

HB

19

<TARGET><BILL>HB 19</BILL><SUBJECT>HB
19</SUBJECT><COMM>HFIN28</COMM></TARGET>

Withdrawn
3/19/13

28-LS0130\U.1
Strasbaugh
3/19/13

AMENDMENT

OFFERED IN THE HOUSE
TO: CSHB 19(TRA)

BY REPRESENTATIVE KAWASAKI

1 Page 1, line 2, following "trailers;":

2 Insert "providing that permanent motor vehicle registration may not be
3 considered when determining the eligibility of an individual for a permanent fund
4 dividend;"

5

6 Page 5, following line 2:

7 Insert a new bill section to read:

8 **"* Sec. 8.** AS 43.23.015(a) is amended to read:

9 (a) The commissioner shall adopt regulations under AS 44.62
10 (Administrative Procedures Act) [THE ADMINISTRATIVE PROCEDURE ACT
11 (AS 44.62)] for determining the eligibility of individuals for permanent fund
12 dividends. The commissioner may require an individual to provide proof of eligibility,
13 and the commissioner may use other information available from other state
14 departments or agencies to determine the eligibility of an individual. The
15 commissioner shall consider all relevant circumstances in determining the eligibility
16 of an individual. However, the commissioner may not consider the issuance of a
17 permanent motor vehicle registration under AS 28.10.155 as a factor in
18 determining the eligibility of an individual, and the residency of an individual's
19 spouse may not be the principal factor relied on [UPON] by the commissioner in
20 determining the residency of the individual."

21

22 Renumber the following bill sections accordingly.

ALASKA STATE LEGISLATURE

Co-Chair:
House Finance Committee

Chair:
House Finance Subcommittees for;
Alaska Court System
Fish & Game

Member:
Legislative Council
Committee on Committees
Legislative Budget & Audit (alt)



BILL STOLTZE
STATE REPRESENTATIVE
Representative.Bill.Stoltze@akleg.gov

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 19
by Representative Bill Stoltze

The passage of House Bill 19 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 and non-commercial trailers.

The proposed change to state statutes calls for the addition of a one-time \$25 fee plus the regular registration fee for an eligible vehicle, to register 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.

Similar changes are made in statutes for non-commercial trailers. Owners will be able to obtain permanent registration for an additional fee of \$25 above the normal registration fee. Permanent registration is in effect until ownership of the trailer changes. 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 trailers, while lightening the work load for DMV by reducing the number of registrations processed.

Permanent registration will result in a cost savings for Alaskans.

I appreciate your support in this important legislation.

DISTRICT 11
BUTTE • CHUGIAK • EKLUTNA • FAIRVIEW LOOP
KNIK RIVER ROAD • LAZY MOUNTAIN • PALMER • PETERS CREEK

Motor Vehicle Registration Taxes

Motor Vehicle Registration Tax (MVRT) Communities

Municipality of Anchorage	Kodiak Island Borough
City of Bethel	Matanuska-Susitna Borough
Bristol Bay Borough	City of Nenana
City of Cordova	City of Nome
City of Dillingham	City of Petersburg
City and Borough of Juneau	City and Borough of Sitka
Kenai Peninsula Borough	City of Unalaska
Ketchikan Gateway Borough	City of Whittier

MOTOR VEHICLE REGISTRATION TAX RATE CHARTS

- **CORDOVA, DILLINGHAM, NENANA, NOME, PETERSBURG, SITKA, & WHITTIER**

MODEL YEAR	2014	2013	2012	2011	2010	2009	2008	2007	2006 & Older
Non-Commercial Passenger, Motorhome, Pick-ups	121	121	99	77	55	39	28	19	16
Non-Commercial Trailers & Motorcycles	17	17	15	13	10	7	5	4	4

- **BETHEL**

MODEL YEAR	2014	2013	2012	2011	2010	2009	2008	2007	2006 & Older
Non-Commercial Passenger, Motorhome, Pick-ups	151	151	124	96	69	49	35	24	20
Non-Commercial Trailers & Motorcycles	21	21	19	16	13	9	6	5	5

- **BRISTOL BAY BOROUGH - King Salmon, Naknek, South Naknek**

MODEL YEAR	2014	2013	2012	2011	2010	2009	2008	2007	2006 & Older
Non-Commercial Passenger, Motorhome, Pick-ups	145	145	135	125	115	105	95	80	70
Non-Commercial Trailers & Motorcycles	20	20	20	20	20	20	20	20	20

- **JUNEAU - Auke Bay & Douglas**

MODEL YEAR	2014	2013	2012	2011	2010	2009	2008	2007	2006 & Older
Non-Commercial Passenger, Motorhomes, Pickups & Cargo Vans	44	44	44	44	44	44	44	44	44
Non-Commercial Trailers & Motorcycles	4	4	4	4	4	4	4	4	4

- **KENAI - Anchor Point, Clam Gulch, Cooper Landing, English Bay, Fritz Creek, Halibut Cove, Homer, Hope, Kasilof, Moose Pass, Nanwalek, Nikiski, Nickoloevsk, Ninilchik, Port Graham, Seldovia, Seward, Soldotna, Sterling & Tyonek**

- **KODIAK - Akiok, Chiniak, Karluk, Larsen Bay, Old Harbor, Ouzinkie & Port Lions**

MODEL YEAR	2014	2013	2012	2011	2010	2009	2008	2007	2006 & Older
Non-Commercial Passenger, Motorhomes, Pickups	140	140	120	100	80	60	50	40	30
Non-Commercial Trailers & Motorcycles	20	20	18	16	14	12	10	10	10

- **KETCHIKAN - Loring, Saxman, Ward Cove**

MODEL YEAR	2014	2013	2012	2011	2010	2009	2008	2007	2006 & Older
Non-Commercial Passenger, Motorhome, Pick-ups	152	152	126	102	76	50	40	26	18
Non-Commercial Trailers & Motorcycles	20	20	18	16	14	10	6	4	4

- **MUNICIPALITY OF ANCHORAGE - Anchorage, Bird Creek, Chugiak, Eagle River, Eklutna, Elmendorf, Fort Richardson, Girdwood, Indian, JBER & Peters Creek**

- **MATANUSKA-SUSITNA BOROUGH - Big Lake, Chickaloon, Houston, Palmer, Skwentna, Sutton, Talkeetna, Trapper Creek, Wasilla & Willow**

MODEL YEAR	2014	2013	2012	2011	2010	2009	2008	2007	2006 & Older
Non-Commercial Passenger, Motorhome, Pick-ups	150	150	140	130	120	110	100	90	70
Non-Commercial Trailers & Motorcycles	20	20	20	20	20	20	20	20	20

- **UNALASKA - Dutch Harbor & Unalaska**

MODEL YEAR	2014	2013	2012	2011	2010	2009	2008	2007	2006 & Older
Non-Commercial Passenger, Motorhome, Pick-ups	221	221	199	177	155	139	128	119	116
Non-Commercial Trailers & Motorcycles	17	17	15	13	10	7	5	4	4

Information provided by the Division of Motor Vehicles



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

February 13, 2013

The Honorable Peggy Wilson
House of Representatives
Alaska State Capitol Room 409
Juneau, Alaska 99801-1182

Re: HB 19 Permanent Motor Vehicle Registration/Trailers

Dear Representative Wilson:

AML has now received the updated data from the Division of Motor Vehicles on the 16 cities and boroughs which levy MVRTs.

Based on this information, AML must, unfortunately and regrettably, register its concern with HB 19, especially Section 9, and the potential impacts.

Attached is a spread sheet showing the financial impacts on all cities and boroughs. (Anchorage as an example could lose \$5.7M starting in 2016 with growing annual losses thereafter) All 16 cities and boroughs could experience losses depending on the size of the community and the MVRT rate.

While the legislation might allow for local levy and collection of amounts in excess of \$100, it would require a local duplicative collection program. The current DMV collection and refund mechanism is cost effective and efficient.

Many communities use the MVRT revenues to fund important local programs such as junk car removal, street maintenance and repair and grants to cities within the borough for similar services. Loss of these funds or increased costs of levying and collecting them will diminish important and popular local government services and programs.

We have shared the info with AML membership who will decide individually what position to take on the legislation in light of locally funded programs and priorities.

Please note that Section 9 was added to HB 64 last year in House Finance so this is a new section from the earlier version passed out of House Transportation last year.

The effective date is also an issue. We would suggest delaying the effective date so as to allow municipalities sufficient time to comply with AS 28.10.431 which requires a one year notice to DMV to implement new rates.

Sincerely,

Kathie Wasserman
Executive Director

MVRT Collections by Community (HB19 Scenario)

Projected MVRT for vehicles 8 model years or older

Community	2014	2015	2016	2017	2018	2019
Anchorage	\$5,987,310	\$6,818,910	(\$5,155,710)	(\$5,987,310)	(\$5,987,310)	(\$6,818,910)
Bethel	\$21,960	\$23,400	(\$20,520)	(\$21,960)	(\$21,960)	(\$23,400)
Bristol Bay	\$527,940	\$54,880	(\$525,840)	(\$52,780)	(\$527,940)	(\$54,880)
Cordova	\$17,296	\$18,336	(\$16,272)	(\$17,312)	(\$17,296)	(\$18,336)
Dillingham	\$12,592	\$13,312	(\$11,872)	(\$12,592)	(\$12,592)	(\$13,312)
Juneau	\$406,428	\$449,988	(\$362,868)	(\$406,428)	(\$406,428)	(\$449,988)
Kenai	\$754,440	\$813,870	(\$695,040)	(\$754,470)	(\$754,440)	(\$813,870)
Ketchikan	\$75,402	\$81,882	(\$68,922)	(\$75,402)	(\$75,402)	(\$81,882)
Kodiak	\$120,690	\$132,840	(\$108,540)	(\$120,690)	(\$120,690)	(\$132,840)
Mat-Su	\$2,643,480	\$2,889,180	(\$2,397,780)	(2,643,480)	(\$2,643,480)	(\$2,889,180)
Nenana	\$6,000	\$6,400	(\$5,616)	(\$6,016)	(\$6,000)	(\$6,400)
Nome	\$11,856	\$12,768	(\$10,944)	(\$11,856)	(\$11,856)	(\$12,768)
Petersburg	\$18,096	\$19,232	(\$16,976)	(\$18,112)	(\$18,096)	(\$19,232)
Sitka	\$41,824	\$44,720	(\$38,928)	(\$41,824)	(\$41,824)	(\$44,720)
Unalaska	\$93,728	\$97,788	(\$89,668)	(\$93,728)	(\$93,728)	(\$97,788)
Whittier	\$2,352	\$2,496	(\$2,224)	(\$2,368)	(\$2,352)	(\$2,496)

*Based on DMV Estimates

*Projections reflect MVRT collections for vehicles 8 model years and older and do not reflect the 8% fee retained by DMV.

*Other Assumptions:

Assume 90% of vehicles owners will choose permanent registration.

Vehicle counts are divided evenly between the 1st year and 2nd year they become eligible for permanent registration, because vehicles are registered on a biennial basis.

DMV history suggests that 20% of vehicles in the 8th year will not register in the 10th year; 20% of vehicles in the 10th year will not register in the 12th year.

Assume all communities adopt the maximum MVRT for permanent registration beginning in 2015.

Non-commercial trailers not included

Prepared by Alaska Municipal League

HB 19 Class Codes

Class			
Code	Normal Fee	HB 19?	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)
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
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
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
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) (a type of Dealer plate)
39	\$50	N	Transporter (2nd & Subsequent Sets)

Information provided by Division of Motor Vehicles

Sponsored by: Mayor DeVilbiss
Adopted: 02/19/13

**MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 13-035**

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY IN SUPPORT OF HOUSE BILL 19, TO OFFER A PERMANENT VEHICLE REGISTRATION AND TAX RELIEF ON VEHICLES AT LEAST 8 YEARS OLD.

WHEREAS, House Bill 19 proposes allowing municipalities and boroughs to offer the permanent registration for vehicles and trailers that are more than eight years old; and

WHEREAS, the one-time fee would cost \$25 in addition to the regular biennial registration fee the local government charges; and

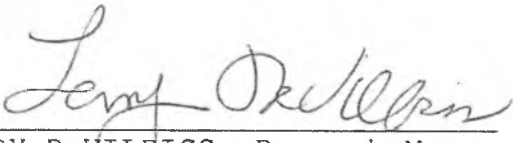
WHEREAS, the passage of House Bill 19 would establish a new type of registration available through the Division of Motor Vehicles, allowing for the permanent registration of personal-use motor vehicles older than eight years old and non-commercial trailers; and

WHEREAS, permanent registration will result in a cost savings for borough residents; and

WHEREAS, this change will make the DMV re-registration process more user-friendly to the owners of qualifying vehicles and trailers, while lightening the work load for DMV by reducing the number of registrations processed.

NOW, THEREFORE, BE IT RESOLVED, that the Matanuska-Susitna Borough Assembly supports the adoption of House Bill 19, and offers a permanent vehicle registration and tax relief for vehicles at least 8 years old.

ADOPTED by the Matanuska-Susitna Borough Assembly this 19 day of February, 2013.


LARRY DeVILBISS, Borough Mayor

ATTEST:


LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)

YES: Arvin, Colligan, Salmon, and Colver

NO: Keogh, Woods, and Halter

FISCAL NOTE

STATE OF ALASKA
2013 LEGISLATIVE SESSION

Bill Version CSHB 19(TRA)
Fiscal Note Number 1
(H) Publish Date 2/15/13

Identifier (file name) HB019-DOA-DMV-2-07-13 Dept. Affected Administration
Title Perm. Mot. Veh. Registration/Trailers Appropriation Motor Vehicles
Allocation Motor Vehicles
Sponsor Representatives Stoltze and Keller
Requester House Transportation OMB Component Number 2348

Expenditures/Revenues (Thousands of Dollars)

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

	FY14 Appropriation Requested	Included in Governor's FY14 Request	Out-Year Cost Estimates				
			FY15	FY16	FY17	FY18	FY19
OPERATING EXPENDITURES	FY14	FY14					
Personal Services							
Travel							
Services	100.1						
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	100.1	0.0	0.0	0.0	0.0	0.0	0.0

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)						
TOTAL		100.1	0.0	0.0	0.0	0.0	0.0

POSITIONS

Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES	5,346.0		5,982.0	(17,836.0)	(20,128.0)	(20,128.0)	(22,420.0)
---------------------------	----------------	--	----------------	-------------------	-------------------	-------------------	-------------------

Estimated SUPPLEMENTAL (FY13) operating costs 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY14) costs 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes
If yes, by what date are the regulations to be adopted, amended, or repealed? 1/1/2014 Discuss details in analysis section.

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

Not applicable, initial version.

Prepared by Amy Erickson, Director
Division Motor Vehicles
Approved by Curtis Thayer, Deputy Commissioner
Department of Administration

Phone 907-269-5559
Date/Time 2/7/13 10:41 AM
Date 2/7/2013

FISCAL NOTE ANALYSIS #1

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. CSHB 19(TRA)

Analysis

The effective date of this bill is January 1, 2014.

This bill allows for permanent registration of non-commercial 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 contract hours: 700

Cost per hour: \$143

Total programming cost: 700 x \$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. Eighty-four percent (84%) of all vehicles and 77% of all trailers reside in a community that collects MVRT, and on average, 72% of vehicles are eligible for permanent registration. Eight percent (8%) 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 533,000 vehicles and trailers will reduce the collection costs. The net effect on the general fund is indeterminate.

Assumptions:

- 1) **Non-commercial vehicles at least 8 years old** - 478,400 vehicles will be eligible for permanent registration in 2014 (based on currently registered vehicles). Half (239,200) will renew in 2014 and half will renew in 2015. Approximately 30,300 vehicles will become eligible each year. This is an average of the number of currently registered vehicles with model years 2002-2012.
- 2) **Non-commercial trailers** - 115,500 trailers will be eligible for permanent registration in 2014 (based on currently-registered vehicles). Half (57,750) will renew in 2014 and half will renew in 2015. Approximately 5,000 new trailers are registered each year. This is an average of the number of currently registered trailers with model years 2002-2012.
- 3) DMV estimates that 90% of owners will elect for permanent registration on vehicles and non-commercial trailers. The additional \$25 for permanent registration is low enough to make that option attractive for for all except those who know they will be moving out of state replacing the vehicle/trailer within the following two years.
- 4) DMV experience shows that registrations are never renewed on approximately 20% of older vehicles.

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 - HB 19 - TOTAL

	2014	2015	2016	2017	2018	2019
2014 Increase from perm reg	6,682.5	-	-	-	-	-
2014 Loss in biennial fees	-	-	(23,090.0)	-	(23,090.0)	-
2015 Increase from perm reg		7,477.5	-	-	-	-
2015 Loss in biennial fees		-	-	(25,955.0)	-	(25,955.0)
2016 Increase from perm reg			795.0	-	-	-
2016 Loss in biennial fees			-	-	(2,865.0)	-
2017 Increase from perm reg			-	795.0	-	-
2017 Loss in biennial fees			-	-	-	(2,865.0)
2018 Increase from perm reg			-	-	795.0	-
2019 Increase from perm reg			-	-	-	795.0
Total Estimated Revenue Increase/(Decrease)*	6,682.5	7,477.5	(22,295.0)	(25,160.0)	(25,160.0)	(28,025.0)
Assume 20% leave state, no longer in service or do not re-register	(1,336.5)	(1,495.5)	4,459.0	5,032.0	5,032.0	5,605.0
Net Estimated Revenue Increase/(Decrease)	5,346.0	5,982.0	(17,836.0)	(20,128.0)	(20,128.0)	(22,420.0)

*assume 100% of vehicles re-register

Vehicles

	2014	2015	2016	2017	2018	2019
2014: 239.2 current vehicles eligible for perm reg						
215.3 opt for perm reg (239.2 x 90%)						
Increase from perm reg (215.3 x \$25)	5,382.5					
Loss in biennial fees (215.3 x \$100)			(21,530.0)		(21,530.0)	
2015: 269.5 vehicles eligible for perm reg, including 30.3 newly eligible						
242.6 opt for perm reg (269.5 x 90%)						
Increase from perm reg (242.6 x \$25)		6,065.0				
Loss in biennial fees (242.6 x \$100)				(24,260.0)		(24,260.0)
2016: 30.3 newly eligible for perm reg						
27.3 opt for perm reg (30.3 x 90%)						
Increase from perm reg (27.3 x \$25)			682.5			
Loss in biennial fees (27.3 x \$100)					(2,730.0)	
2017: 30.3 newly eligible for perm reg						
27.3 opt for perm reg (30.3 x 90%)						
Increase from perm reg (27.3 x \$25)				682.5		
Loss in biennial fees (27.3 x \$100)						(2,730.0)
2018: 30.3 newly eligible for perm reg						
27.3 opt for perm reg (30.3 x 90%)						
Increase from perm reg (27.3 x \$25)					682.5	
2019: 30.3 newly eligible for perm reg						
27.3 opt for perm reg (30.3 x 90%)						
Increase from perm reg (27.3 x \$25)						682.5
Total Estimated Revenue Increase/(Decrease)	5,382.5	6,065.0	(20,847.5)	(23,577.5)	(23,577.5)	(26,307.5)

Non-Commercial Trailers

	2014	2015	2016	2017	2018	2019
2014: 57.8 current trailers eligible for perm reg						
52.0 opt for perm reg (57.8 x 90%)						
Increase from perm reg (52.0 x \$25)	1,300.0					
Loss in biennial fees (52.0 x \$30)			(1,560.0)		(1,560.0)	
2015: 62.8 trailers eligible for perm reg, including 5.0 newly eligible						
56.5 opt for perm reg (62.8 x 90%)						
Increase from perm reg (56.5 x \$25)		1,412.5				
Loss in biennial fees (56.5 x \$30)				(1,695.0)		(1,695.0)
2016: 5.0 trailers newly eligible for perm reg						
4.5 opt for perm reg (5.0 x 90%)						
Increase from perm reg (4.5 x \$25)			112.5			
Loss in biennial fees (4.5 x \$30)					(135.0)	
2017: 5.0 trailers newly eligible for perm reg						
4.5 opt for perm reg (5.0 x 90%)						
Increase from perm reg (4.5 x \$25)				112.5		
Loss in biennial fees (4.5 x \$30)						(135.0)
2018: 5.0 trailers newly eligible for perm reg						
4.5 opt for perm reg (5.0 x 90%)						
Increase from perm reg (4.5 x \$25)					112.5	
2019: 5.0 trailers newly eligible for perm reg						
4.5 opt for perm reg (5.0 x 90%)						
Increase from perm reg (4.5 x \$25)						112.5
Total Estimated Revenue Increase/(Decrease)	1,300.0	1,412.5	(1,447.5)	(1,582.5)	(1,582.5)	(1,717.5)

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: February 15, 2013

FURTHER REFERRALS:

Date of Committee Action: 3/19/13

The FINANCE Committee considered:

HB 19

HOUSE BILL NO. 19

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

HB 19 PERM. MOT. VEH. REGISTRATION/TRAILERS

Recommends it be replaced with HCS or CS for HB 19 (TRA)
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of Abbrev for Depts.:
 ADM
 CED
 COR
 CRT
 EED
 DEC
 DFG
 GOV
 DHS
 LWF
 LAW
 LEG
 MVA
 DNR
 DPS
 REV
 DOT
 UA

<u>NEW FISCAL NOTES</u>				
*FN# is assigned by Chief Clerk's Office				
*FN#	List by Dept(s):	Fiscal	Indet.	Zero
	ADM	✓		

<u>PREVIOUS FISCAL NOTES</u>				
FN#	List by Dept(s):	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
(alternate)	KANAYAKI				★
	Holmes			x	
	THOMPSON	✓			
	T. Wilson	✓			
	Gore			✓	AA
	Edgmon			✓	
	Murphy	✓			
	NEUMAN	✓			
	CASTELLANO	✓			
Chair:	STON	✓			
Chair:	AUSTERMAN			x	

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: HB 19
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB019CS(TRA)-DOA-DMV-2-23-13
Title: PERM. MOT. VEH. REGISTRATION/TRAILERS
Sponsor: STOLTZE, KELLER
Requester: House Finance

Department: Department of Administration
Appropriation: Motor Vehicles
Allocation: Motor Vehicles
OMB Component Number: 2348

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2014 Request	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES	FY 2014	FY 2014					
Personal Services							
Travel							
Services	100.1						
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	100.1	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1005 GF/Prgm	100.1						
Total	100.1	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues	5,346.0		5,982.0	(17,836.0)	(20,128.7)	(20,128.0)	(22,420.0)
---------------------------	---------	--	---------	------------	------------	------------	------------

Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes
If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/14

Why this fiscal note differs from previous version:

The original version restricted the amount of MVRT that could be collected by DMV. The CS removed the restriction.

Prepared By: Amy Erickson, Director
Division: Motor Vehicles
Approved By: Curtis Thayer, Deputy Commissioner
Department of Administration

Phone: (907)269-5559
Date: 02/23/2013 07:36 AM
Date: 02/23/13

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. CSHB019(TRA)

Analysis

The effective date of this bill is January 1, 2014.

This bill allows for permanent registration of non-commercial 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.

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 contract 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. Eighty-four percent (84%) of all vehicles and 77% of all trailers reside in a community that collects MVRT, and on average, 72% of vehicles are eligible for permanent registration. Eight percent (8%) 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 533,000 vehicles and trailers will reduce the collection costs. The net effect on the general fund is indeterminate.

Assumptions:

- 1) **Non-commercial vehicles at least 8 years old** - 478,400 vehicles will be eligible for permanent registration in 2014 (based on currently-registered vehicles). Half (239,200) will renew in 2014 and half will renew in 2015. Approximately 30,300 vehicles will become eligible each year. This is an average of the number of currently registered vehicles with model years 2002-2012.
- 2) **Non-commercial trailers** - 115,500 trailers will be eligible for permanent registration in 2014 (based on currently-registered vehicles). Half (57,750) will renew in 2014 and half will renew in 2015. Approximately 5,000 new trailers are registered each year. This is an average of the number of currently registered trailers with model years 2002-2012.
- 3) DMV estimates that 90% of owners will elect for permanent registration on vehicles and non-commercial trailers. The additional \$25 for permanent registration is low enough to make that option attractive for for all except those who know they will be moving out of state replacing the vehicle/trailer within the following two years.
- 4) DMV experience shows that registrations are never renewed on approximately 20% of older vehicles.

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 - HB019CS (TRA) - TOTAL

	2014	2015	2016	2017	2018	2019
2014 Increase from perm reg	6,682.5	-	-	-	-	-
2014 Loss in biennial fees	-	-	(23,090.0)	-	(23,090.0)	-
2015 Increase from perm reg		7,477.5	-	-	-	-
2015 Loss in biennial fees		-	-	(25,955.0)	-	(25,955.0)
2016 Increase from perm reg			795.0	-	-	-
2016 Loss in biennial fees			-	-	(2,865.0)	-
2017 Increase from perm reg			-	795.0	-	-
2017 Loss in biennial fees			-	-	-	(2,865.0)
2018 Increase from perm reg			-	-	795.0	-
2018 Loss in biennial fees			-	-	-	-
2019 Increase from perm reg			-	-	-	795.0
Total Estimated Revenue Increase/(Decrease)*	6,682.5	7,477.5	(22,295.0)	(25,160.0)	(25,160.0)	(28,025.0)
Assume 20% leave state, no longer in service or do not re-register	(1,336.5)	(1,495.5)	4,459.0	5,032.0	5,032.0	5,605.0
Net Estimated Revenue Increase/(Decrease)	5,346.0	5,982.0	(17,836.0)	(20,128.0)	(20,128.0)	(22,420.0)

*assume 100% of vehicles re-register

Vehicles

	2014	2015	2016	2017	2018	2019
2014: 239.2 current vehicles eligible for perm reg 215.3 opt for perm reg (239.2 x 90%) Increase from perm reg (215.3 x \$25) Loss in biennial fees (215.3x \$100)	5,382.5		(21,530.0)		(21,530.0)	
2015: 269.5 vehicles eligible for perm reg, including 30.3 newly eligible 242.6 opt for perm reg (269.5 x 90%) Increase from perm reg (242.6 x \$25) Loss in biennial fees (242.6 x \$100)		6,065.0		(24,260.0)		(24,260.0)
2016: 30.3 newly eligible for perm reg 27.3 opt for perm reg (30.3 x 90%) Increase from perm reg (27.3 x \$25) Loss in biennial fees (27.3 x \$100)			682.5		(2,730.0)	
2017: 30.3 newly eligible for perm reg 27.3 opt for perm reg (30.3 x 90%) Increase from perm reg (27.3 x \$25) Loss in biennial fees (27.3 x \$100)				682.5		(2,730.0)
2018: 30.3 newly eligible for perm reg 27.3 opt for perm reg (30.3 x 90%) Increase from perm reg (27.3 x \$25)					682.5	
2019: 30.3 newly eligible for perm reg 27.3 opt for perm reg (30.3 x 90%) Increase from perm reg (27.3 x \$25)						682.5
Total Estimated Revenue Increase/(Decrease)	5,382.5	6,065.0	(20,847.5)	(23,577.5)	(23,577.5)	(26,307.5)

Non-Commercial Trailers

	2014	2015	2016	2017	2018	2019
2014: 57.8 current trailers eligible for perm reg 52 opt for perm reg (57.8 x 90%) Increase from perm reg (52 x \$25) Loss in biennial fees (52x \$30)	1,300.0		(1,560.0)		(1,560.0)	
2015: 62.8 trailers eligible for perm reg, including 5.0 newly eligible 56.5 opt for perm reg (62.8 x 90%) Increase from perm reg (56.5x \$25) Loss in biennial fees (56.5 x \$30)		1,412.5		(1,695.0)		(1,695.0)
2016: 5.0 trailers newly eligible for perm reg 4.5 opt for perm reg (5.0 x 90%) Increase from perm reg (4.5 x \$25) Loss in biennial fees (4.5 x \$30)			112.5		(135.0)	
2017: 5.0 trailers newly eligible for perm reg 4.5 opt for perm reg (5.0 x 90%) Increase from perm reg (4.5 x \$25) Loss in biennial fees (4.5 x \$30)				112.5		(135.0)
2018: 5.0 trailers newly eligible for perm reg 4.5 opt for perm reg (5.0 x 90%) Increase from perm reg (4.5 x \$25)					112.5	
2019: 5.0 trailers newly eligible for perm reg 4.5 opt for perm reg (5.0 x 90%) Increase from perm reg (4.5 x \$25)						112.5
Total Estimated Revenue Increase/(Decrease)	1,300.0	1,412.5	(1,447.5)	(1,582.5)	(1,582.5)	(1,717.5)