temporary							

<b>CHANGE IN REVENUES</b>				<b>5,280.0</b>	<b>6,017.5</b>	<b>(17,232.5)</b>	<b>(20,237.0)</b>
---------------------------	--	--	--	----------------	----------------	-------------------	-------------------

Estimated SUPPLEMENTAL (FY12) operating costs \_\_\_\_\_ (separate supplemental appropriation required;  
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs \_\_\_\_\_ (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Why this fiscal note differs from previous version (if initial version, please note as such)**

This is a fiscal note for draft CSHB64 version S  
 1) Merged the data from HB10 and HB64 into one fiscal note.  
 2) Changed the percentage of vehicles likely to opt for permanent registration due to reduced permanent registration fee.  
 The combination of the percentage and fee changes resulted in a modification to the Change in Revenues.  
 3) Reflected the changes due to new effective date.  
 4) Updated the effect on Performance Measures.

Prepared by Whitney Brewster  
Division Motor Vehicles  
Approved by John Cramer  
Department of Administration

Phone 907-269-5559  
Date/Time 3/30/12 12:00 AM  
Date 3/30/2012

## FISCAL NOTE

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

BILL NO. HB64

### Analysis

*The effective date for this CS is January 1, 2015.*

This CS allows for permanent registration of vehicles that are at least eight years old, allows for permanent registration of all non-commercial trailers, establishes a one-time \$25 permanent registration fee, allows municipalities to establish one-time Motor Vehicle Registration Tax (MVRT) rates for permanent registrations, and caps the MVRT that DMV may collect for permanent registration at \$100.

#### Expenditures

The database for DMV will need programming to allow for permanent registration of non-commercial trailers, and permanent registration of non-commercial vehicles eight years and older.

Estimated hours: 700

Cost per hour: \$143

Total programming cost:  $700 \times \$143 = \$100,100$ .

#### Revenues

Motor Vehicle Registration Tax (MVRT): The DMV currently collects MVRT for 16 communities: Anchorage, Bethel, Bristol Bay Borough, Cordova, Dillingham, Juneau, Kenai Peninsula Borough, Ketchikan Gateway Borough, Kodiak Island Borough, Matanuska Susitna Borough, Nenana, Nome, Petersburg, Sitka, Unalaska, and Whittier. Eight percent of the MVRT collected is retained by the state as collection costs; historically, the collection costs have been approximately \$1 million annually. Eliminating biennial MVRT for approximately 423.0 vehicles will reduce the collection costs going into the general fund by an indeterminate amount.

Registration Fees (calculations can be found on the file HB064\_revenue\_est\_2012-3-30.pdf :

Assumptions:

- 1) **Vehicles at least 8 years old** - 369,500 vehicles will be eligible for permanent registration in 2015 (based on currently-registered vehicles). Half (184.7) will renew in 2015 and half will renew in 2016. Approximately 24,800 vehicles will become eligible each year. This is an average of the number of currently registered vehicles with model years 2007-2011.
- 2) **Non-commercial trailers** - 100,000 trailers will be eligible for permanent registration in 2015 (based on currently-registered vehicles). Half (50.0) will renew in 2015 and half will renew in 2016. Approximately 4,300 new trailers are registered each year. This is an average of the number of currently registered trailers with model years 2007-2011
- 3) DMV estimates that 90% of owners will elect for permanent registration on vehicles and non-commercial trailers in 2015 through 2016. The additional \$25 for permanent registration is low enough to make the permanent registration option attractive for all except those who know they will be moving out of state or replacing the vehicle/trailer within the following two years.
- 4) DMV estimates that 50% of owners will elect for permanent registration in 2017 and following. 2017 is the first year that any permanent MVRT will go into effect. Since permanent registration will reduce MVRT in outgoing years for all participating communities, DMV assumes those communities will establish a higher rate for permanently registered vehicles and trailers to make up for revenues that would be lost in outgoing years.

#### Performance Measures

The DMV expects this bill will have very little impact on its performance measures, since only about 11% of registration renewals are processed at a DMV office.

**Estimated Revenue Change - CSHB 64 - TOTAL**

	2013	2014	2015	2016	2017	2018
<b>2015:</b>						
Increase from perm reg			5,280.0			
Loss in biennial fees					(17,970.0)	
<b>2016:</b>						
Increase from perm reg				6,017.5		
Loss in biennial fees						(20,647.0)
<b>2017:</b>						
Increase from perm reg					737.5	
<b>2018:</b>						
Increase from perm reg						410.0
<b>Total Estimated Revenue Increase/(Decrease)</b>			<b>5,280.0</b>	<b>6,017.5</b>	<b>(17,232.5)</b>	<b>(20,237.0)</b>

**Vehicles**

	2013	2014	2015	2016	2017	2018
<b>2015: 184.7 current vehicles eligible for perm reg</b>						
166.2 opt for perm reg (184.7 x 90%)						
Increase from perm reg (166.2 x \$25)			4,155.0			
Loss in biennial fees (166.2 x \$100)					(16,620.0)	
<b>2016: 213.1 vehicles eligible for perm reg, including 28.4 newly eligible</b>						
191.8 opt for perm reg (213.1 x 90%)						
Increase from perm reg (191.8 x \$25)				4,795.0		
Loss in biennial fees (191.8 x \$100)						(19,180.0)
<b>2017: 28.4 newly eligible for perm reg</b>						
25.6 opt for perm reg (28.4 x 90%)						
Increase from perm reg (25.6 x \$25)					640.0	
<b>2018: 28.4 newly eligible for perm reg</b>						
14.2 opt for perm reg (28.4 x 50%)						
Increase from perm reg (14.2 x \$25)						355.0
<b>Total Estimated Revenue Increase/(Decrease)</b>	<b>-</b>	<b>-</b>	<b>4,155.0</b>	<b>4,795.0</b>	<b>(15,980.0)</b>	<b>(18,825.0)</b>

**Non-Commercial Trailers**

	2013	2014	2015	2016	2017	2018
<b>2015: 50.0 current trailers eligible for perm reg</b>						
45.0 opt for perm reg (50.0 x 90%)						
Increase from perm reg (45.0 x \$25)			1,125.0			
Loss in biennial fees (45.0 x \$30)					(1,350.0)	
<b>2016: 54.3 trailers eligible for perm reg, including 4.3 newly eligible</b>						
48.9 opt for perm reg (54.3 x 90%)						
Increase from perm reg (48.9 x \$25)				1,222.5		
Loss in biennial fees (48.9 x \$30)						(1,467.0)
<b>2017: 4.3 trailers newly eligible for perm reg</b>						
3.9 opt for perm reg (4.3 x 90%)						
Increase from perm reg (3.9 x \$25)					97.5	
<b>2018: 4.3 trailers newly eligible for perm reg</b>						
2.2 opt for perm reg (4.3 x 50%)						
Increase from perm reg (2.2 x \$25)						55.0
<b>Total Estimated Revenue Increase/(Decrease)</b>	<b>-</b>	<b>-</b>	<b>1,125.0</b>	<b>1,222.5</b>	<b>(1,252.5)</b>	<b>(1,412.0)</b>

**CS FOR HOUSE BILL NO. 64(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:**

**Referred:**

**Sponsor(s): REPRESENTATIVES STOLTZE AND KELLER, Costello, Neuman, Lynn**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to permanent motor vehicle registration; relating to the registration fee**  
2 **for noncommercial trailers and to the motor vehicle tax for trailers; and providing for**  
3 **an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 **\* Section 1.** AS 28.10.108(a) is amended to read:

6 (a) Except for a vehicle registered under AS 28.10.152 or 28.10.155, a vehicle  
7 required to be registered under this chapter shall be registered under the procedures set  
8 out in this section.

9 **\* Sec. 2.** AS 28.10 is amended by adding a new section to read:

10 **Sec. 28.10.155. Permanent motor vehicle registration.** (a) The owner of a  
11 motor vehicle, other than a commercial motor vehicle, that is required to be registered  
12 under this chapter may elect to permanently register the motor vehicle in lieu of  
13 registration under AS 28.10.108 if the vehicle is at least eight years old. The  
14 permanent registration expires when the owner transfers or assigns the owner's title or

1 interest in the vehicle. A permanent registration may not be renewed. On receiving the  
 2 proper application and fees, the department shall issue to the registered owner  
 3 registration plates, tabs, and a permanent registration form.

4 (b) The fees for permanent registration must equal the fees that would be  
 5 applicable if the motor vehicle were registered under AS 28.10.108, plus a permanent  
 6 registration fee of \$25. The motor vehicle registration tax for a permanently registered  
 7 vehicle is the rate established for permanent motor vehicle registration under  
 8 AS 28.10.431(j)(2). If a municipality has not established a tax for a permanently  
 9 registered motor vehicle, the biennial rate established in AS 28.10.431(b) or (j)(1), if  
 10 any, is levied upon the vehicle and is payable only once at the time a motor vehicle is  
 11 permanently registered. Except as provided in AS 28.10.423(b), the owner of a  
 12 permanently registered motor vehicle is not required to pay other registration fees or  
 13 taxes under this chapter.

14 \* **Sec. 3.** AS 28.10.411(f) is amended to read:

15 (f) A resident 65 years of age or older on January 1 of the year the vehicle is  
 16 registered or a resident with a disability that limits or impairs the ability to walk and  
 17 who provides proof of that disability as provided in 23 C.F.R. 1235.2 is entitled to an  
 18 exemption from the registration fee required under this section for one vehicle subject  
 19 to registration under AS 28.10.421(b)(1), (2), or (5), or (j) [(6)]. An exemption may  
 20 not be granted except upon written application for the exemption on a form prescribed  
 21 by the department.

22 \* **Sec. 4.** AS 28.10.421 is amended by adding a new subsection to read:

23 (j) When a person registers a trailer not used or maintained for the  
 24 transportation of persons or property for hire or for other commercial use, including a  
 25 boat trailer, baggage trailer, box trailer, utility trailer, house trailer, travel trailer, or  
 26 trailer rented or offered for rent, the person may choose to pay a biennial registration  
 27 fee of \$30 or to permanently register the trailer. If the person permanently registers the  
 28 trailer, the person shall pay the biennial registration fee plus a permanent registration  
 29 fee of \$25. If the person permanently registers the trailer, no additional registration  
 30 fees are required if the same person who initially registered the trailer continues to  
 31 own the trailer. A new owner of a trailer previously registered under this subsection

1 shall register and pay the biennial registration fee or the permanent registration fee as  
 2 provided in this subsection. The motor vehicle registration tax for a permanently  
 3 registered trailer is the rate established for permanent trailer registration under  
 4 AS 28.10.431(j)(3). If a municipality has not established a tax for a permanently  
 5 registered trailer, the biennial rate established in AS 28.10.431(b) or (j)(1), if any, is  
 6 levied upon the trailer and is payable only once at the time a trailer is permanently  
 7 registered. If the person pays the registration tax as required by this subsection and  
 8 AS 28.10.431, no additional registration taxes are required if the same person who  
 9 initially registered the trailer continues to own the trailer.

10 \* **Sec. 5.** AS 28.10.423 is amended by adding a new subsection to read:

11 (b) In addition to the permanent registration fee established in AS 28.10.155, a  
 12 \$2 fee is imposed on the owner of each permanently registered motor vehicle required  
 13 to be inspected under an emission control program established in AS 46.14.400 or  
 14 46.14.510. That fee shall be collected biennially.

15 \* **Sec. 6.** AS 28.10.431(b) is amended to read:

16 (b) The biennial tax is levied upon motor vehicles subject to the registration  
 17 fee under AS 28.10.411 and 28.10.421 and is based upon the age of vehicles as  
 18 determined by model year in the first year of the biennial period, according to the  
 19 following schedule:

	Tax According to Age of Vehicle Since Model Year:								
	1st	2nd	3rd	4th	5th	6th	7th	8th or over	
20									
21									
22									
23									
24									
25	Motor Vehicle								
26	(1) motorcycle	\$ 17	\$ 15	\$ 13	\$ 10	\$ 7	\$ 5	\$ 4	\$ 4
27	(2) vehicles specified	21	99	77	55	39	28	19	16
28	in AS 28.10.421(b)(1)								
29	(3) vehicles specified	121	99	77	55	39	28	19	16
30	in AS 28.10.421(b)(3)								
31	(4) vehicles specified								

1	in AS 28.10.421(c)(1)-(4)								
2	5,000 pounds or less	121	99	77	55	39	28	19	16
3	5,001-12,000 pounds	198	154	121	99	77	55	33	22
4	12,001-18,000 pounds	447	392	348	304	260	227	205	194
5	18,001 pounds or over	546	469	403	348	304	260	216	194
6	(5) vehicles specified	198	154	121	99	77	55	33	22
7	in AS 28.10.421(b)(4)								
8	(6) vehicles specified	17	15	13	10	7	5	4	4
9	in <u>AS 28.10.421(i)</u>								
10	[AS 28.10.421(b)(6)]								
11	(7) vehicles specified	121	99	77	55	39	28	19	16
12	in AS 28.10.421(d)(8)								
13	(8) vehicles specified	121	99	77	55	39	28	19	16
14	in AS 28.10.421(b)(2)								
15	(9) vehicles eligible	88							
16	for dealer								
17	plates under								
18	AS 28.10.421(d)(9).								

19 \* **Sec. 7.** AS 28.10.431(c) is amended to read:

20 (c) Except as provided in (m) of this section, the [THE] registration tax  
 21 shall be levied, collected, enforced and otherwise administered in the same manner as  
 22 provided for the registration fee in this chapter. Only one registration tax may be  
 23 collected with respect to the same motor vehicle in the year for which the tax is paid.

24 \* **Sec. 8.** AS 28.10.431(j) is amended to read:

25 (j) A municipality that imposes a motor vehicle registration tax as described  
 26 under (a) of this section may also, by passage of an appropriate ordinance, (1)  
 27 increase the scheduled amount of tax described under (b) or (l) of this section, (2)  
 28 establish a tax for a motor vehicle that is permanently registered under  
 29 AS 28.10.155, or (3) establish a tax for a trailer that is permanently registered  
 30 under AS 28.10.421(i) [BY PASSAGE OF AN APPROPRIATE ORDINANCE]. A  
 31 municipality that chooses to change the tax imposed under (b) or (l) of this section or

1 establishes a tax for permanently registered motor vehicles or trailers shall file a  
2 written notice of the change with the department by January 1 of the year preceding  
3 the year in which the change in tax is to take effect. A municipality may not change  
4 the amount of the tax imposed under this section more than once every two years. The  
5 department may charge a municipality a one-time fee to cover the cost to the  
6 department of implementing a change under this subsection.

7 \* **Sec. 9.** AS 28.10.431 is amended by adding a new subsection to read:

8 (m) The department may not collect a registration tax established by a  
9 municipality under (j)(2) or (3) of this section for a permanently registered motor  
10 vehicle or trailer if the amount of the tax is greater than \$100 unless the tax is for a  
11 motor vehicle subject to registration under AS 28.10.421(c)(3) and (4).

12 \* **Sec. 10.** AS 28.10.421(b)(6) is repealed.

13 \* **Sec. 11.** This Act takes effect January 1, 2015.

*Adopted  
3/30/12*

27-LS0327\S  
Luckhaupt  
3/26/12

**CS FOR HOUSE BILL NO. 64(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): REPRESENTATIVES STOLTZE AND KELLER, Costello, Neuman, Lynn**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to permanent motor vehicle registration; relating to the registration fee**  
2 **for noncommercial trailers and to the motor vehicle tax for trailers; and providing for**  
3 **an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 **\* Section 1.** AS 28.10.108(a) is amended to read:

6 (a) Except for a vehicle registered under AS 28.10.152 or 28.10.155, a vehicle  
7 required to be registered under this chapter shall be registered under the procedures set  
8 out in this section.

9 **\* Sec. 2.** AS 28.10 is amended by adding a new section to read:

10 **Sec. 28.10.155. Permanent motor vehicle registration.** (a) The owner of a  
11 motor vehicle, other than a commercial motor vehicle, that is required to be registered  
12 under this chapter may elect to permanently register the motor vehicle in lieu of  
13 registration under AS 28.10.108 if the vehicle is at least eight years old. The  
14 permanent registration expires when the owner transfers or assigns the owner's title or

1 interest in the vehicle. A permanent registration may not be renewed. On receiving the  
2 proper application and fees, the department shall issue to the registered owner  
3 registration plates, tabs, and a permanent registration form.

4 (b) The fees for permanent registration must equal the fees that would be  
5 applicable if the motor vehicle were registered under AS 28.10.108, plus a permanent  
6 registration fee of \$25. The motor vehicle registration tax for a permanently registered  
7 vehicle is the rate established for permanent motor vehicle registration under  
8 AS 28.10.431(j)(2). If a municipality has not established a tax for a permanently  
9 registered motor vehicle, the biennial rate established in AS 28.10.431(b) or (j)(1), if  
10 any, is levied upon the vehicle and is payable only once at the time a motor vehicle is  
11 permanently registered. Except as provided in AS 28.10.423(b), the owner of a  
12 permanently registered motor vehicle is not required to pay other registration fees or  
13 taxes under this chapter.

14 \* **Sec. 3.** AS 28.10.411(f) is amended to read:

15 (f) A resident 65 years of age or older on January 1 of the year the vehicle is  
16 registered or a resident with a disability that limits or impairs the ability to walk and  
17 who provides proof of that disability as provided in 23 C.F.R. 1235.2 is entitled to an  
18 exemption from the registration fee required under this section for one vehicle subject  
19 to registration under AS 28.10.421(b)(1), (2), or (5), or (j) [(6)]. An exemption may  
20 not be granted except upon written application for the exemption on a form prescribed  
21 by the department.

22 \* **Sec. 4.** AS 28.10.421 is amended by adding a new subsection to read:

23 (j) When a person registers a trailer not used or maintained for the  
24 transportation of persons or property for hire or for other commercial use, including a  
25 boat trailer, baggage trailer, box trailer, utility trailer, house trailer, travel trailer, or  
26 trailer rented or offered for rent, the person may choose to pay a biennial registration  
27 fee of \$30 or to permanently register the trailer. If the person permanently registers the  
28 trailer, the person shall pay the biennial registration fee plus a permanent registration  
29 fee of \$25. If the person permanently registers the trailer, no additional registration  
30 fees are required if the same person who initially registered the trailer continues to  
31 own the trailer. A new owner of a trailer previously registered under this subsection

1 shall register and pay the biennial registration fee or the permanent registration fee as  
 2 provided in this subsection. The motor vehicle registration tax for a permanently  
 3 registered trailer is the rate established for permanent trailer registration under  
 4 AS 28.10.431(j)(3). If a municipality has not established a tax for a permanently  
 5 registered trailer, the biennial rate established in AS 28.10.431(b) or (j)(1), if any, is  
 6 levied upon the trailer and is payable only once at the time a trailer is permanently  
 7 registered. If the person pays the registration tax as required by this subsection and  
 8 AS 28.10.431, no additional registration taxes are required if the same person who  
 9 initially registered the trailer continues to own the trailer.

10 \* **Sec. 5.** AS 28.10.423 is amended by adding a new subsection to read:

11 (b) In addition to the permanent registration fee established in AS 28.10.155, a  
 12 \$2 fee is imposed on the owner of each permanently registered motor vehicle required  
 13 to be inspected under an emission control program established in AS 46.14.400 or  
 14 46.14.510. That fee shall be collected biennially.

15 \* **Sec. 6.** AS 28.10.431(b) is amended to read:

16 (b) The biennial tax is levied upon motor vehicles subject to the registration  
 17 fee under AS 28.10.411 and 28.10.421 and is based upon the age of vehicles as  
 18 determined by model year in the first year of the biennial period, according to the  
 19 following schedule:

	Tax According to Age of							
	Vehicle							
	Since Model Year:							
								8th
	1st	2nd	3rd	4th	5th	6th	7th	or over
25 Motor Vehicle								
26 (1) motorcycle	\$ 17	\$ 15	\$ 13	\$ 10	\$ 7	\$ 5	\$ 4	\$ 4
27 (2) vehicles specified	21	99	77	55	39	28	19	16
28 in AS 28.10.421(b)(1)								
29 (3) vehicles specified	121	99	77	55	39	28	19	16
30 in AS 28.10.421(b)(3)								
31 (4) vehicles specified								

1	in AS 28.10.421(c)(1)-(4)								
2	5,000 pounds or less	121	99	77	55	39	28	19	16
3	5,001-12,000 pounds	198	154	121	99	77	55	33	22
4	12,001-18,000 pounds	447	392	348	304	260	227	205	194
5	18,001 pounds or over	546	469	403	348	304	260	216	194
6	(5) vehicles specified	198	154	121	99	77	55	33	22
7	in AS 28.10.421(b)(4)								
8	(6) vehicles specified	17	15	13	10	7	5	4	4
9	in <u>AS 28.10.421(i)</u>								
10	[AS 28.10.421(b)(6)]								
11	(7) vehicles specified	121	99	77	55	39	28	19	16
12	in AS 28.10.421(d)(8)								
13	(8) vehicles specified	121	99	77	55	39	28	19	16
14	in AS 28.10.421(b)(2)								
15	(9) vehicles eligible	88							
16	for dealer								
17	plates under								
18	AS 28.10.421(d)(9).								

19 \* Sec. 7. AS 28.10.431(c) is amended to read:

20 (c) Except as provided in (m) of this section, the [THE] registration tax  
21 shall be levied, collected, enforced and otherwise administered in the same manner as  
22 provided for the registration fee in this chapter. Only one registration tax may be  
23 collected with respect to the same motor vehicle in the year for which the tax is paid.

24 \* Sec. 8. AS 28.10.431(j) is amended to read:

25 (j) A municipality that imposes a motor vehicle registration tax as described  
26 under (a) of this section may also, by passage of an appropriate ordinance, (1)  
27 increase the scheduled amount of tax described under (b) or (l) of this section, (2)  
28 establish a tax for a motor vehicle that is permanently registered under  
29 AS 28.10.155, or (3) establish a tax for a trailer that is permanently registered  
30 under AS 28.10.421(i) [BY PASSAGE OF AN APPROPRIATE ORDINANCE]. A  
31 municipality that chooses to change the tax imposed under (b) or (l) of this section or

1        establishes a tax for permanently registered motor vehicles or trailers shall file a  
2        written notice of the change with the department by January 1 of the year preceding  
3        the year in which the change in tax is to take effect. A municipality may not change  
4        the amount of the tax imposed under this section more than once every two years. The  
5        department may charge a municipality a one-time fee to cover the cost to the  
6        department of implementing a change under this subsection.

7        \* **Sec. 9.** AS 28.10.431 is amended by adding a new subsection to read:

8                (m) The department may not collect a registration tax established by a  
9        municipality under (j)(2) or (3) of this section for a permanently registered motor  
10       vehicle or trailer if the amount of the tax is greater than \$100 unless the tax is for a  
11       motor vehicle subject to registration under AS 28.10.421(c)(3) and (4).

12       \* **Sec. 10.** AS 28.10.421(b)(6) is repealed.

13       \* **Sec. 11.** This Act takes effect January 1, 2015.

**Co-Chair:**  
House Finance Committee

**Chair:**  
House Finance Subcommittees for;  
Department of Public Safety  
Department of Law

**Member:**  
Legislative Council  
Legislative Budget & Audit

# ALASKA LEGISLATURE



**Session:**  
Alaska State Capitol, Rm 515  
Juneau, AK 99801-1182  
Phone: (907) 465-4958  
Fax: (907) 465-4928

**District:**  
600 E. Railroad Ave.  
Wasilla, AK 99654

**BILL STOLTZE**  
STATE REPRESENTATIVE  
Representative\_Bill\_Stoltze@legis.state.ak.us

## Sponsor Statement CS HB 64 (FIN)

*"An Act relating to permanent motor vehicle registration; and providing for an effective date."*

The purpose of CS HB64 (FIN) is to offer the choice of permanent registration for personal-use, non-commercial trailers and certain motor vehicles when applied for at the Division of Motor Vehicles.

### Permanent Motor Vehicle Registration

- Would be available to motor vehicles that are eight years or older
- Would cost \$25, in addition to the regular biennial registration fee
- Provide the owner with the option of selecting the regular two-year, biennial, registration
- Is not transferable when ownership of the vehicle changes

### Permanent Trailer Registration

- Would allow the owners of non-commercial trailers the same access to permanent registration that the 20th Legislature (HB404) extended to the owners of commercial trailers in 1998
- Provide the owner with the option of selecting the regular two-year, biennial, registration
- Would cost \$25, in addition to the regular biennial registration fee
- Is not transferable when ownership of the vehicle changes

If passed, CS House Bill 64 (FIN) will result in a savings of nearly \$19 million annually for Alaskan consumers.

Please join me in supporting this important legislation.

DISTRICT 16

BIRCHWOOD • BUTTE • CHUGIAK • EKLUTNA • FAIRVIEW LOOP  
KNIK RIVER ROAD • LAZY MOUNTAIN • PALMER • PETERS CREEK

# Summary of Changes by Lines CS HB64 (FIN)

## Page 1

Line 1-3 Unchanged

Section 1 – Lines 5-8 – Unchanged

## Page 1 and 2

Section 2 - In Previous version deleted and replaced with new section 2, lines 9- line 13 on page 2.

- The new Section 2 was section three of the previous version with a change made to (b) which adjusted the fee for permanent registration. The old version set the fee at three times the rate for regular biennial registration.
- The new rate is the regular biennial fee (\$100) plus \$25 for permanent registration.

## Page 2

**Section 2 – Lines 8-13 – Changed to allow the places that collect a Motor Vehicle Registration tax to only collect the tax on vehicles older than eight year to collect that tax only at the time of registration.**

**Page 2 – Section 4 of the previous version has been deleted.**

Section 3 – Lines 14-21 (section 5) of the new version were section 5 (page 3 lines 4-11) of the previous version. Language is unchanged in the new version.

Section 4 – Lines 22 and following replace what was section 6 of the previous version.

- Changes include a change to the fee charged for permanent trailer registration from \$100 to \$25 in the CS Version before the committee.
- The section also changes the language related to Motor Vehicle Registration Tax. Limiting cities, municipalities and boroughs that have an MVRT to collect the tax only at the time of registration of the trailer.

## Page 3

**Sections 5 and 6 of the new version were section 7 and 8 of the previous version.**

## Page 4

**Sections 9 and 10 of the previous version are replaced with Section 7 of the new version (lines 19 and following.)**

**Section 7 – Line 29 and following.**

- Returns language currently in statute relating to when a municipality or borough that has an MVRT to be allowed to change the tax rate once every two years with approval by the local legislative body. And requiring the state to be notified of the changes. The previous version deleted this language.

## Page 5

**Section 8 – Line 2**

- Repeals AS 28.10.421 (b)6 – which established the fees for the registration of trailers. It is replaced with section 4 of the new version of the legislation before you.

Prepared by the Office of Rep. Bill Stoltze.

# Summary of Changes

## CS HB64(FIN) – 27-LS0327\U

### **Section 2 - Permanent Motor Vehicle Registration**

- Regular Biennial fee (\$100) plus a Permanent Registration Fee of \$25
- Vehicle Owner no longer has to pay Motor Vehicle Registration Tax after permanent registration
- Requires Municipality to either adopt a MVRT for permanent registration or accept the one time rate based on the age of the vehicle (Rate is different for each municipality, they can set their own tax rate)

### **Section 4: Permanent Trailer Registration**

- Regular Biennial fee (\$30) plus a Permanent Registration Fee of \$25
- Trailer owner no longer has to pay Motor Vehicle Registration Tax after permanent registration
- Requires Municipality to either adopt a MVRT for permanent registration or accept the one time rate based on the age of the vehicle (Rate is different for each municipality, they can set their own tax rate)

### **Section 7: Allowing MVRT Tax Rate to be set.**

- Statute created to allow cities, municipalities and boroughs that have a MVRT to set a MVRT for vehicles and trailers that are permanently registered

# Summary of new version CSHB64 – 27-LS0327\S

**Section 2** – Establishes a new fee for Permanent Motor Vehicle Registration

- Establishes that permanent registration is available for non-commercial motor vehicles for vehicles eight years old or older and that transfer of permanent registration is not allowed.
- Sets the fee for permanent registration for eligible vehicles at the biennial fee (currently \$100) plus \$25 for permanent registration.
  - Also establishes that the Motor Vehicle Registration Tax established by municipalities, boroughs or cities is only payable at the time of registration.

**Section 3** – Makes reference to the addition of a Motor Vehicle Registration Tax for vehicles permanently registered (Section 8 of the legislation)

**Section 4** - Establishes a new fee for Permanent Motor Vehicle Registration

- Establishes that permanent registration is available for non-commercial trailers and that transfer of permanent registration is not allowed.
- Sets the fee for permanent registration for eligible trailers at the biennial fee (currently \$30) plus \$25 for permanent registration.
  - Also establishes that the Motor Vehicle Registration Tax established by municipalities, boroughs or cities is only payable at the time of registration.

**Section 5** – Adds permanently registered vehicles and trailers to the list of vehicles required to pay a \$2 if they are under an emission control inspection program. (Currently there is nowhere in the state with an I/M program.)

**Section 6** – References Section 8 of the legislation (Page 4, line 9) with regards to the base rate for Motor Vehicle Registration Tax set by the state.

**Section 7** – References Section 9 of the legislation as it relates to the collection of the Motor Vehicle Registration Tax.

**Section 8** – Allows municipalities, boroughs and cities to set a Motor Vehicle Registration Tax rate for vehicles and Trailers that are registered permanently.

- This must be done by the passage of an ordinance by the local governing body and can only be done once every two years.
- The state (Division of Motor Vehicles must be notified of such changes by January 1 of the previous year in which the change takes effect.

**Section 9** – Establishes that the State (DMV) may not collect a motor vehicle registration tax, for permanently registered vehicles or trailers, if the rate established by a municipality, borough or city is greater than \$100.

# Summary of new version CSHB64 – 27-LS0327\S

**Section 2** – Establishes a new fee for Permanent Motor Vehicle Registration

- Establishes that permanent registration is available for non-commercial motor vehicles for vehicles eight years old or older and that transfer of permanent registration is not allowed.
- Sets the fee for permanent registration for eligible vehicles at the biennial fee (currently \$100) plus \$25 for permanent registration.
  - Also establishes that the Motor Vehicle Registration Tax established by municipalities, boroughs or cities is only payable at the time of registration.

**Section 3** – Makes reference to the addition of a Motor Vehicle Registration Tax for vehicles permanently registered (Section 8 of the legislation)

**Section 4** - Establishes a new fee for Permanent Motor Vehicle Registration

- Establishes that permanent registration is available for non-commercial trailers and that transfer of permanent registration is not allowed.
- Sets the fee for permanent registration for eligible trailers at the biennial fee (currently \$30) plus \$25 for permanent registration.
  - Also establishes that the Motor Vehicle Registration Tax established by municipalities, boroughs or cities is only payable at the time of registration.

**Section 5** – Adds permanently registered vehicles and trailers to the list of vehicles required to pay a \$2 if they are under an emission control inspection program. (Currently there is nowhere in the state with an I/M program.)

**Section 6** – References Section 8 of the legislation (Page 4, line 9) with regards to the base rate for Motor Vehicle Registration Tax set by the state.

**Section 7** – References Section 9 of the legislation as it relates to the collection of the Motor Vehicle Registration Tax.

**Section 8** – Allows municipalities, boroughs and cities to set a Motor Vehicle Registration Tax rate for vehicles and Trailers that are registered permanently.

- This must be done by the passage of an ordinance by the local governing body and can only be done once every two years.
- The state (Division of Motor Vehicles must be notified of such changes by January 1 of the previous year in which the change takes effect.

**Section 9** – Establishes that the State (DMV) may not collect a motor vehicle registration tax, for permanently registered vehicles or trailers, if the rate established by a municipality, borough or city is greater than \$100.

27-LS0327\T  
Luckhaupt  
2/13/12

**CS FOR HOUSE BILL NO. 64(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES STOLTZE AND KELLER, Costello, Neuman, Lynn

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to permanent motor vehicle registration; relating to the motor vehicle  
2 registration tax; relating to the registration fee for noncommercial trailers and to the  
3 motor vehicle tax for trailers; and providing for an effective date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 \* **Section 1.** AS 28.10.108(a) is amended to read:

6 (a) Except for a vehicle registered under AS 28.10.152 or 28.10.155, a vehicle  
7 required to be registered under this chapter shall be registered under the procedures set  
8 out in this section.

9 \* **Sec. 2.** AS 28.10.108(f) is amended to read:

10 (f) Upon request of the owner and payment of the proportionate prorated  
11 applicable fees, a vehicle registered under this section shall have its registration period  
12 extended in monthly increments to allow biennial registration to occur in the month of  
13 the owner's choice, except that registration may not extend beyond the expiration of an  
14 emissions inspection and maintenance certificate required for the vehicle.

1 Notwithstanding the other provisions of this chapter, upon request of the owner,  
2 payment of the annual fee set out in AS 28.10.421(h) [, PAYMENT OF ANY  
3 ANNUAL VEHICLE REGISTRATION TAX DUE UNDER AS 28.10.431(l),] and, if  
4 applicable, payment of one-half of the biennial emission control inspection program  
5 fee imposed under AS 28.10.423, the department shall register a vehicle used for  
6 commercial purposes for a one-year period.

7 \* **Sec. 3.** AS 28.10 is amended by adding a new section to read:

8 **Sec. 28.10.155. Permanent motor vehicle registration.** (a) The owner of a  
9 motor vehicle, other than a commercial motor vehicle, that is required to be registered  
10 under this chapter may elect to permanently register the motor vehicle in lieu of  
11 registration under AS 28.10.108 if the vehicle is at least eight years old. The  
12 permanent registration expires when the owner transfers or assigns the owner's title or  
13 interest in the vehicle. A permanent registration may not be renewed. On receiving the  
14 proper application and fees, the department shall issue to the registered owner  
15 registration plates, tabs, and a permanent registration form.

16 (b) The fees for permanent registration must equal the fees that would be  
17 applicable if the motor vehicle were registered under AS 28.10.108, except that the  
18 permanent registration fee rate equals three times the rate established in AS 28.10.421.  
19 Except as provided in AS 28.10.423(b) or 28.10.431(j)(2), the owner of a permanently  
20 registered motor vehicle is not required to pay other fees or taxes under this chapter.

21 \* **Sec. 4.** AS 28.10.181(a) is amended to read:

22 (a) The department shall register unique and special vehicles and vehicles  
23 used for special purposes and issue registration plates as provided in this section.  
24 Notwithstanding other provisions of this chapter, registration plates issued under this  
25 section remain with the person or organization to whom they are issued when vehicle  
26 ownership is transferred or title or interest in the vehicle is assigned, except for plates  
27 issued under (b), (h) and (i) of this section. Registration plates issued under this  
28 section may not be used on, or transferred to, a vehicle other than the vehicle for  
29 which the plates are issued without the approval of the department and payment of any  
30 required fees [AND TAXES] prescribed in AS 28.10.421(d) [, 28.10.431,] and  
31 28.10.441. Registration plates issued under this section to which a person is no longer

1 entitled or the transfer of the plates to another vehicle that the department does not  
2 approve shall be returned immediately to the department by the person or organization  
3 to whom the plates were originally issued.

4 \* **Sec. 5.** AS 28.10.411(f) is amended to read:

5 (f) A resident 65 years of age or older on January 1 of the year the vehicle is  
6 registered or a resident with a disability that limits or impairs the ability to walk and  
7 who provides proof of that disability as provided in 23 C.F.R. 1235.2 is entitled to an  
8 exemption from the registration fee required under this section for one vehicle subject  
9 to registration under AS 28.10.421(b)(1), (2), or (5), or (i) [(6)]. An exemption may  
10 not be granted except upon written application for the exemption on a form prescribed  
11 by the department.

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

13 (j) When a person registers a trailer not used or maintained for the  
14 transportation of persons or property for hire or for other commercial use, including a  
15 boat trailer, baggage trailer, box trailer, utility trailer, house trailer, travel trailer, or a  
16 trailer rented or offered for rent, a person may choose to pay a biennial registration fee  
17 of \$30 or a one-time registration fee of \$100. If the person chooses to pay the one-time  
18 registration fee, no additional registration fees are required if the same person who  
19 initially registered the trailer continues to own the trailer. A new owner of a trailer  
20 previously registered under this subsection shall register and pay the biennial  
21 registration fee or the one-time registration fee as provided in this subsection.

22 \* **Sec. 7.** AS 28.10.423 is amended by adding a new subsection to read:

23 (b) In addition to the permanent registration fee established in AS 28.10.155, a  
24 \$2 fee is imposed on the owner of each permanently registered motor vehicle required  
25 to be inspected under an emission control program established in AS 46.14.400 or  
26 46.14.510. That fee shall be collected biennially.

27 \* **Sec. 8.** AS 28.10.431(b) is amended to read:

28 (b) The biennial tax is levied upon motor vehicles subject to the registration  
29 fee under AS 28.10.411 and 28.10.421 and is based upon the age of vehicles as  
30 determined by model year in the first year of the biennial period, according to the  
31 following schedule:

	Tax According to Age of Vehicle								
	Since Model Year:								
	1st	2nd	3rd	4th	5th	6th	7th	8th or over	
6	Motor Vehicle								
7	(1) motorcycle	\$ 17	\$ 15	\$ 13	\$ 10	\$ 7	\$ 5	\$ 4	\$ 4
8	(2) vehicles specified	21	99	77	55	39	28	19	16
9	in AS 28.10.421(b)(1)								
10	(3) vehicles specified	121	99	77	55	39	28	19	16
11	in AS 28.10.421(b)(3)								
12	(4) vehicles specified								
13	in AS 28.10.421(c)(1)-(4)								
14	5,000 pounds or less	121	99	77	55	39	28	19	16
15	5,001-12,000 pounds	198	154	121	99	77	55	33	22
16	12,001-18,000 pounds	447	392	348	304	260	227	205	194
17	18,001 pounds or over	546	469	403	348	304	260	216	194
18	(5) vehicles specified	198	154	121	99	77	55	33	22
19	in AS 28.10.421(b)(4)								
20	(6) vehicles specified	17	15	13	10	7	5	4	4
21	in <u>AS 28.10.421(i) and</u>								
22	<u>paying a biennial</u>								
23	<u>registration fee</u>								
24	[AS 28.10.421(b)(6)]								
25	(7) vehicles specified	121	99	77	55	39	28	19	16
26	in AS 28.10.421(d)(8)								
27	(8) vehicles specified	121	99	77	55	39	28	19	16
28	in AS 28.10.421(b)(2)								
29	(9) vehicles eligible	88							
30	for dealer								
31	plates under								

1 AS 28.10.421(d)(9)

2 **(10) vehicles specified** **51**

3 **in AS 28.10.421(i) and**

4 **paying a one-time**

5 **registration fee.**

6 \* **Sec. 9.** AS 28.10.431(c) is amended to read:

7 (c) The registration tax shall be levied, collected, enforced, and otherwise  
8 administered [IN THE SAME MANNER] as provided **by the municipality by**  
9 **ordinance** [FOR THE REGISTRATION FEE IN THIS CHAPTER]. Only one  
10 registration tax may be collected with respect to the same motor vehicle in the year for  
11 which the tax is paid.

12 \* **Sec. 10.** AS 28.10.431(j) is amended to read:

13 (j) A municipality that imposes a motor vehicle registration tax as described  
14 under (a) of this section may also, **by passage of an appropriate ordinance, (1)**  
15 **increase the scheduled amount of tax described under (b) or (l) of this section, (2)**  
16 **establish a tax for a motor vehicle that is permanently registered under**  
17 **AS 28.10.155, or (3) establish a tax for a trailer that is permanently registered**  
18 **under AS 28.10.421(i)** [BY PASSAGE OF AN APPROPRIATE ORDINANCE]. A  
19 municipality that chooses to change the tax imposed under (b) or (l) of this section **or**  
20 **establishes a tax for permanently registered motor vehicles or trailers** shall file a  
21 written notice of the change with the department by January 1 of the year preceding  
22 the year in which the change in tax is to take effect. [A MUNICIPALITY MAY NOT  
23 CHANGE THE AMOUNT OF THE TAX IMPOSED UNDER THIS SECTION  
24 MORE THAN ONCE EVERY TWO YEARS. THE DEPARTMENT MAY  
25 CHARGE A MUNICIPALITY A ONE-TIME FEE TO COVER THE COST TO THE  
26 DEPARTMENT OF IMPLEMENTING A CHANGE UNDER THIS SUBSECTION.]

27 \* **Sec. 11.** AS 28.10.421(b)(6) and 28.10.431(d), 28.10.431(e), and 28.10.431(k) are  
28 repealed.

29 \* **Sec. 12.** This Act takes effect January 1, 2015.

# FISCAL NOTE

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

cost # codes

Bill Version

CS HB 64 (TRA)

Fiscal Note Number

Publish Date

Identifier (file name) HB064CS(TRA)-DEC-AQ-02-09-12

Dept. Affected Environmental Conserv

Title Permanent Motor Vehicle Registration

Appropriation Environmental Health

Allocation Air Quality

Sponsor Representatives Stoltze, Keller

Requester House Finance Committee

OMB Component Number 2061

**Expenditures/Revenues**

(Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
Personal Services	0.0		0.0	0.0	0.0	0.0	0.0
Travel	0.0		0.0	0.0	0.0	0.0	0.0
Services	0.0		0.0	0.0	0.0	0.0	0.0
Commodities	0.0		0.0	0.0	0.0	0.0	0.0
Capital Outlay	0.0		0.0	0.0	0.0	0.0	0.0
Grants, Benefits	0.0		0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0		0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts	0.0		0.0	0.0	0.0	0.0
1003	GF Match	0.0		0.0	0.0	0.0	0.0
1004	GF	0.0		0.0	0.0	0.0	0.0
1005	GF/Prgm (DGF)	0.0		0.0	0.0	0.0	0.0
1037	GF/MH (UGF)	0.0		0.0	0.0	0.0	0.0
1178	temp code (UGF)	0.0		0.0	0.0	0.0	0.0
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS							
Full-time	0.0		0.0	0.0	0.0	0.0	0.0
Part-time	0.0		0.0	0.0	0.0	0.0	0.0
Temporary	0.0		0.0	0.0	0.0	0.0	0.0

<b>CHANGE IN REVENUES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
---------------------------	------------	------------	------------	------------	------------	------------	------------

Estimated SUPPLEMENTAL (FY12) operating costs 0.0 (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs 0.0 (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Why this fiscal note differs from previous version (if initial version, please note as such)**

This fiscal note has been amended to reflect suspension of the I/M program within the Municipality of Anchorage. The fiscal note is changed to a zero dollar fiscal note.

Prepared by Alice Edwards, Director  
Division Air Quality  
Approved by Lynn Kent  
Deputy Commissioner

Phone (907) 465-5109  
Date/Time 02/09/12 4:35 p.m.  
Date 2/10/2012

**FISCAL NOTE**

**STATE OF ALASKA  
2012 LEGISLATIVE SESSION**

**BILL NO.** CS HB 64 (TRA)

**Analysis**

The Environmental Protection Agency (EPA) approved the State of Alaska's proposal to suspend the Municipality of Anchorage (MOA) I/M program and Municipality of Anchorage ordinance will end the program on March 1, 2012. As a result, this legislation will now have zero fiscal impact to the Division of Air Quality.

# FISCAL NOTE

**STATE OF ALASKA**  
**2012 LEGISLATIVE SESSION**

Bill Version HB064  
 Fiscal Note Number \_\_\_\_\_  
 ( ) Publish Date \_\_\_\_\_

Identifier (file name) HB064CS(FIN)-DOA-DMV-2-10-2012 Dept. Affected Administration  
 Title Permanent motor vehicle registration Appropriation Motor Vehicles  
 Allocation Motor Vehicles  
 Sponsor Representatives Stoltze, Keller  
 Requester House Finance OMB Component Number 2348

**Expenditures/Revenues** (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
Personal Services							
Travel							
Services			57.2				
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>57.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)		57.2				
1037	GF/MH (UGF)						
1178	temp code (UGF)						
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>	<b>57.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS							
Full-time							
Part-time							
Temporary							

<b>CHANGE IN REVENUES</b>			<b>3,694.0</b>	<b>4,190.0</b>	<b>(1,351.0)</b>	<b>(1,599.0)</b>	<b>(1,599.0)</b>
---------------------------	--	--	----------------	----------------	------------------	------------------	------------------

Estimated SUPPLEMENTAL (FY12) operating costs \_\_\_\_\_ (separate supplemental appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs \_\_\_\_\_ (separate capital appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

**Why this fiscal note differs from previous version (if initial version, please note as such)**

- 1) Updated the changes in revenue due to updated vehicle counts.
- 2) Eliminated reference to the I/M fee, since the I/M program in Alaska will no longer be in effect.

Prepared by Whitney Brewster, Director  
 Division Division of Motor Vehicles  
 Approved by John Cramer, Deputy Commissioner  
Department of Administration

Phone 907-269-5559  
 Date/Time 2/10/12 4:45 PM  
 Date 2/10/2012

## FISCAL NOTE

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

BILL NO. HB064

### Analysis

*The effective date for this bill is January 1, 2014.*

#### Expenditures

The database for Division of Motor Vehicles (DMV) will need programming to allow for permanent registration of non-commercial vehicles.

Estimated hours: 400

Cost per hour: \$143

Total programming cost:  $400 \times \$143 = \$57,200$ .

#### Revenues

**Motor Vehicle Registration Tax (MVRT):** The DMV collects MVRT for 16 communities: Anchorage, Bethel, Bristol Bay Borough, Cordova, Dillingham, Juneau, Kenai Peninsula Borough, Ketchikan Gateway Borough, Kodiak Island Borough, Matanuska Susitna Borough, Nenana, Nome, Petersburg, Sitka, Unalaska, and Whittier.

Eight percent of the MVRT collected is retained by the state as collection costs. Although the increase or decrease in revenues from the collection costs are indeterminate, the revenues will change proportionately with the registration fees.

#### Registration Fees:

Assumptions:

- 1) 369,500 vehicles will be eligible for permanent registration in 2014 (based on currently-registered vehicles). Half (184.7) will renew in 2014 and half will renew in 2015.
- 2) Approximately 24,800 vehicles will become eligible each year. This is an average of the number of currently registered vehicles with model years 2007-2011.
- 3) Only 10% of owners will elect for permanent registration, based on the following:
  - a) The biennial registration fee established in AS 28.10.421 is \$100 for most of the vehicles eligible for permanent registration, making the fee for permanent registration \$300.
  - b) The largest quantity of vehicles in the state are in areas with the highest MVRT. Three times the MVRT for vehicles in Municipality of Anchorage or the Matanuska Susitna Borough would be \$210.
  - c) An owner of an eligible vehicle would have to decide whether a vehicle that's already at least 8 years old will last another 6+ years to justify the additional payment for permanent registration, which would be as high as \$340: permanent (\$300 reg + \$210 MVRT = \$510) versus biennial (\$100 reg + \$70 MVRT = \$170).
  - d) Many owners of older vehicles are likely in the middle to lower income brackets; these owners are less likely to have the extra funds available to opt for permanent registration.
  - e) It's very likely that a vehicle that is at least 8 years old will have a major component fail within the next six years. An owner who has the financial resources to pay the additional \$340 for permanent registration would likely opt to replace the vehicle rather than repair it; consequently, DMV assumes few of those owners would opt for permanent registration.
  - f) The owners of eligible vehicles who do not opt for permanent registration the first year it's available won't opt for it in subsequent years.
- 4) All permanently registered vehicles will stay in service for the next 6 years and will not change ownership. Although some vehicles may go out of service, the assumption is that an owner won't opt to pay the extra fees for permanent registration if their vehicle is not in good mechanical shape.

## Vehicles

	2013	2014	2015	2016	2017	2018
2015: 177.5 current vehicles eligible for perm reg						
159.75 opt for perm reg (177.5 x 90%)						
Increase from perm reg (159.75 x \$25)			3,993.8			
Loss in biennial fees (159.75 x \$100)					(15,975)	
2016: 205.9 vehicles eligible for perm reg, including 28.4 newly eligible						
185.3 opt for perm reg (205.9 x 90%)						
Increase from perm reg (185.3 x \$25)				4,632.5		
Loss in biennial fees (185.3 x \$100)						(18,530)
2017: 28.4 newly eligible for perm reg						
25.6 opt for perm reg (28.4 x 90%)						
Increase from perm reg (25.6 x \$25)					640.0	
Loss in biennial fees (25.6 x \$100)						
2018: 28.4 newly eligible for perm reg						
14.2 opt for perm reg (28.4 x 50%)						
Increase from perm reg (14.2 x \$25)						355.0
<b>Total Estimated Revenue Increase/(Decrease)</b>	-	-	3,993.8	4,632.5	(15,335.0)	(18,175.0)

## Non-Commercial Trailers

	2013	2014	2015	2016	2017	2018
2015: 50.0 current trailers eligible for perm reg						
45.0 opt for perm reg (50.0 x 90%)						
Increase from perm reg (45.0 x \$25)			1,125.0			
Loss in biennial fees (45.0 x \$30)					(1,350)	
2016: 54.3 trailers eligible for perm reg, including 4.3 newly eligible						
48.9 opt for perm reg (54.3 x 90%)						
Increase from perm reg (48.9 x \$25)				1,222.5		
Loss in biennial fees (48.9 x \$30)						(1,467)
2017: 4.3 trailers newly eligible for perm reg						
3.9 opt for perm reg (4.3 x 90%)						
Increase from perm reg (3.9 x \$25)					97.5	
Loss in biennial fees (3.9 x \$30)						
2018: 4.3 trailers newly eligible for perm reg						
2.2 opt for perm reg (4.3 x 50%)						
Increase from perm reg (2.2 x \$25)						55.0
<b>Total Estimated Revenue Increase/(Decrease)</b>	-	-	1,125.0	1,222.5	(1,252.5)	(1,412.0)

410,000	Number of registration notices sent out
83%	% renewed
340,300	Total renewed
38,788	Total Renewed at DMV offices
89%	Percentage renewed online, via mail, and DMV partners
11%	Percentage renewed in DMV offices

# FISCAL NOTE

**STATE OF ALASKA**  
**2012 LEGISLATIVE SESSION**

Bill Version CSHB64  
 Fiscal Note Number \_\_\_\_\_  
 () Publish Date \_\_\_\_\_

Identifier (file name) HB064CS(FIN)-DOA-DMV-3-22-12 Dept. Affected Administration  
 Title Permanent Motor Vehicle Registration Appropriation Motor Vehicles  
 Allocation Motor Vehicles  
 Sponsor Representatives Stoltze, Keller  
 Requester House Finance OMB Component Number 2348

**Expenditures/Revenues** (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>	<b>FY13</b>	<b>FY13</b>					
Personal Services							
Travel							
Services				100.1			
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>100.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**FUND SOURCE** (Thousands of Dollars)

1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)			100.1			
1037	GF/MH (UGF)						
1178	temp code (UGF)						
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>100.1</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS**

Full-time							
Part-time							
Temporary							

<b>CHANGE IN REVENUES</b>				<b>5,118.8</b>	<b>5,855.0</b>	<b>(16,587.5)</b>	<b>(19,587.0)</b>
---------------------------	--	--	--	----------------	----------------	-------------------	-------------------

**Estimated SUPPLEMENTAL (FY12) operating costs** \_\_\_\_\_ (separate supplemental appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY13) costs** \_\_\_\_\_ (separate capital appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

**Why this fiscal note differs from previous version (if initial version, please note as such)**

This fiscal note is updated for the committee substitute for HB64  
 1) Merged the data from HB10 and HB64 into one fiscal note  
 2) Reduced the fee for permanent registration  
 3) Reflected the changes due to new effective date  
 4) Updated the effect on Performance Measures

Prepared by Whitney Brewster, Director  
 Division Motor Vehicles  
 Approved by John Cramer, Deputy Commissioner  
Department of Administration

Phone 907-269-5559  
 Date/Time 3/22/12 12:30 PM  
 Date 3/22/2012

## FISCAL NOTE

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

BILL NO. CSHB64

### Analysis

*The effective date for this CS is January 1, 2015.*

This CS allows for permanent registration of vehicles that are at least eight years old, allows for permanent registration of all non-commercial trailers, establishes a one-time \$25 permanent registration fee and allows municipalities to establish a one-time Motor Vehicle Registration Taxes (MVRT) for permanent registrations.

### Expenditures

The database for DMV will need programming to allow for permanent registration of non-commercial trailers, and permanent registration of non-commercial vehicles eight years and older.

Estimated hours: 700

Cost per hour: \$143

Total programming cost:  $700 \times \$143 = \$100,100$ .

### Revenues

Motor Vehicle Registration Tax (MVRT): The DMV currently collects MVRT for 16 communities: Anchorage, Bethel, Bristol Bay Borough, Cordova, Dillingham, Juneau, Kenai Peninsula Borough, Ketchikan Gateway Borough, Kodiak Island Borough, Matanuska Susitna Borough, Nenana, Nome, Petersburg, Sitka, Unalaska, and Whittier. Eight percent of the MVRT collected is retained by the state as collection costs; historically, the collection costs have been approximately \$1 million annually. Eliminating biennial MVRT for approximately 423.0 vehicles will reduce the collection costs going into the general fund by an indeterminate amount.

### Registration Fees:

Assumptions:

- 1) **Vehicles at least 8 years old** - 369,500 vehicles will be eligible for permanent registration in 2015 (based on currently-registered vehicles). Half (184.7) will renew in 2015 and half will renew in 2016. Approximately 24,800 vehicles will become eligible each year. This is an average of the number of currently registered vehicles with model years 2007-2011.
- 2) **Non-commercial trailers** - 100,000 trailers will be eligible for permanent registration in 2015 (based on currently-registered vehicles). Half (50.0) will renew in 2015 and half will renew in 2016. Approximately 4,300 new trailers are registered each year. This is an average of the number of currently registered trailers with model years 2007-2011
- 3) DMV estimates that 90% of owners will elect for permanent registration on vehicles and non-commercial trailers in 2015 through 2016. The additional \$25 for permanent registration is low enough to make the permanent registration option attractive enough for all except those who know they will be moving out of state or replacing the vehicle/trailer within the following two years.
- 4) DMV estimates that 50% of owners will elect for permanent registration in 2017 and following. 2017 is the first year that any permanent MVRT will go into effect. Since permanent registration will reduce MVRT for all participating communities, DMV assumes those communities will establish a fairly high rate for permanently registered vehicles to make up for revenues that would be lost in outgoing years.

### Calculations:

Registration calculations can be found on the file HB064\_revenue est\_2012-3-15.pdf

FISCAL NOTE

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

BILL NO. CSHB64

**Analysis Continued**

**Performance Measures**

The DMV expects this bill will have very little impact on its performance measures, since only about 11% of registration renewals are processed at a DMV office.

# FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

Fiscal Note Number \_\_\_\_\_  
Bill Version 27-LS0327/D  
( ) Publish Date \_\_\_\_\_

Identifier (file name) HB064CS(TRA)-DEC-AQ-03-18-11 Dept. Affected Environmental Conserv  
Title Permanent Motor Vehicle Registration Appropriation Environmental Health  
Allocation Air Quality  
Sponsor Representatives Stoltze, Keller  
Requester House Finance OMB Component Number 2061

**Expenditures/Revenues** (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	60.4	60.4
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Services	0.0	0.0	113.6	8.0	8.0	28.7	28.7	28.7
Commodities	0.0	0.0	0.0	0.0	0.0	7.5	0.0	0.0
Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>113.6</b>	<b>8.0</b>	<b>8.0</b>	<b>96.6</b>	<b>89.1</b>	<b>89.1</b>

<b>CAPITAL EXPENDITURES</b>								
-----------------------------	--	--	--	--	--	--	--	--

<b>CHANGE IN REVENUES</b>	<b>1005 GF/Program Rec</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>8.0</b>	<b>8.0</b>	<b>96.6</b>	<b>89.1</b>
---------------------------	----------------------------	------------	------------	------------	------------	------------	-------------	-------------

<b>FUND SOURCE</b>		(Thousands of Dollars)						
1002 Federal Receipts		0.0	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	0.0
1004 GF		0.0	0.0	113.6	0.0	0.0	0.0	0.0
1005 GF/Program Receipts		0.0	0.0	0.0	8.0	8.0	96.6	89.1
1037 GF/Mental Health		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other (please identify)		0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>	<b>113.6</b>	<b>8.0</b>	<b>8.0</b>	<b>96.6</b>	<b>89.1</b>

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time	0.0	0.0	0.0	0.0	0.0	1.0	1.0
Part-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Why this fiscal note differs from previous version (if initial version, please note as such)

This fiscal note differs because the new committee substitute of the bill changed the effective date.

Prepared by Alice Edwards, Director  
Division Air Quality  
Approved by Dan Easton  
Deputy Commissioner

Phone (907) 465-5109  
Date/Time 3/18/11 4:12pm  
Date 3/18/2011

FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. HB 64

**Analysis**

Currently, the local vehicle inspection and maintenance (I/M) programs rely on the vehicle registration process to notify vehicle owners of I/M testing requirements and to make sure those requirements are met. Elimination of that registration process will require the department to develop a stand-alone system to replace what is being done now as part of the vehicle registration system. Additionally, the department will need to update the State's air quality plan to reflect this change to how the I/M programs operate.

The first-year costs are for contractual services to develop the stand-alone computer programs to generate notifications and to track compliance, and to amend the state air quality plan. This effort is funded with General Funds. FY13 is the latest date these activities can occur and be ready for a January 2014 effective date for permanent vehicle registration. The \$8.0 in contractual expenses in FY14 and FY15 will cover off-cycle registration renewals.

Starting in FY16, one new administrative position, and associated one-time start-up costs, is added to implement the revised I/M notification system for permanently registered vehicles. This position will be responsible for notifying over 4,000 vehicle owners monthly of their inspection requirements, checking to see inspections are done and referring violations to the local government and will be funded with General Fund Program Receipts generated through this fee program.

# FISCAL NOTE

**STATE OF ALASKA**  
**2011 LEGISLATIVE SESSION**

Fiscal Note Number \_\_\_\_\_  
 Bill Version CSHB064(TRA)\D  
 () Publish Date \_\_\_\_\_  
 Dept. Affected Administration  
 Appropriation Division of Motor Vehicles  
 Allocation Motor Vehicles  
 OMB Component Number 2348

Identifier (file name) CSHB064-DOA-DMV-03-18-11  
 Title Permanent motor vehicle registration  
 Sponsor Rep(s) Stoltze, Keller, Costello, Neuman  
 Requester House Finance

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	Appropriation Required	Information					
	FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Personal Services							
Travel							
Services				57.2			
Commodities							
Capital Outlay							
Grants							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>57.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**CAPITAL EXPENDITURES**

CHANGE IN REVENUES	1005 GF/PR	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	
		0.0	0.0	0.0	3,550.0	4,120.0	(1,215.0)	(1,500.0)

**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts				57.2		
1037 GF/Mental Health						
Other (please identify)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>57.2</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2011) cost 0.0

**POSITIONS**

Full-time	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Part-time						
Temporary						

**Why this fiscal note differs from previous version (if initial version, please note as such)**

The effective date on the bill was changed from 01/01/12 to 01/01/14, thus deferring the impact of the bill to later fiscal years.

Prepared by Whitney Brewster, Director  
 Division Motor Vehicles  
 Approved by John Cramer, Deputy Commissioner  
Department of Administration

Phone 907-269-5574  
 Date/Time 3/18/11 4:00 PM  
 Date 3/18/2011

## FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. CSHB064(TRA)D

### Analysis

#### Expenditures

The database for Division of Motor Vehicles (DMV) will need reprogramming to allow for permanent registration on non-commercial vehicles.

Estimated hours: 400

Cost per hour: \$143

Total programming cost:  $400 \times \$143 = \$57,200$ .

#### Revenues

Motor Vehicle Registration Tax (MVRT): The DMV collects MVRT for 16 communities: Anchorage, Bethel, Bristol Bay Borough, Cordova, Dillingham, Juneau, Kenai Peninsula Borough, Ketchikan Gateway Borough, Kodiak Island Borough, Matanuska Susitna Borough, Nenana, Nome, Petersburg, Sitka, Unalaska, and Whittier.

Eight percent of the MVRT collected is retained by the state as collection costs. Although the increase or decrease in revenues from the collection costs are indeterminate, the revenues will change proportionately with the registration fees.

#### Registration Fees:

Assumptions:

- 1) 355,000 vehicles will be eligible for permanent registration in 2014 (based on currently-registered vehicles). Half (177.5) will renew in 2014 and half will renew in 2015.
- 2) Approximately 28,400 vehicles will become eligible each year. This is an average of the number of currently registered vehicles with model years 2004-2010.
- 3) Only 10% of owners will elect for permanent registrations, based on the following :
  - a) The biennial registration fee established in AS 28.10.421 is \$100 for most of the vehicles eligible for permanent registration, making the fee for permanent registration \$300.
  - b) The largest quantity of vehicles in the state are in areas with the highest MVRT. Three times the MVRT for vehicles in Municipality of Anchorage or the Matanuska Susitna Borough would be \$210.
  - c) An owner of an eligible vehicle would have to decide whether a vehicle that's already at least 8 years old will last 6 + years to justify the additional payment for permanent registration, which would be \$340 in MatSu and Anchorage: permanent (\$300 reg + \$210 MVRT = \$510) versus biennial (\$100 reg + \$70 MVRT = \$170).
  - d) Many owners of older vehicles are in the middle to lower income brackets; these owners are less likely to have the extra funds available to opt for permanent registration.
  - e) It's very likely that a vehicle that is at least 8 years old will have a major component fail within the next six years. An owner who has the financial resources to pay the additional \$340 for permanent registration would likely opt to replace the vehicle rather than repair it; consequently, DMV assumes few of those owners would opt for permanent registration.
  - f) The owners of eligible vehicles who do not opt for permanent registration the first year it's available won't opt for it in subsequent years.
- 4) All permanently registered vehicles will stay in service for the next 6 years and will not change ownership. Although some vehicles may go out of service, the assumption is that an owner won't opt to pay the extra fees for permanent registration if their vehicle is not in good mechanical shape.

*See Page 3 for calculations*

FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. CSHB064(TRA)D

**Analysis Continued**

<u>Calculations</u>	2012	2013	2014	2015	2016	2017
2014: 177.5 current vehicles eligible for perm reg						
17.75 opt for perm reg (177.5 x 10%)						
Inc from perm reg (17.75 x \$300)			5,325.0			
Loss in biennial fees (17.75 x \$100)			(1,775.0)		(1,775.0)	
2015: 205.9 vehicles eligible for perm reg, including 28.4 newly eligible						
20.6 opt for perm reg (205.9 x 10%)						
Inc from perm reg (20.6 x \$300)				6,180.0		
Loss in biennial fees (20.6 x \$100)				(2,060.0)		(2,060.0)
2016: 28.4 newly eligible for perm reg						
2.8 opt for perm reg (28.4 x 10%)						
Inc from perm reg (2.8 x \$300)					840.0	
Loss in biennial fees (2.8 x \$100)					(280.0)	
2017: 28.4 newly eligible for perm reg						
2.8 opt for perm reg (28.4 x 10%)						
Inc from perm reg (2.8 x \$300)						840.0
Loss in biennial fees (2.8 x \$100)						(280.0)
<b>Total Estimated Revenue Increase/(Decrease)</b>	-	-	3,550.0	4,120.0	(1,215.0)	(1,500.0)

**Performance Measures**

The DMV expects this bill will have very little impact on its performance measures.

- 1) Approximately 89% of registration renewals are processed over the internet, via mail, or by DMV's business partners; only about 11% are processed at the counter in a DMV office. DMV estimates that a maximum of 2,800 newly-eligible vehicles will be placed under permanent registration each year. This would result in a work load reduction of approximately one-tenth of one percent.
- 2) DMV will still be required to collect the \$2.00 I/M fee biennially on all vehicles requiring an emissions inspection.

410,000 Number of registration notices sent out  
 83% % renewed  
 340,300 Total renewed  
 38,788 Total Renewed at DMV offices  
 89% Percentage renewed online, via mail, and DMV partners  
 11% Percentage renewed in DMV offices

**Economic Impact**

Once the initial vehicles with permanent registration go out of service, there would be an annual increase in revenues of approximately \$560.0 (\$840.0m - \$280.0), assuming that 10% of owners opt for permanent registration. Since this won't happen until sometime after 2019, it's not possible to show this on the fiscal note.

# ALASKA STATE LEGISLATURE

*Co-Chair:*  
House Finance Committee

*Chair:*  
House Finance Subcommittees for:  
Department of Public Safety  
Department of Law  
Alaska Court System

*Member:*  
Legislative Council  
Committee on Committees  
Legislative Budget & Audit (alt)  
House Finance Sub-Committees for:  
Governor's Office  
Legislature  
University of Alaska



*Session:*  
Alaska State Capitol, Rm 515  
Juneau, AK 99801-1182  
Phone: (907) 465-4958  
Fax: (907) 465-4928

*District:*  
600 E. Railroad Ave.  
Wasilla, AK 99654  
Phone: (907) 376-4958  
Fax: (907) 376-4928

**BILL STOLTZE**  
STATE REPRESENTATIVE  
Representative\_Bill\_Stoltze@legis.state.ak.us

Toll Free: 1-866-465-4958

*Sponsor Statement*  
*for*  
*CS House Bill 64(FIN)*  
*by Representative Bill Stoltze*

The passage of House Bill 64 would establish a new type of registration available through the Division of Motor Vehicles allowing for the permanent registration of personal-use non-commercial motor vehicles older than eight years old and trailers.

The proposed change to state statutes calls for the addition of a one-time fee to register motor vehicles for non-commercial personal-use motor vehicles older than eight years old as long as the registered owner continues to own the vehicle. It also allows for the continuation of the regular biennial registration, already existing in the statutes.

The passage of House Bill 10 would establish a new type of registration available through the Division of Motor Vehicles allowing for the permanent registration of trailers for personal, non-commercial use.

In addition, the proposed change to statutes calls for the addition of a one-time \$100 fee to register personal-use trailers as long as the registered owner owns the vehicle. It also allows for the continuation of the \$30 biennial registration fee, already existing in the statutes. This change would bring registration of non-commercial trailers in-line with current statutes for commercial trailers, which have had the luxury of permanent registration for years.

Approval of these permanent registrations will help reduce the workload within the DMV and make the registration process more user-friendly to the people of the State of Alaska.

I appreciate your support in this important legislation.

DISTRICT 16

BIRCHWOOD • BUTTE • CHUGIAK • EKLUTNA • FAIRVIEW LOOP  
KNIK RIVER ROAD • LAZY MOUNTAIN • PALMER • PETERS CREEK

## CS HB64(Fin) Summary

### Page 1

**Lines 1-3** – New title, reflects the combining of the original HB 64 with HB 10.

**Lines 5-8** – Contains reference to AS 28.10.155, which allows for the addition of permanent registration for motor vehicles to existing statutes. **AS 28.10.155 is Section 3 of the CS.**

**Lines 9-Line 6 page 2** – Removes the reference to the repayment of the Motor Vehicle Registration Tax owed to a municipality. Current statute requires the DMV to collect the MVRT for the 16 participating municipalities or boroughs. This collection by the state and DMV is repealed in the CS version (Sections 9-11).

### Page 2

**Line 9** – Makes reference to the addition of AS28.10.421(j), which allows municipalities to establish a MVRT for vehicles registered permanently.

**Lines 12-21 (Section 6)** – Establishes the fee for permanent trailer registration.

**Lines 22-26 (Section 7)** – Provides for the state Department of Environmental Conservation to collect a \$2 fee for motor vehicles that are registered permanently in municipalities with mandatory I/M testing. Currently Anchorage is the only municipality with an I/M program in the state and it is scheduled to expire March 2, 2012. Leg. Legal said leaving this language in is required until the Anchorage I/M program expires.

**Line 27 to Line 5 Page 4 (Section 8)** – is the basic MVRT table for motor vehicles based on the age of the vehicle and makes reference to AS28.10.421(j), which establishes an allowance for municipalities to create a MVRT for vehicles registered permanently.

### Page 4

**Lines 6-11 (Section 9)** – Requires municipalities and boroughs with an MVRT to collect the MVRT themselves.

**Lines 12-26 (Section 10)** – Creates AS28.10.431(j) which allows municipalities to establish a MVRT for vehicles and trailers registered permanently.

**Lines 27-28 (Section 11)** – Repeals sections of statute which make reference to the state and DMV collecting and or refunding all or a portion of the MVRT.

## DMV Count of trailers registered as of Feb. 1, 2012

Model Year	Count	Total	
		99,771	
2012	645		1973 441
2011	3520		1972 436
2010	4239		1971 325
2009	3675		1970 375
2008	4993		1969 240
2007	5162		1968 220
2006	5516		1967 167
2005	5198		1966 156
2004	5066		1965 143
2003	4401		1964 122
2002	4318		1963 73
2001	3493		1962 56
2000	3624		1961 61
1999	3374		1960 82
1998	3535		1959 56
1997	2866		1958 39
1996	3015		1957 23
1995	3260		1956 24
1994	2720		1955 17
1993	2343		1954 14
1992	2001		1953 19
1991	1993		1952 23
1990	2226		1951 13
1989	1779		1950 15
1988	1705		1949 6
1987	1288		1948 6
1986	1161		1947 14
1985	1303		1946 9
1984	1150		1945 5
1983	974		1944 3
1982	899		1943 4
1981	775		1942 9
1980	676		1941 5
1979	686		1940 3
1978	789		1939 1
1977	640		1935 1
1976	571		1930 1
1975	530		1900 15
1974	440		

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101


State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

February 13, 2012

**SUBJECT:** Sectional Summary - CSHB 64(FIN), Draft, "T" Version  
(Work Order No. 27-LS0327T)

**TO:** Representative Bill Stoltze  
Co-Chair of the House Finance Committee  
Attn: Darrell Breese

**FROM:** Gerald P. Luckhaupt   
Assistant Revisor

You have requested a sectional summary of the above-described bill. As a preliminary matter, please note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill -- the bill itself is the best statement of its contents.

**Section 1 of the bill** amends AS 28.10.108(a) to provide an exception for the lifetime registration created in AS 28.10.155.

**Section 2 of the bill** amends AS 28.10.108(f) by deleting language relating to payment of the motor vehicle registration tax as a condition of registering a commercial vehicle for an optional one-year registration period.

**Section 3 of the bill** amends AS 28.10 by adding a new section, AS 28.10.155, that provides for lifetime registration of vehicles that are at least eight years old.

**Section 4 of the bill** amends AS 28.10.181(a) by deleting language relating to payment of the motor vehicle registration tax as a condition of registering a vehicle under this subsection.

**Section 5 of the bill** provides a conforming amendment for the repeal of AS 28.10.421(b)(6) relating to the registration of noncommercial trailers.

**Section 6 of the bill** amends AS 28.10.421 by adding a new subsection (j) allowing persons to choose biennial registration or one-time (lifetime) registration for noncommercial trailers. The addition of this new subsection necessitates the repeal of AS 28.10.421(b)(6).

**Section 7 of the bill** amends AS 28.10.423 by adding a new subsection to assess the emissions control program fees to vehicles permanently registered under AS 28.10.155.

Representative Bill Stoltze  
February 13, 2012  
Page 2

**Section 8 of the bill** amends AS 28.10.431(b) by making conforming amendments for the addition of AS 28.10.421(j) in sec. 6 of the bill.

**Section 9 of the bill** amends AS 28.10.431(c) by providing that the motor vehicle registration tax shall be "levied, collected, enforced, and otherwise administered" by a municipality by ordinance. Under current law the tax is collected by the state on behalf of a municipality at registration and remitted to the municipality.

**Section 10 of the bill** amends AS 28.10.431(j) by permitting municipalities to establish registration taxes for lifetime registered vehicles and one-time registered trailers. This section also deletes language limiting how often municipalities may change the registration tax and for fees assessed by the state for collecting the taxes on behalf of municipalities.

**Section 11 of the bill** provides repealers relating to registration of trailers and removing the state from the process of collecting the motor vehicle registration tax on behalf of municipalities.

**Section 12 of the bill** provides a January 1, 2015 effective date.

GPL:plm  
12-089.plm

## HB 64 Class Codes

Class Code	Fee	HB 64?	Description
AA	\$100	Y	UAA Passenger
AB	\$100	Y	UAA Pickup
DC	\$100	Y	Disabled Veteran Passenger (2nd Set)
DP	\$100	Y	Disabled Veteran Pickup & Van (2nd Set)
D1	\$100	Y	Disabled Veteran Passenger (No HCP Logo)(2nd Set)
D2	\$100	Y	Disabled Veteran Pickup (No HCP Logo)(2nd Set)
FA	\$100	Y	UAF Passenger
FB	\$100	Y	UAF Pickup
HC	\$100	Y	Handicapped Passenger (2nd Set)
HN	\$60	Y	Handicapped Motorcycle (2nd Set)
HP	\$100	Y	Handicapped Pickup & Van (2nd Set)
JA	\$100	Y	UAS Passenger
JB	\$100	Y	UAS Pickup
KA	\$100	Y	Children's Trust - Passenger
KB	\$100	Y	Children's Trust - Truck or Cargo Van
PA	\$100	Y	PWS Passenger
PB	\$100	Y	PWS Pickup
S1	\$100	Y	Support our Troops - Passenger
S2	\$100	Y	Support our Troops - Truck or Cargo Van
S3	\$60	Y	Support our Troops - Motorcycle
S4	\$30	Y	Support our Troops - Trailer
1A	\$100	Y	Army Passenger
1B	\$100	Y	Army Pickup
1C	\$100	Y	Custom Collector Passenger
1D	\$100	Y	Alaska Veteran Commemorative - Passenger (See Note)
10	\$100	Y	Passenger Personalized
11	\$100	Y	Passenger
16	\$100	Y	Call Letter Passenger
2A	\$100	Y	Navy Passenger
2B	\$100	Y	Navy Pickup
2C	\$60	Y	Custom Collector Motorcycle
2D	\$100	Y	Alaska Veteran Commemorative - Truck / Van (See Note)
2J	\$60	Y	Motorcycle - Vet Plates - Army
2K	\$60	Y	Motorcycle - Vet Plates - Navy
2M	\$60	Y	Motorcycle - Vet Plates - Marines
2N	\$60	Y	Motorcycle - Vet Plates - Air Force
2Q	\$60	Y	Motorcycle - Vet Plates - Coast Guard
20	\$60	Y	Motorcycle Personalized
21	\$60	Y	Motorcycle
3A	\$100	Y	Marines Passenger
3B	\$100	Y	Marines Pickup
4A	\$100	Y	Air Force Passenger
4B	\$100	Y	Air Force Pickup
4C	\$100	Y	Custom Collector Pickup/Truck
40	\$100	Y	Non-Commercial Pickup Personalized

Submitted by Sponsor

## HB 64 Class Codes

Class Code	Fee	HB 64?	Description
45	\$100	Y	Non-Commercial Pickup and Van (Under 10,000)
46	\$100	Y	Call Letter Pickup (No Equipment)
5A	\$100	Y	Coast Guard Passenger
5B	\$100	Y	Coast Guard Pickup
6A	\$100	Y	National Guard Passenger
6B	\$100	Y	National Guard Pickup
63	\$100	Y	Historic Passenger Vehicle - Normal Use
64	\$100	Y	Historic Truck or Cargo Van - Normal Use
65	\$60	Y	Historic Motorcycle - Normal Use
7A	\$100	Y	Purple Heart Passenger
7B	\$100	Y	Purple Heart Pickup

### Not included in vehicle counts

28	\$88	N	Dealer Motorcycle (1st Set)
29	\$50	N	Dealer Motorcycle (2nd Set)
17	\$88	N	Dealer Plate (1st Set)
19	\$50	N	Dealer Plate (2nd & Subsequent Sets)
2P	\$10	N	Exempt Motorcycle (Charitable)
3P	\$10	N	Exempt Non-Commercial Trailer (Charitable)
1P	\$10	N	Exempt Passenger (Charitable)
4P	\$10	N	Exempt Pickup/Truck (Charitable)
61	\$68	N	Farm Plates
2G	\$10	N	Government Exempt Motorcycle
1G	\$10	N	Government Exempt Passenger
4G	\$10	N	Government Exempt Pickup/Truck
1M	\$10	N	Government Personalized Passenger
4M	\$10	N	Government Personalized Pickup
38	\$88	N	Transporter (1st Set) (this is a type of Dealer plate)
39	\$50	N	Transporter (2nd & Subsequent Sets)

*Compiled by State of AK. DMV, Dept. of Administration*

**DMV Vehicle Counts - 02/09/2012**

**Excluding those with exemptions (senior, disabled, government, charitable, etc.)**

Model Year	Count	Total				
		Registered 1900-2012	> 8 years old 1900-2004	>11 years old 1900-2001	>15 years old 1900-1997	>18 years old 1900-1994
2012	3,978	563,515	369,452	274,962	169,608	115,544
2011	20,161		65.55%	48.79%	30.09%	20.43%
2010	21,027					
2009	19,845					
2008	31,684					
2007	31,070					
2006	33,563					
2005	32,735					
2004	32,502					
2003	30,946					
2002	31,042					
2001	28,740					
2000	28,928					
1999	25,748					
1998	21,938					
1997	20,570					
1996	16,200					
1995	17,294					
1994	16,556					
1993	12,169					
1992	11,056					
1991	9,962					
1990	11,032					
1989	7,564					
1988	6,107					
1987	4,324					
1986	4,656					
1985	4,036					
1984	3,836					
1983	2,457					
1982	2,023					
1981	1,653					
1980	1,139					
1979	1,742					
1978	1,822					
1977	1,456					
1976	1,261					
1975	882					
1974	873					
1973	833					
1972	1,011					

**In it's Fiscal Note the DMV estimates that only 10% of the owners of eligible vehicles will opt to the Premanent registration or 36,945 vehicles will take advantage of the permanent registration in the first year**

1971	664
1970	769
1969	779
1968	660
1967	609
1966	606
1965	554
1964	286
1963	240
1962	138
1961	92
1960	103
1959	112
1958	85
1957	187
1956	141
1955	154
1954	76
1953	81
1952	77
1951	87
1950	55
1949	54
1948	53
1947	39
1946	35
1945	4
1944	3
1943	7
1942	15
1941	23
1940	25
1939	15
1938	15
1937	29
1936	19
1935	7
1934	21
1933	15
1932	29
1931	30
1930	34
1929	21
1928	11
1927	9
1926	3
1925	6

1924	1
1923	9
1922	1
1920	1
1919	1
1916	1
1915	2
1914	1
	563,515

# ALASKA STATE LEGISLATURE

*Co-Chair:*  
House Finance Committee

*Chair:*  
House Finance Subcommittees for;  
Department of Public Safety  
Department of Law  
Alaska Court System

*Member:*  
Legislative Council  
Committee on Committees  
Legislative Budget & Audit (alt)  
House Finance Sub-Committees for:  
Governor's Office  
Legislature  
University of Alaska



**BILL STOLTZE**  
STATE REPRESENTATIVE  
Representative\_Bill\_Stoltze@legis.state.ak.us

*Session:*  
Alaska State Capitol, Rm 515  
Juneau, AK 99801-1182  
Phone: (907) 465-4958  
Fax: (907) 465-4928

*District:*  
600 E. Railroad Ave.  
Wasilla, AK 99654  
Phone: (907) 376-4958  
Fax: (907) 376-4928  
Toll Free: 1-866-465-4958

*Sponsor Statement*  
*for*  
*House Bill 64 CS*  
*by Representative Bill Stoltze*

The passage of House Bill 64 would establish a new type of registration available through the Division of Motor Vehicles allowing for the permanent registration of personal-use, non-commercial, motor vehicles eight years old and older.

The committee substitute version of the bill addresses several oversights in the initial version. The proposed change to state statutes calls for the addition of a one-time fee of three times the regular registration fee of a motor vehicles for personal-use as long as the registered owner continues to own the vehicle. It also allows for the continuation of the regular biennial registration, already existing in the statutes.

This change will make the DMV re-registration process more user-friendly to the owners of qualifying vehicles and lighten the work load for DMV employees by reducing the number of registrations processed, especially among older vehicles.

The committee substitutes also addresses concerns expressed by some that the original bill would limit local governments ability to set and collect motor vehicle registration tax. By including language that allows local governments to set a tax rate for permanently registered vehicles any potential loss in revenue can be eliminated by the local government taking action.

I appreciate your support in this important legislation.

DISTRICT 16

BIRCHWOOD • BUTTE • CHUGIAK • EKLUTNA • FAIRVIEW LOOP  
JNIK RIVER ROAD • LAZY MOUNTAIN • PALMER • PETERS CREEK

# ALASKA STATE LEGISLATURE

**Co-Chair:**  
House Finance Committee

**Chair:**  
House Finance Subcommittees for:  
Department of Public Safety  
Department of Law  
Alaska Court System

**Member:**  
Legislative Council  
Committee on Committees  
Legislative Budget & Audit (alt)  
House Finance Sub-Committees for:  
Governor's Office  
Legislature  
University of Alaska



**Session:**  
Alaska State Capitol, Rm 515  
Juneau, AK 99801-1182  
Phone: (907) 465-4958  
Fax: (907) 465-4928

**District:**  
600 E. Railroad Ave.  
Wasilla, AK 99654  
Phone: (907) 376-4958  
Fax: (907) 376-4928

**BILL STOLTZE**  
STATE REPRESENTATIVE  
Representative\_Bill\_Stoltze@legis.state.ak.us

Toll Free: 1-866-465-4958

## HB 64 CS Section Changes

### No changes on Page 1

### Changes on Page 2

- Lines 4 and 5 - The rate charged for a registration fee has changed from "five times or \$100, whichever is greater" to now read, "three times."
  - This change removes the variable fee that caused some confusion in the initial version of the bill.
- Line 6 - The rate charged for Motor Vehicle Registration tax has changed from "five times or \$100, whichever is greater" to now read, "three times."
  - This change removes the confusion over the rate of motor vehicle registration tax that can be collected.
- Line 7 - Reference to AS 28.10.431(j) has been added.
  - This section allows local governments to pass an ordinance setting its own MVRT rate. The previous version of the bill neglected to make references to this section of Alaska Statutes.
- Lines 7 and 8 - added the following, "or the rate established for permanent vehicle registration under AS 28.10.431(j)."
  - This new portion of the bill makes reference to a change in statute made in section 4 that will allow local governments to establish a separate rate for Motor Vehicle Registration Tax.
- Lines 17 to 28 - added as an amendment to section (j) of AS 28.10.431.
  - This amendment to statutes would allow local governments to set a MVRT for permanent vehicle registration. By adding this section a local governing body may establish a rate that fits the community needs or it allow the community to continue with the "three times" rate set in the change to line 6.
  - By adding this section the local government can establish a rate for vehicles eligible for permanent registration separate from the existing rate which is based on the age of the vehicle, which remains unchanged after a vehicle is 8 years old.

DISTRICT 16

BIRCHWOOD • BUTTE • CHUGIAK • EKLUTNA • FAIRVIEW LOOP  
KNIK RIVER ROAD • LAZY MOUNTAIN • PALMER • PETERS CREEK

These changes address an oversight on our behalf, not including AS 28.10.431(j) and amends the statute to allow local governments to establish a MVRT for permanent vehicle registration to reduce any potential loss in revenue.

According to AS 28.10.431(j) municipalities can make changes to the MVRT they charge once every two years by passing an ordinance and then submitting it to the state for implementation. This is geared to allow each municipality to address any potential loss in revenue how they feel it best serves their community.

**DISTRICT 16**

**BIRCHWOOD • BUTTE • CHUGIAK • EKLUTNA • FAIRVIEW LOOP  
KNIK RIVER ROAD • LAZY MOUNTAIN • PALMER • PETERS CREEK**



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

8

March 21, 2011

House Finance Committee  
Juneau, Alaska

RE: HB 64 and HB 10

Dear Committee Members,

The Alaska Municipal League originally came out strongly against HB64 and HB10, as they both repealed the authority of municipalities to levy vehicle registration taxes. AML and the municipalities addressed those concerns during hearings in House Transportation committee meetings.

Thanks to the work of the bill's sponsor, this issue has been corrected. Our main issue has been alleviated to a large degree, in that municipalities, under the new CS, would be allowed to adjust rates to compensate for potential losses due to permanent registration. We have received a spread sheet from Mr. Breese, in Rep. Stoltze's office that enables each municipality to get a fairly accurate idea of what that loss might be.

We are not in disagreement that the reduction of time spent in line with DMV could better be spent elsewhere.

While individual municipalities may still have some concerns, AML will attempt to make this legislation work.

Thank you,

Kathie Wasserman  
Executive Director

Information provided by the Division of Motor Vehicles (DOA)

Model Year	Count	Total Registered	> 8 years old	>11 years old	>15 years old	>18 years old
2011	4,984	695,552	443,218	325,035	197,406	131,865
2010	21,487					
2009	25,113					
2008	36,736					
2007	40,322					
2006	40,757					
2005	43,303					
2004	39,632					
2003	41,163					
2002	38,512					
2001	38,508					
2000	36,717					
1999	35,027					
1998	27,117					
1997	28,768					
1996	20,008					
1995	25,692					
1994	19,841					
1993	18,783					
1992	13,177					
1991	15,745					
1990	13,275					
1989	11,467					
1988	7,358					
1987	6,290					
1986	5,470					
1985	5,902					
1984	4,611					
1983	3,466					
1982	2,440					
1981	2,203					
1980	1,355					
1979	2,342					
1978	2,133					
1977	1,854					
1976	1,423					
1975	1,113					
1974	1,011					
1973	1,049					
1972	1,140					
1971	826					
1970	856					
1969	949					
1968	734					
1967	783					
1966	623					
1965	653					

Information provided by the Division of Motor Vehicles (DOA)

1964	322
1963	289
1962	165
1961	104
1960	120
1959	139
1958	80
1957	206
1956	153
1955	169
1954	85
1953	109
1952	97
1951	101
1950	63
1949	66
1948	55
1947	48
1946	39
1945	5
1944	2
1943	8
1942	16
1941	21
1940	30
1939	20
1938	19
1937	35
1936	23
1935	8
1934	21
1933	16
1932	36
1931	36
1930	49
1929	29
1928	15
1927	8
1926	3
1925	8
1924	1
1923	8
1922	1
1920	1
1919	1
1916	1
1915	2
1900	1