

HB

64

<TARGET><BILL>HB 64</BILL><SUBJECT>HB
64</SUBJECT><COMM>HTRA27</COMM></TARGET>

27-LS0327/I
Luckhaupt
3/14/11

CS FOR HOUSE BILL NO. 64()

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY

**Offered:
Referred:**

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

A BILL

FOR AN ACT ENTITLED

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

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

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

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

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

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

1 proper application and fees, the department shall issue to the registered owner
2 registration plates, tabs, and a permanent registration form.

3 (b) The fees for permanent registration must equal the fees that would be
4 applicable if the motor vehicle were registered under AS 28.10.108, except that the
5 permanent registration fee rate equals three times the rate established in AS 28.10.421,
6 and the motor vehicle registration tax levied under AS 28.10.431, if any, equals three
7 times the rate established in AS 28.10.431(b) or (j) or the rate established for
8 permanent vehicle registration under AS 28.10.431(j). Except as provided in
9 AS 28.10.423(b), the owner of a permanently registered motor vehicle is not required
10 to pay other fees or taxes under this chapter.

11 * **Sec. 3.** AS 28.10.423 is amended by adding a new subsection to read:

12 (b) In addition to the permanent registration fee established in AS 28.10.155, a
13 \$2 fee is imposed on the owner of each permanently registered motor vehicle required
14 to be inspected under an emission control program established in AS 46.14.400 or
15 46.14.510. That fee shall be collected biennially.

16 * **Sec. 4.** AS 28.10.431(j) is amended to read:

17 (j) A municipality that imposes a motor vehicle registration tax as described
18 under (a) of this section may also, by passage of an appropriate ordinance, (1)
19 increase the scheduled amount of tax described under (b) or (l) of this section, or (2)
20 establish a tax for a motor vehicle that is permanently registered under
21 AS 28.10.155 [BY PASSAGE OF AN APPROPRIATE ORDINANCE]. A
22 municipality that chooses to change the tax imposed under (b) or (l) of this section or
23 establishes a tax for permanently registered motor vehicles shall file a written
24 notice of the change with the department by January 1 of the year preceding the year
25 in which the change in tax is to take effect. A municipality may not change the amount
26 of the tax imposed under this section more than once every two years. The department
27 may charge a municipality a one-time fee to cover the cost to the department of
28 implementing a change under this subsection.

29 * **Sec. 5.** This Act takes effect January 1, 2014.

CS FOR HOUSE BILL NO. 64(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE TRANSPORTATION COMMITTEE

Offered:
Referred:

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

A BILL

FOR AN ACT ENTITLED

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

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

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

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

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

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

1 proper application and fees, the department shall issue to the registered owner
2 registration plates, tabs, and a permanent registration form.

3 (b) The fees for permanent registration must equal the fees that would be
4 applicable if the motor vehicle were registered under AS 28.10.108, except that the
5 permanent registration fee rate equals three times the rate established in AS 28.10.421,
6 and the motor vehicle registration tax levied under AS 28.10.431, if any, equals three
7 times the rate established in AS 28.10.431(b) or (j) or the rate established for
8 permanent vehicle registration under AS 28.10.431(j). Except as provided in
9 AS 28.10.423(b), the owner of a permanently registered motor vehicle is not required
10 to pay other fees or taxes under this chapter.

11 * **Sec. 3.** AS 28.10.423 is amended by adding a new subsection to read:

12 (b) In addition to the permanent registration fee established in AS 28.10.155, a
13 \$2 fee is imposed on the owner of each permanently registered motor vehicle required
14 to be inspected under an emission control program established in AS 46.14.400 or
15 46.14.510. That fee shall be collected biennially.

16 * **Sec. 4.** AS 28.10.431(j) is amended to read:

17 (j) A municipality that imposes a motor vehicle registration tax as described
18 under (a) of this section may also, by passage of an appropriate ordinance, (1)
19 increase the scheduled amount of tax described under (b) or (l) of this section, or (2)
20 establish a tax for a motor vehicle that is permanently registered under
21 AS 28.10.155 [BY PASSAGE OF AN APPROPRIATE ORDINANCE]. A
22 municipality that chooses to change the tax imposed under (b) or (l) of this section or
23 establishes a tax for permanently registered motor vehicles shall file a written
24 notice of the change with the department by January 1 of the year preceding the year
25 in which the change in tax is to take effect. A municipality may not change the amount
26 of the tax imposed under this section more than once every two years. The department
27 may charge a municipality a one-time fee to cover the cost to the department of
28 implementing a change under this subsection.

29 * **Sec. 5.** This Act takes effect January 1, 2014.

27-1 S0327B
Luckhaupt
2/28/11

CS FOR HOUSE BILL NO. 64()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

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

A BILL

FOR AN ACT ENTITLED

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

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

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

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

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

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

1 proper application and fees, the department shall issue to the registered owner
2 registration plates, tabs, and a permanent registration form.

3 (b) The fees for permanent registration must equal the fees that would be
4 applicable if the motor vehicle were registered under AS 28.10.108, except that the
5 permanent registration fee rate equals three times the rate established in AS 28.10.421,
6 and the motor vehicle registration tax levied under AS 28.10.431, if any, equals three
7 times the rate established in AS 28.10.431(b) or (j) or the rate established for
8 permanent vehicle registration under AS 28.10.431(j). Except as provided in
9 AS 28.10.423(b), the owner of a permanently registered motor vehicle is not required
10 to pay other fees or taxes under this chapter.

11 * **Sec. 3.** AS 28.10.423 is amended by adding a new subsection to read:

12 (b) In addition to the permanent registration fee established in AS 28.10.155, a
13 \$2 fee is imposed on the owner of each permanently registered motor vehicle required
14 to be inspected under an emission control program established in AS 46.14.400 or
15 46.14.510. That fee shall be collected biennially.

16 * **Sec. 4.** AS 28.10.431(j) is amended to read:

17 (j) A municipality that imposes a motor vehicle registration tax as described
18 under (a) of this section may also, **by passage of an appropriate ordinance, (1)**
19 **increase the scheduled amount of tax described under (b) or (l) of this section, or (2)**
20 **establish a tax for a motor vehicle that is permanently registered under**
21 **AS 28.10.155** [BY PASSAGE OF AN APPROPRIATE ORDINANCE]. A
22 municipality that chooses to change the tax imposed under (b) or (l) of this section **or**
23 **establishes a tax for permanently registered motor vehicles** shall file a written
24 notice of the change with the department by January 1 of the year preceding the year
25 in which the change in tax is to take effect. A municipality may not change the amount
26 of the tax imposed under this section more than once every two years. The department
27 may charge a municipality a one-time fee to cover the cost to the department of
28 implementing a change under this subsection.

29 * **Sec. 5.** This Act takes effect January 1, 2012.

Model Year	Count	Total Registered 1900-2011	>8 years old 1900-2003	% of Vehicles
2011	4,798	558,556	355,214	
2010	18,021			
2009	19,626			
2008	29,762			
2007	31,611			
2006	33,292			
2005	33,868			
2004	32,364	Total	% of Cars Eligible	
2003	32,164	355,214	1.00	
2002	31,384	323,050	0.91	
2001	30,136	291,666	0.82	
2000	29,453	261,530	0.74	
1999	27,340	232,077	0.65	
1998	22,042	204,737	0.58	
1997	22,456	182,695	0.51	
1996	16,314	160,239	0.45	
1995	19,802	143,925	0.41	
1994	16,352	124,123	0.35	
1993	14,365	107,771	0.30	
1992	10,883	93,406	0.26	
1991	12,155	82,523	0.23	
1990	10,948	70,368	0.20	
1989	9,122	59,420	0.17	
1988	6,094	50,298	0.14	
1987	5,063	44,204	0.12	
1986	4,667	39,141	0.11	
1985	4,804	34,474	0.10	
1984	3,879	29,670	0.08	
1983	2,863	25,791	0.07	
1982	2,113	22,928	0.06	
1981	1,864	20,815	0.06	
1980	1,186	18,951	0.05	
1979	1,955	17,765	0.05	
1978	1,845	15,810	0.04	
1977	1,581	13,965	0.04	
1976	1,258	12,384	0.03	
1975	974	11,126	0.03	
1974	896	10,152	0.03	
1973	909	9,256	0.03	
1972	1,005	8,347	0.02	
1971	720	7,342	0.02	
1970	767	6,622	0.02	
1969	842	5,855	0.02	
1968	669	5,013	0.01	
1967	692	4,344	0.01	
1966	573	3,652	0.01	
1965	582	3,079	0.01	

1964	282	2,497	0.01
1963	249	2,215	0.01
1962	143	1,966	0.01
1961	93	1,823	0.01
1960	105	1,730	0.00
1959	126	1,625	0.00
1958	78	1,499	0.00
1957	186	1,421	0.00
1956	137	1,235	0.00
1955	149	1,098	0.00
1954	72	949	0.00
1953	98	877	0.00
1952	83	779	0.00
1951	87	696	0.00
1950	56	609	0.00
1949	62	553	0.00
1948	53	491	0.00
1947	39	438	0.00
1946	32	399	0.00
1945	3	367	0.00
1944	2	364	0.00
1943	7	362	0.00
1942	14	355	0.00
1941	19	341	0.00
1940	28	322	0.00
1939	17	294	0.00
1938	15	277	0.00
1937	29	262	0.00
1936	21	233	0.00
1935	6	212	0.00
1934	20	206	0.00
1933	16	186	0.00
1932	30	170	0.00
1931	29	140	0.00
1930	40	111	0.00
1929	25	71	0.00
1928	14	46	0.00
1927	8	32	0.00
1926	3	24	0.00
1925	6	21	0.00
1924	1	15	0.00
1923	7	14	0.00
1922	1	7	0.00
1920	1	6	0.00
1919	1	5	0.00
1916	1	4	0.00
1915	2	3	0.00
1900	1	1	0.00

Estimated Savings for DMV

House Bill 64					
Eligible vehicles	Time for DMV to complete one transaction	Total time to complete (in minutes)	Total time in hours	Work days saved	1/2 vehicles register each year Work Days
355,214.00	3 minutes	1,065,642.00	17,760.70	2,368.09	1,184.05

HB 64 will result in a savings to the operating budget for DMV. Based on the fiscal note and data provided by DMV, the number of work days needed to process vehicle registration will be reduced annually by 1,184. Or Approximately 5 full-time positions.

House Bill 10					
Eligible Trailers	Time for transaction	Time to complete (Minutes)	Time in hours	Work days saved	1/2 trailers register each year Work Days
96,000.00	3 minutes	288,000.00	4,800.00	640.00	320.00

HB 10 will result in a savings to the operating budget for DMV. Based on the DMV Fiscal note, the number of work days needed to process trailer registration annually will be reduced by 320. Or approximately 1.5 full-time positions.

1,504.05

Total time savings for DMV if both bills pass will be 1504 total work days, or approximately 6.5 full-time positions. An estimated savings of \$500,000

Motor Vehicle Customer Service Reps	Total Hours worked	Total Work Days	Reduction of work days if both HB10 and HB64 become law	Percent of Savings in Staff Time
109	198,380.00	26,450.67	1,504.00	5.69%

Alaska State Legislature

State Capitol, Suite 422
Juneau, AK 99801-1182
Phone: 465-4939
Fax: 465-2418
Toll Free: (800) 465-4939
Representative_Pete_Petersen@legis.state.ak.us



716 W. 4th Ave, Suite 380
Anchorage, AK 99501-2133
Phone: 269-0265
Fax: 269-0264

Representative Pete Petersen Serving Northeast Anchorage and Muldoon

HTRA Subcommittee: March 11, 2011

1. Sponsor's Changes Between HB64 and the CS –

These included the set fee at three times the registration rate, a set collection at three times the MVRT (unless the municipality sets a permanent registration amount), and a new section that allows municipalities to set a permanent MVRT once every two years. The subcommittee also recommends pushing back the effective date two years to allow municipalities to set a permanent MVRT under the guidelines of the new section 4.

2. Discussion from State Affairs Hearing –

- **Budgeting** – The state and certain municipalities will see a significant increase in revenue the first two years of enactment, then a consistent decline every year after. How will the first two years of supplemental income be budgeted?
- **I/M Testing** – People in I/M areas would still be required to get the emissions test. Currently verified when someone renews their registration, would there be a new enforcement procedure? This bill applies to older vehicles, and older vehicles are the ones more likely to fail the test. Also, the verification procedure on someone's vehicle that has a permanent registration and then moves into an I/M area?
- **Differences from Montana Law** –

Montana	CSHB 64
Applies to vehicles at least 11 yrs old and charges 5x the registration rate; starts losing revenue when a vehicle hits 21 yrs old	Applies to vehicles at least 8 yrs old and charges 3x the registration rate; starts losing revenue when a vehicle hits 14 yrs old; 34 yrs is the mark where permanent registration becomes revenue neutral
Applies to "light vehicle[s]" (capacity of 1 ton or less)	Applies to all vehicles

Gives the county treasurer authority to still collect motor vehicle tax	Allows the municipalities to set a permanent MVRT
---	---

- **Motorcycles** – Under original version, motorcycles would have been charged more than is in current statute, but has been fixed with new language in the CS.
- **Safety** – People might be encouraged to drive a car longer than is safe to try and get their money’s worth out of a permanent registration.
- **Registration** – Permanent registration is not transferable, but not readily enforceable. Could bring up liability issues between current/previous vehicle owners.
- **DMV Funding** – There is a possibility of dropping DMV revenues below their funding level. This would require the legislature to enact a new funding mechanism for the DMV as they are currently receipts based.
- **TAXCAP** – The MVRT falls under the “TaxCap” in the MOA. The first two years of bloated revenues would decrease property taxes significantly, but then the difference in revenues collected from year 2-3 would have to be made up, which could include the skyrocketing of property taxes for year 3, and beyond, with the significant decrease in collected revenues. Since the “TaxCap” is calculated annually based on municipality income and not spending, budgeting cannot fix this problem.

3. Possible amendments were discussed –

- **Page 1, Line 12** – replaced “eight” with “fourteen” to push back eligibility date of vehicles to lessen revenue loss. Proposed, discussed, withdrawn for further discussion in HTRA.
- **Page 2, Lines 5&6** – replaced “three” with “six” to increase permanent registration cost and lessen revenue loss. Proposed, discussed, withdrawn for further discussion in HTRA.
- **Page 2, Line 29** – replaced “2012” with “2014” to allow municipalities to set a permanent MVRT under the proposed statute. Proposed, discussed, accepted, incorporated into new blank CS for HB64.

4. HB10 –

Presented and discussed. Currently commercial trailers pay a one-time fee for permanent registration and this bill wants to offer that same opportunity to private citizens. Similar issues from HB 64 are brought up, but the revenue differences do not really compare, so the issues aren’t as drastic. The sponsor recognized the need for adding the language from Section 4 of CSHB64 into HB10 to set up a mechanism to collect the MVRT in the case that HB10 passes before HB64.

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
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 motor vehicles older than eight years old.

The proposed change to state statutes calls for the addition of a one-time \$100 fee or five times the regular registration fee, whichever is the lesser, to register 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 increased charge for permanent registration (\$100) will help offset some of the lost revenue within the Division of Motor Vehicles created by the new type of registration.

I appreciate your support in this important legislation.

DISTRICT 16

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

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number _____
 Bill Version CSHB064\B
 () Publish Date _____

Identifier (file name) CSHB064-DOA-DMV-03-14-11 Dept. Affected Administration
 Title Permanent vehicle registration Appropriation Division of Motor Vehicles
 Allocation Motor Vehicles
 Sponsor Rep(s) Stoltze, Keller, Costello, Neuman
 Requester House Transportation OMB Component Number 2348

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							
TOTAL OPERATING	57.2	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES							
-----------------------------	--	--	--	--	--	--	--

CHANGE IN REVENUES	1005 GF/PR	3,550.0		4,120.0	(1,215.0)	(1,500.0)	(1,495.0)	(1,780.0)
---------------------------	-------------------	----------------	--	----------------	------------------	------------------	------------------	------------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	57.2						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other (please identify)							
TOTAL	57.2	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2011) cost 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

This version differs from the previous version as follows:

- 1) DMV's estimate of the number of owners opting for permanent registration has decreased from 90% to 10% based on the changes in the CS.
- 2) The quantity of motorcycle owners opting for permanent registration became insignificant, so motorcycles were incorporated with all other vehicles.
- 3) Changes were made to the Performance Measures.
- 4) DMV revised the estimated number of transactions that are processed online, via mail, or by DMV partners from 75% to 89%.

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

Phone 907-269-5574
 Date/Time 3/14/11 10:00 AM
 Date 3/14/2011

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. CSHB0641B

Analysis

Performance Measures

The Division of Motor Vehicles (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 1,400 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.

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 2012 (based on currently-registered vehicles). Half (177.5) will renew in 2012 and half will renew in 2013.
- 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 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 = \$520) 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.
- 4) All permanently registered vehicles will stay in service for the next 5 years and will not change ownership.

See Page 3 for calculations

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. CSHB064B

Analysis Continued

Calculations

	2012	2013	2014	2015	2016	2017
2012: 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 \$200)	3,550.0					
Loss in biennial fees (17.75 x \$100)			(1,775.0)		(1,775.0)	
2013: 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 \$200)		4,120.0				
Loss in biennial fees (20.6 x \$100)				(2,060.0)		(2,060.0)
2014: 28.4 newly eligible for perm reg						
2.8 opt for perm reg (28.4 x 10%)						
Inc from perm reg (2.8 x \$200)			560.0			
Loss in biennial fees (2.8 x \$100)					(280.0)	
2015: 28.4 newly eligible for perm reg						
2.8 opt for perm reg (28.4 x 10%)						
Inc from perm reg (2.8 x \$200)				560.0		
Loss in biennial fees (2.8 x \$100)						(280.0)
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 \$200)					560.0	
Loss in biennial fees (2.8 x \$100)						
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 \$200)						560.0
Loss in biennial fees (2.8 x \$100)						
Total Estimated Revenue Increase/(Decrease)	3,550.0	4,120.0	(1,215.0)	(1,500.0)	(1,495.0)	(1,780.0)

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

Economic Impact

Once the initial vehicles with permanent registration go out of service, there would be an annual increase in revenues of approximately \$280.0, assuming that 10% of owners opt for permanent registration. Since this won't happen until sometime after 2017, it's not possible to show this on the fiscal note.

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number _____
Bill Version HB064A
() Publish Date _____

Identifier (file name) HB064-DEC-AQ-02-04-11 Dept. Affected Environmental Conservat
Title Permanent Motor Vehicle Registration Appropriation Environmental Health
Allocation Air Quality
Sponsor Representatives Stoltze, Keller
Requester House State Affairs Committee 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
OPERATING EXPENDITURES							
Personal Services	95.4		60.4	60.4	60.4	60.4	60.4
Travel	0.0		0.0	0.0	0.0	0.0	0.0
Services	18.2		16.2	28.7	28.7	28.7	28.7
Commodities	0.0		7.5	0.0	0.0	0.0	0.0
Capital Outlay	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
Miscellaneous	0.0		0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	113.6	0.0	84.1	89.1	89.1	89.1	89.1

CAPITAL EXPENDITURES							
-----------------------------	--	--	--	--	--	--	--

CHANGE IN REVENUES							
---------------------------	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0		0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0		0.0	0.0	0.0	0.0	0.0
1004 GF	113.6		0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0		84.1	89.1	89.1	89.1	89.1
1037 GF/Mental Health	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
TOTAL	113.6	0.0	84.1	89.1	89.1	89.1	89.1

Estimate of any current year (FY2011) cost _____

POSITIONS

Full-time	0.0		1.0	1.0	1.0	1.0	1.0
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

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

Not applicable, initial version.

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

Phone (907) 465-5109
Date/Time 2/4/11 2:00 PM
Date 2/5/2011

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. HB 64

Analysis

Currently, compliance with local vehicle inspection and maintenance (I/M) programs occurs at the time of biennial vehicle registration. The elimination of that registration process will require the department to develop a stand alone system to notify vehicle owners of the I/M testing requirements and to monitor and track compliance. Additionally, the department will need to update the State's air quality plan.

This fiscal note reflects one new position that 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.

The first year costs include development of the necessary changes to the program requirements and data systems.

Currently, the department is working with the Environmental Protection Agency on the suspension of the Anchorage I/M program. Suspension of the I/M program would eliminate these costs.

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number _____
Bill Version HB064
() Publish Date _____

Identifier (file name) HB064-DOA-DMV-02-18-11 Dept. Affected Administration
Title Permanent non-commercial vehicle registration Appropriation Division of Motor Vehicles
Allocation Motor Vehicles
Sponsor Rep(s) STOLTZE, KELLER, Costello, Neuman
Requester House Transportation OMB Component Number 2348

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							
TOTAL OPERATING	0.0	57.2	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES							
-----------------------------	--	--	--	--	--	--	--

CHANGE IN REVENUES		256.0	296.0	(15,684.0)	(18,194.0)	(18,204.0)	(20,714.0)
---------------------------	--	-------	-------	------------	------------	------------	------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF		57.2					
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other (please identify)							
TOTAL	0.0	57.2	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2011) cost 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

This version differs from the previous version as follows:

- 1) The new version includes sections on Performance Measures and Economic Impact;
- 2) The previous version included vehicles with senior and/or military exemptions from registration fees;
- 3) There are some minor changes to the class codes used to determine vehicle quantities; and
- 4) The previous version listed the registration fee for motorcycles as \$68 rather than the correct fee of \$60.

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

Phone 907-269-5574
Date/Time 2/18/11 4:00 PM
Date 2/18/2011

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. HB064

Analysis

Performance Measures

The Division of Motor Vehicles (DMV) expects this bill will have very little impact on its performance measures.

- 1) DMV will still be required to collect the \$2.00 I/M fee biennially on all vehicles requiring an emissions inspection.
- 2) Approximately 75% of registration renewals are processed over the internet, via mail, or by DMV's business partners; only about 25% are processed at the counter in a DMV office.
- 3) Registration renewals are the fastest transactions performed in DMV offices, taking 3-5 minutes each.

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 2012 (based on currently-registered vehicles). Half (177.5) will renew in 2012 and half will renew in 2013.

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.

- 2) All permanently registered vehicles will stay in service for the next 5 years and will not change ownership.
- 3) 90% 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 96% of the vehicles eligible for permanent registration. Since the permanent registration fee is the lesser of 5 times the \$100 (\$500) fee or \$100 dollars, the registration fee would be \$100, whether renewing for two years or permanently. The other 4% of registrations are for motorcycles with a \$60 biennial registration. Although the \$100 permanent registration fee is greater than the \$60 biennial fee, assumption is that 90% will opt for permanent registration.

b) The maximum additional Motor Vehicle Registration Tax (MVRT) would be \$16 for motorcycles ($\$4 \text{ MVRT} \times 5 = 20$ less $\$4 = \16) and \$64 ($\$16 \text{ MVRT} \times 5 = \80 less $\$16 = \64) for all other eligible vehicles. The registration fees that would have been paid at the next renewal would offset either of those one-time increases in MVRT.

c) The only benefit to retaining biennial registration would be for those who intend to sell their vehicle or move out of state within two years.

See Page 3 for calculations

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. HB064

Analysis Continued

<u>Calculations</u>	2012	2013	2014	2015	2016	2017
4% of vehicles are motorcycles (M/C) 96% - all others (Others)						
2012: 177.5 current vehicles eligible for perm reg 159.8 opt for perm reg (177.5 x 90%) M/C -6.4 opt for perm reg (159.8 x 4%) Inc from perm reg ((6.4x\$100)-(6.4x\$60))	256.0					
Loss in biennial fees (6.4x\$60)			(384.0)		(384.0)	
Others-153.4 opt for perm reg (159.8 x 96%) Loss in biennial fees (153.4x\$100)			(15,340.0)		(15,340.0)	
2013: 205.9 vehicles eligible for perm reg, including 28.4 newly eligible 185.3 opt for perm reg (205.9 x 90%) M/C -7.4 opt for perm reg (185.3 x 4%) Inc from perm reg ((7.4x\$100)-(7.4x\$60))		296.0				
Loss in biennial fees (7.4x\$60)				(444.0)		(444.0)
Others-177.9 opt for perm reg (185.3 x 96%) Loss in biennial fees (177.9x\$100)				(17,790.0)		(17,790.0)
2014: 28.4 newly eligible for perm reg 25.6 opt for perm reg (28.4 x 90%) M/C -1.0 opt for perm reg (25.6 x 4%) Inc from perm reg ((1.0x\$100)-(1.0x\$60))			40.0			
Loss in biennial fees (1.0x\$60)					(60.0)	
Others-24.6 opt for perm reg (25.6 x 96%) Loss in biennial fees (24.6x\$100)					(2,460.0)	
2015: 28.4 newly eligible for perm reg 25.6 opt for perm reg (28.4 x 90%) M/C -1.0 opt for perm reg (25.6 x 4%) Inc from perm reg ((1.0x\$100)-(1.0x\$60))				40.0		
Loss in biennial fees (1.0x\$60)						(60.0)
Others-24.6 opt for perm reg (25.6 x 96%) Loss in biennial fees (24.6x\$100)						(2,460.0)
2016: 28.4 newly eligible for perm reg 25.6 opt for perm reg (28.4 x 90%) M/C -1.0 opt for perm reg (25.6 x 4%) Inc from perm reg ((1.0x\$100)-(1.0x\$60))					40.0	
2017: 28.4 newly eligible for perm reg 25.6 opt for perm reg (28.4 x 90%) M/C -1.0 opt for perm reg (25.6 x 4%) Inc from perm reg ((1.0x\$100)-(1.0x\$60))						40.0
Total Estimated Revenue Increase/(Decrease)	256.0	296.0	(15,684.0)	(18,194.0)	(18,204.0)	(20,714.0)

Economic Impact

This bill will increase revenues by approximately \$250.0 per year for the first two years; in subsequent years, the DMV estimates annual losses of \$18 - \$20 million. Those losses will decrease as the 355,000 vehicles initially eligible for permanent registration go out of service.

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number _____
Bill Version HB064A (STA)
() Publish Date _____

Identifier (file name) HB064-STA-DOA-DMV-02-04-11 Dept. Affected Administration
Title Permanent non-commercial vehicle registration Appropriation Motor Vehicles
Allocation Motor Vehicles
Sponsor Rep(s) STOLTZE, KELLER, Costello
Requester H (STA) OMB Component Number 2348

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
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services		57.2						
Commodities								
Capital Outlay								
Grants								
Miscellaneous								
TOTAL OPERATING		0.0	57.2	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
-----------------------------	--	--	--	--	--	--	--	--

CHANGE IN REVENUES		256.0	300.0	(19,644.2)	(23,191.6)	(23,197.2)	(26,745.5)
---------------------------	--	-------	-------	------------	------------	------------	------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF		57.2					
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other (please identify)							
TOTAL		0.0	57.2	0.0	0.0	0.0	0.0

Estimate of any current year (FY2011) cost 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

Not applicable, initial version

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

Phone 907-269-5574
Date/Time 2/5/11 10:00 AM
Date 2/15/2011

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. HB 64

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

Assumptions:

The biennial registration fee established in AS 28.10.421 is \$100 for 96% of the vehicles eligible for permanent registration. Since the permanent registration fee is the lesser of 5 times the \$100 (\$500) fee or \$100 dollars, the registration fee would be \$100, whether renewing for two years or permanently. The other 4% of registrations are for motorcycles with a \$68 biennial registration. Although the \$100 permanent registration fee is greater than the \$68 biennial fee, assumption is that 90% will opt for permanent registration.

The maximum additional Motor Vehicle Registration Tax (MVRT) would be \$68 ($\$17 \text{ MVRT} \times 5 = \85 less $\$17 = \68). The registration fees that would have been paid at the next renewal would offset the \$68 one-time increase in MVRT.

The only benefit to retaining biennial registration would be for those who intend to sell their vehicle or move out of state within two years; consequently, the assumption is that 90% of owners will elect for permanent registration.

Approximately 40,000 vehicles become eligible each year.

	2012	2013	2014	2015	2016	2017
2012: 221.6 eligible for perm reg						
199.4 opt perm reg (221.6x90%)						
Loss in biennial fees (199.4x\$100x96%)			-19146.2		-19146.2	
8.0 motorcycle owners opt for perm reg (199.4x4%)						
Fee increase ((8.0x\$100)-(8.0x\$68))	256.0					
Loss in biennial fees (8.0x\$68)			-544.0		-544.0	
2013: 261.6 eligible for perm reg, including 40.0 newly eligible						
235.4 opt for perm reg (261.6x90%)						
Loss in biennial fees (235.4x\$100x96%)				-22598.4		-22598.4
9.4 motorcycle owners opt for permanent reg (235.4x4%)						
Fee increase ((9.4x\$100)-(9.4x\$68))		300.0				
Loss in biennial fees (9.4x\$68)				-639.2		-639.2
2014: 40 newly eligible for perm reg						
36.0 opt for perm reg (40.0x90%)						
Loss in biennial fees (36.0x\$100x96%)					-3456.0	
1.4 opt opt perm reg for vehicles with \$68 reg (36.0x4%)						
Fee Increase ((36.0x\$100)-(36.0x\$68))			46.0			
Loss in biennial fees (1.4x\$68)						-97.9

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. HB 64

Analysis Continued

	2012	2013	2014	2015	2016	2017
2015: 40 newly eligible for perm reg						
36.0 opt for perm reg (40.0x90%)						
Loss in biennial fees (36.0x\$100x96%)						-3456.0
1.4 motorcycle owners opt for perm reg (36.0x4%)						
Fee Increase ((36.0x\$100)-(36.0x\$68)				46.0		
Loss in biennial fees (1.4x\$68)						-97.9
2016: 40 newly eligible for perm reg						
36.0 opt for perm reg (40.0x90%)						
1.4 motorcycle owners opt for perm reg (36.0x4%)						
Fee Increase ((36.0x\$100)-(36.0x\$68)					46.0	
2017: 40 newly eligible for perm reg						
36.0 opt for perm reg (40.0x90%)						
1.4 motorcycle owners opt for perm reg (36.0x4%)						
Fee Increase ((36.0x\$100)-(36.0x\$68)						46.0
TOTAL CHANGE IN REVENUES	256.0	300.0	-19644.2	-23191.6	-23197.2	-26745.5

The DMV collects Motor Vehicle Registration Tax (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.

Model Year	Count	Total Registered 1900-2011	> 8 years old 1900-2003	>11 years old 1900-2000	>15 years old 1900-1996	>18 years old 1900-1993
2011	4,798	558,556	355,214	261,530	160,239	107,771
2010	18,021					
2009	19,626					
2008	29,762					
2007	31,611					
2006	33,292					
2005	33,868					
2004	32,364					
2003	32,164					
2002	31,384					
2001	30,136					
2000	29,453					
1999	27,340					
1998	22,042					
1997	22,456					
1996	16,314					
1995	19,802					
1994	16,352					
1993	14,365					
1992	10,883					
1991	12,155					
1990	10,948					
1989	9,122					
1988	6,094					
1987	5,063					
1986	4,667					
1985	4,804					
1984	3,879					
1983	2,863					
1982	2,113					
1981	1,864					
1980	1,186					
1979	1,955					
1978	1,845					
1977	1,581					
1976	1,258					
1975	974					
1974	896					
1973	909					
1972	1,005					
1971	720					
1970	767					
1969	842					
1968	669					
1967	692					
1966	573					
1965	582					

1964	282				
1963	249				
1962	143				
1961	93				
1960	105				
1959	126				
1958	78				
1957	186				
1956	137				
1955	149				
1954	72				
1953	98				
1952	83				
1951	87				
1950	56				
1949	62				
1948	53				
1947	39				
1946	32				
1945	3				
1944	2				
1943	7				
1942	14				
1941	19				
1940	28				
1939	17				
1938	15				
1937	29				
1936	21				
1935	6				
1934	20				
1933	16				
1932	30				
1931	29				
1930	40				
1929	25				
1928	14				
1927	8				
1926	3				
1925	6				
1924	1				
1923	7				
1922	1				
1920	1				
1919	1				
1916	1				
1915	2				
1900	1				

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

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)

Montana Code pertaining to permanent motor vehicle registration

61-3-562. Permanent registration -- transfer of light vehicle ownership -- rules. (1) (a) The owner of a light vehicle 11 years old or older subject to the registration fee, as provided in 61-3-321(2), may permanently register the light vehicle upon payment of a \$87.50 registration fee, the applicable registration and license fees under 61-3-412, if applicable, the administrative fee and the annual one-time-only donation fee for a generic specialty license plate under 61-3-480, and an amount equal to five times the local option motor vehicle tax or flat fee on vehicles under 61-3-537 and, as applicable, either:

(i) (A) the original fee and four times the renewal fee for personalized plates; or

(B) five times the renewal fees for personalized plates; or

(ii) if a new set of license plates is not being issued, an insurance verification fee of \$5, which must be deposited in the account established under 61-6-158.

(b) The following series of license plates may not be used for purposes of permanent registration of a light vehicle:

(i) Montana national guard license plates issued under 61-3-458(2)(b);

(ii) reserve armed forces license plates issued under 61-3-458(2)(c);

(iii) amateur radio operator license plates issued under 61-3-422; and

(iv) collegiate license plates issued under 61-3-465.

(2) In addition to the fees described in subsection (1), an owner of a truck with a manufacturer's rated capacity of 1 ton or less that is permanently registered shall pay five times the applicable fees imposed under 61-10-201.

(3) The owner of a motor vehicle that is permanently registered under this section is not subject to additional registration fees or to other motor vehicle registration fees described in this section for as long as the owner owns the vehicle.

(4) The county treasurer shall once each month remit to the state the amounts collected under this section, other than the local option motor vehicle tax or flat fee, for the purposes of 61-3-321(2) and 61-10-201. The county treasurer shall retain the local option motor vehicle tax or flat fee.

(5) (a) The permanent registration of a light vehicle allowed by this section may not be transferred to a new owner. If the light vehicle is transferred to a new owner, the department shall cancel the light vehicle's permanent registration.

(b) Upon transfer of a light vehicle registered under this section to a new owner, the new owner shall apply for a certificate of title under 61-3-201 and 61-3-216 and register the light vehicle under 61-3-303.

History: En. Sec. 3, Ch. 515, L. 1999; amd. Sec. 18, Ch. 191, L. 2001; amd. Sec. 47, Ch. 257, L. 2001; amd. Sec. 7, Ch. 337, L. 2001; amd. Sec. 20, Ch. 13, Sp. L. August 2002; amd. Sec. 3, Ch. 143, L. 2003; amd. Sec. 16, Ch. 280, L. 2003; amd. Sec. 70, Ch. 477, L. 2003; amd. Sec. 9, Ch. 464, L. 2005; amd. Sec. 121, Ch. 542, L. 2005; amd. Sec. 98, Ch. 596, L. 2005; amd. Sec. 33, Ch. 329, L. 2007; amd. Sec. 4, Ch. 392, L. 2007; amd. Sec. 19, Ch. 413, L. 2009.

Tax Office	2010 Total
Anchorage	\$ 5,334,694.20
Bethel	\$ 61,928.00
Bristol Bay	\$ 63,989.00
Cordova	\$ 38,076.00
Dillingham	\$ 28,637.00
Juneau	\$ 517,145.00
Kenai	\$ 1,478,524.00
Ketchikan	\$ 221,384.00
Kodiak	\$ 283,412.00
Mat-Su	\$ 4,010,668.00
Nenana	\$ 10,520.00
Nome	\$ 42,236.00
Petersburg	\$ 39,877.00
Sitka	\$ 108,543.00
Unalaska	\$ 48,723.00
Whittier	\$ 4,045.00
Total	\$ 12,292,401.20

Column B **Total Motor Vehicle Registration Tax Collected**
Column C **MVRT paid by vehicle under HB64 at time of registration**
Column D **MVRT paid by vehicles not eligible under HB64**
Column E **DMV's estimate of 28350 new vehicles eligible annually for HB64**
Column F **Net Annual Gain of Loss of MVRT revenue**

Darrell Breese

From: Darrell Breese
Sent: Monday, February 21, 2011 3:01 PM
To: Rebecca Rooney
Subject: FW: HB 64 - Updated statistics and recommendations
Attachments: HB064_Vehicle Counts-Statewide.xls; HB064_Class Codes.xls

From: Oates, Stacy V (DOA) [<mailto:stacy.oates@alaska.gov>]
Sent: Friday, February 18, 2011 8:28 AM
To: Darrell Breese
Cc: Brewster, Whitney H (DOA)
Subject: HB 64 - Updated statistics and recommendations

Darrell,

Attached are:

- Revenue estimate, updated with the new total vehicle counts and the number newly-eligible vehicles for 2013-2017 (based on the average number of registered vehicles in model years 2004-2010)
- Vehicle Counts
- Class Codes used in the Vehicle Counts

Comments:

Class Codes – We did not include in the count the class codes for farm vehicles, dealers, charitable exempt, and government exempt. All but the dealer plate vehicles are exempt from MVRT, so the odds are high that the owners of the vehicles will opt for permanent registration. The MVRT municipalities shouldn't object since there would be no lost MVRT funds. Unless language is specifically put into the bill to exclude these vehicle, they will all be eligible. Currently, there are about 7,800 registered with these class codes.

Vehicle Counts – After discovering the big discrepancy in the number of vehicles reported to you in November versus the number in our fiscal note, our data processing manager has spent considerable time on the project to ensure the accuracy of the figures we are now providing to you. Some explanations for the variance between the fiscal note and the current number:

1. We thoroughly reviewed the class code list; some class codes were added, others deleted.
2. The fiscal note numbers included vehicles that have senior and/or military exemptions. This was missed because we were concentrating on the class codes; exempt vehicles don't have a separate class code. There are currently about 28,500 senior/military exempt vehicles registered in the state.
3. Our very antiquated mainframe system has been creating duplicate records when multiple transactions occur in the same year; e.g., if a registration is renewed in March and the title is transferred in October, this might show as two records. The system was developed in the early 1980's, and the problem we discovered yesterday is one of the many reasons we are in the process of converting to a modern system.

Suggested modifications to the bill:

1. Page 1, line 14 – delete the sentence, “A permanent registration may not be renewed.”
2. Page 2, lines 5-6 – replace, “... the lesser of five times the rate... or \$100...” with, “ XXX times the rate.” Removing the fixed dollar amount will be easier to program and make permanent registration encourage owners of motorcycles and charitable, government, and farm vehicles to opt for permanent registration.
3. Page 2, lines 7-8 – replace, “AS 28.10.431, if any, equals the lesser of five times the rate established in AS 28.10.431(b) or \$100” with “AS 28.10.431, if any, equals XXX times the rate established in AS 28.10.431(b) or (j).” This would pick up the greater MVRT rates assessed by most of the communities that have elected a different fee schedule.
4. Eliminate Sec 3 – the requirement to collect the \$2.00 I/M fee biennially defeats the entire purposes of the bill. Customers with permanent registration will still have to interact with DMV every two years, and the time and effort involved for DMV to collect the fee will be exactly the same as it would have been if there were not permanent registration.

Regards,
Stacy

Stacy Oates
DMV Administrative Officer
1300 W Benson Blvd Ste 400, Anchorage, AK 99503-3392
Ph: 907-269-3782 Fx: 907-333-8615 fax Stacy.Oates@Alaska.gov



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

February 22, 2011

Representative Peggy Wilson
House Transportation Committee
Juneau, Alaska 99811

RE: HB64: An Act relating to Permanent Motor Vehicle Registration and providing for an Effective Date.

Dear Representative Wilson,

The Alaska Municipal League would like to go on record as opposing HB64. While the intent of the bill may be a positive one, the implementation will negatively affect both the State and the municipalities of the State of Alaska that currently realize a tax revenue from vehicle registration fees.

The main purpose stated in the Sponsor Statement is to make the "DMV re-registration process more user-friendly to the owners of qualifying vehicles and lighten the work load for DMV employees."

This fee of \$100 (or 5 times the regular registration fee, whichever is less) MAY realize increased revenues during the first year of implementation. However, each year after that, the State of Alaska and the participating municipalities will see revenue losses. It seems amazing to us that legislation would be introduced that would purposely decrease revenue to the State to improve a more "user-friendly process." To stand in line every two years or send in re-registration papers by mail is hardly one of those things that come up on most people's list of "things-most-dreaded." However, to continue to erode the tax base of municipalities, resulting in decreases in basic services, can negatively impact health and safety. This legislation affects approximately 63% of the cars currently on Alaska's roads. It is nearly impossible, however, to estimate the decrease, as each municipality does not necessarily have records that can easily be compiled.

One of the suggestions from the sponsor of the bill is that municipalities could bill for annual taxes. This would add an entirely new database and increased employees to municipal offices.

As supporters of HB 30 and SB37, we also feel that this loss of revenue to the State will severely impact the ability of the proposed Transportation Infrastructure Fund, as registration fees will be used as a potential funding source.

Again, we would request that HB64 not move beyond this committee due to the decreased revenues that will be realized by the State of Alaska and 16 of Alaska's largest communities.

Sincerely,

A handwritten signature in black ink that reads "Kathie Wasserman". The signature is written in a cursive style with a large, stylized initial "K".

Kathie Wasserman
Executive Director