

HB

173

<TARGET><BILL>HB 173</BILL><SUBJECT>HB
173</SUBJECT><COMM>HSTA29</COMM></TARGET>

ALASKA LEGISLATURE
Representative Jonathan Kreiss-Tomkins

Angoon · Coffman Cove · Craig · Edna Bay · Elfin Cove · Game Creek · Hollis · Hoonah · Kake · Kasaan · Klawock · Kupreanof · Naukati · Pelican
Petersburg · Point Baker · Port Alexander · Port Protection · Sitka · Tenakee Springs · Thorne Bay · Whale Pass

rep.jonathan.kreiss-tomkins@akleg.gov

Committees:
Education
Fisheries
Rules
State Affairs



Juneau, Alaska 99801 (Jan. - April)
State Capitol, Room 426
(907) 465-3732

Sitka, Alaska 99835 (May - Dec.)
201 Katlian Street, Ste. 103
(907) 747-4665

HB 173 – Ray Majeski Bill
Sponsor Statement

The Alaska Division of Motor Vehicles currently requires all leased vehicles to be registered as commercial vehicles no matter how the vehicle is actually used.

Commercial registration fees are between \$180 - \$662, depending on vehicle weight.
Non-commercial registration fees are \$100.

This means that when an Alaskan leases a vehicle for personal use, they currently have to pay \$80 - \$562 more dollars for registration than if they purchased the same vehicle outright.

Alaskans who use their leased vehicles for non-commercial purposes should be able to register them as non-commercial vehicles.

Ray Majeski Letter

From: Raymond Majeski <rayonhpr@outlook.com>

Sent: Monday, March 2, 2015 4:22 AM

To: Berett Wilber

Subject: Re: Done diligence on DMV

Dear Berett,

Thank you so much for attempting to change this not just for me but for anyone who chooses to lease a vehicle rather than buy one outright. Leasing a vehicle allowed me to get a brand new pickup and the payments are well within my budget and at the end of the three year lease contract, I can either turn the truck back to Toyota or get a new one at an affordable monthly rate. Of course I was shocked when I registered the truck to find out that just because I was leasing it I had to pay twice as much for the registration than if I bought it, which I believe is totally unfair and utterly ridiculous. I also found it hard to believe I am the only person in the entire state who decided to lease rather than buy a vehicle even though it wasn't for business purposes. Regardless, I hope DMV policy can be changed before my registration has to be renewed.

Sincerely,
Ray Majeski

NCSL Memo

From: Amelia Myers [amelia.myers@ncsl.org]
Sent: Friday, February 13, 2015 10:36 AM
To: Reid Magdanz
Cc: Anne Teigen
Subject: RE: Leased vehicle registration

Hi Reid,

Good afternoon, I hope you are doing well. In response to your question about how other states classify leased personal vehicles for registration – whether it is commercial, personal or if there is a mix. There is definitely a mix of many strategies across the country.

I did a quick survey of state registration regulations and laws, and found a variety of different types of treatment for leased vehicles. In New York, the registration application asks whether the vehicle is for personal or commercial use, regardless of ownership. In Connecticut, the registration is up to the leasing dealer, making it commercial. In North Carolina, it depends on who has insured the car.

In a few states, Oregon for example, registration is dependent on the vehicle class – farm, truck, personal, and weight classes. So if the leased vehicle would fall into a commercial class, it would have commercial registration, if it is a personal vehicle then it would be registered in that class.

This is a very diverse area of state law, without a “normal” way for registration of leased cars. Please let me know if you need more information or have questions, I’d be happy to discuss over the phone or email.

Best regards,

Amelia

Amelia Myers, JD
Research Analyst II, Transportation
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www.ncsl.org *Strong States, Strong Nation*

Fiscal Note

State of Alaska
2015 Legislative Session

Bill Version: HB 173
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB173-DOA-DMV-04-03-15
Title: REGISTRATION OF LEASED VEHICLES
Sponsor: KREISS-TOMKINS
Requester: House State Affairs

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)

	FY2016 Appropriation Requested	Included in Governor's FY2016 Request	Out-Year Cost Estimates					
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues	(223.7)		***	***	***	***	***
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Estimated SUPPLEMENTAL (FY2015) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) cost: 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? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable. Initial version.

Prepared By: Amy Erickson, Director
Division: Motor Vehicles
Approved By: Sheldon Fisher, Commissioner
Agency: Department of Administration

Phone: (907)269-5574
Date: 04/03/2015 11:45 AM
Date: 04/03/15

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2015 LEGISLATIVE SESSION

BILL NO. HB 173

Analysis

HB 173 will allow a person who leases a motor vehicle under 10,000 lbs to register that vehicle as non-commercial and pay a registration fee of \$100. Currently they are required to register the vehicle as commercial and pay a registration fee based on the weight of the vehicle. This fee ranges from \$180 - \$268.

Current Revenue

There are 3,928 registered leased vehicles. Of those, 2,415 weigh less than 5,000 lbs and have a registration fee of \$180. 1,513 of them are between 5,000 - 10,000 lbs and pay \$268.

2,415 at \$180 = \$434,700

1,513 at \$268 = \$405,484

3,928 vehicles = \$840,184 (per two yr registration cycle)*

*Due to the two year registration cycle the total amount of revenue collected is divided by two. Therefore the total amount collected per fiscal year is \$420,092.

Revenue under HB 173

2,415 at \$100 = \$241,500

1,513 at \$100 = \$151,300

3,928 vehicles = \$392,800 (per two yr registration cycle)*

*Due to the two year registration cycle the total amount of revenue collected is divided by two. Therefore the total amount collected per fiscal year is \$196,400.

Yearly revenue loss

\$420,092 - \$196,400 = \$223,692.

Future revenue losses are indeterminate as we are unable to estimate how many people will decide to lease cars in the future. Additionally, non-commercial vehicles that reside in communities that allow permanent registration will become eligible for permanent registration after they reach eight years of age.

April 3, 2015

The Honorable Jonathon Kreiss-Tomkins

Alaska State Capitol,

Juneau, AK 99801-1182

Dear Representative Kreiss-Tomkins,

On behalf of the Alaska Auto Dealers Association we wish to add our support to HB173.

Currently, as you are aware Alaskans that choose to lease their vehicles for personal use are not charged the same DMV fees as those that purchase a similar vehicle.

HB173 corrects the existing wrong whereby people that lease vehicles are currently charged commercial fees rather than personal fees. This occurs regardless of the fact the vehicle is used in a personal manner. People that lease vehicles to drive kids to soccer and commute to work should not have to pay the same fees that businesses do. In fact, most people that lease for personal use are low mileage drivers and spend less time on the road than those that purchase and certainly less than a typical vehicle used for commercial purposes.

The Alaska Auto Dealers Association works to support and correct issues in our industry and HB173 has the Alaska Auto Dealers Associations full support.

If I can be of any help please feel free to contact me.

Sincerely,

Tim Toth

AADA President

907-244-0952

ttoth@calworthington.com

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Rep. Bob Lynn, Chairman
House State Affairs Committee

Representative Lynn;

We would like to submit a hearing request for HB 173, “an Act relating to the registration of leased motor vehicles; and providing for an effective date,” known by the short title Registration of Leased Vehicles to be heard in House State Affairs.

The staff member assigned to this bill is Berett Wilber, 465-6848.

Thank you!

Best,

A handwritten signature in black ink, appearing to read "JKT".

Rep. Jonathan Kreiss-Tomkins
Room 426