

**SB**

**22**

<TARGET><BILL>SB 22</BILL><SUBJECT>SB  
22</SUBJECT><COMM>SCRA29</COMM></TARGET>

**SENATE COMMITTEE REPORT  
First Committee of Referral**

DATE: 1/21/15

FURTHER: State Affairs  
Finance

Date of 5-Day Notice: 2/5/15  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 3/17/15

Community and Regional Affairs Committee considered SENATE BILL NO. 22

SB 22-MOTOR VEHICLE REG. TAX: COLLECTION COSTS

"An Act relating to the collection costs for the municipal motor vehicle registration tax; and providing for an effective date."

and recommends:

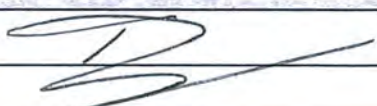
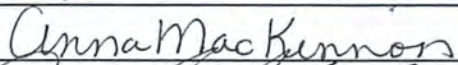
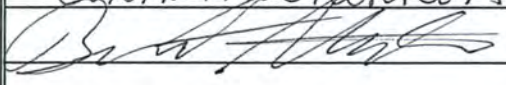
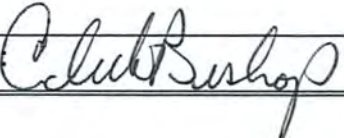
- be replaced with CS \_\_\_\_\_ (\_\_\_\_\_)  Same Title  New Title
- adopt previous CS \_\_\_\_\_ (\_\_\_\_\_)  Same Title  New Title
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
ADM	✓			1

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	E CAR	✓			
	MacKinnon			✓	
	SP...			✓	
CHAIR: 	Bishop			✓	

# ALASKA STATE LEGISLATURE

Session  
State Capitol Building  
Juneau, Alaska 99801-1182  
Phone: (907) 465-4843  
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District  
716 West 4th Avenue  
Anchorage, Alaska 99501-2133  
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SENATOR CATHY GIESSEL

## MEMORANDUM

**DATE:** January 22, 2015

**TO:** Senator Click Bishop, Chair, Community & Regional Affairs Committee

**FROM:** Senator Cathy Giessel 

**RE:** Request for Hearing, SB 22 Vehicle Transaction Agents

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I respectfully request that **Senate Bill # 22 "Vehicle Registration Tax: Collection Costs"** be heard in the Senate Community & Regional Affairs Committee at your earliest convenience.

SB 22 lowers DMV's collection fee for administering the Motor Vehicle Registration Tax (MVRT) program from 8.0% to 5.5%. Through increased motor vehicle rate schedules and increased efficiency through new technology, DMV's burdens in administering this program have decreased greatly, and now charges the municipality more for the service than they necessarily need to operate the program. By reallocating these revenues to the cities/municipalities themselves, the people will be better served.

Attached you will find:

1. Sponsor Statement
2. Sectional Analysis
3. SB 22 Version A
4. Supporting Documents
5. Fiscal Notes forthcoming

Please contact Forrest Wolfe, 465-8180, in my office if you need any further information.

# ALASKA STATE LEGISLATURE

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North to the Future

**Senator Cathy Giessel**  
Senate District N

## **SB 22 Motor Vehicle Registration Tax: Collection Costs Sponsor Statement**

Passage of SB22 would update the collection fee charged by the Department of Motor Vehicles (DMV) to various municipalities throughout the State of Alaska for Municipal Motor Vehicle Registration Tax (MVRT). DMV's percentage fee has not changed since inception in 1993. With increases in motor vehicle rate schedules and efficiencies achieved through the use of technology, **the current 8% collection fee is outdated and has resulted in significant overcharges for** the cost of service provided to municipalities.

SB22 lowers DMV's collection fee for administering the MVRT program from 8.0% to 5.5%. **This change will result in a net positive outcome for all affected.** Using the new 5.5% rate, DMV will still retain a modest increase in their annual collection cost revenue associated with MVRT, as compared to pre-2012 collection cost revenues. The 5.5% rate is expected to generate sufficient collection cost revenue to fully cover DMV's normal operational costs associated with administering MVRT, while allowing these municipalities to retain more of their tax revenue for their discretionary use.

SB 22 responsibly reduces the size of state government while reallocating revenue back into the hands of the cities themselves, where it can better serve the people.

[Senator\\_Cathy\\_Giessel@akleg.gov](mailto:Senator_Cathy_Giessel@akleg.gov)

## LEGAL SERVICES

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

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


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

### MEMORANDUM

January 22, 2015

**SUBJECT:** Sectional Summary of SB 22 (Work Order No. 29-1.S0315\A)

**TO:** Senator Cathy Giessel  
Attn: Forrest Wolfe

**FROM:** Hilary V. Martin   
Legislative Counsel

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

**Section 1** changes the amount the Department of Administration may keep as collection costs from the municipal motor vehicle registration tax from eight percent to five and one-half percent.

**Section 2** makes the Act effective July 1, 2015.

HVM:lem  
15-031.lem

## SUPPLEMENTAL INFORMATION

SB 22

*An Act relating to the collection costs for the municipal motor vehicle registration tax; and providing for an effective date.*

### Additional Assumptions and Data

- In calendar year 2010 the Motor Vehicle Registration Tax (MVRT) program generated \$12.4M statewide and DMV's 8% collection fee generated \$989K statewide.
- In calendar year 2010 approximately 43% of all MVRT program revenues were directly tied to the Municipality of Anchorage (MOA); this amounted to \$5.3M of gross MVRT revenues and DMV's 8% collection fee associated with MOA was \$424K
- In calendar year 2012, after the MOA effectively doubled its MVRT by updating the auto registration rate schedule, the MVRT program generated \$19.39M statewide (i.e., \$7M more than in 2010) and DMV's 8% collection fee increased to \$1.55M statewide (i.e., \$562K more than in 2010 and 63% of this increase was borne by the MOA).
- **DMV's operational budget associated with servicing the MVRT program effectively increased 57% from calendar year 2010 to 2012, without any cost justification or comparable increase in on-going service to MVRT municipalities/cities/boroughs.**
- **Since calendar year 2012 DMV has generated more than \$1.5M in excess fees from the statewide MVRT program and this has resulted in municipalities/cities/boroughs receiving \$1.69M less in MVRT revenues during the calendar year period 2012-2014**
- If DMV's collection fee rate were recalculated (using 2012 as the base calendar year) to provide the same amount of collection fee revenue as generated in 2010, then the breakeven rate for DMV's collection fee would be 5.1%.
- The proposed legislation reduces DMV's collection fee rate from 8.0% to 5.5%, which is above the 5.1% breakeven rate. This effectively provides DMV with a 7.8% increase in its collection fee revenue base when comparing calendar year 2012 to 2010 (or a 9.0% increase from comparing calendar year 2013 to 2010).
- All Alaskan MVRT municipalities/cities/boroughs would realize additional net revenue from the MVRT program if DMV's collection fee rate were reduced from 8.0% to 5.5%
- With a revised 5.5% DMV collection fee rate, MVRT municipalities/cities/boroughs, in total, would realize nearly \$490K in increased annual MVRT net revenue (i.e., approximately a 3% increase in annual MVRT net revenues).

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version: SB 22  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB022-DOA-DMV-02-04-15  
Title: MOTOR VEHICLE REG. TAX: COLLECTION  
COSTS  
Sponsor: GIESSEL  
Requester: Senate Community and Regional Affairs Committee

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
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time								
Part-time								
Temporary								

<b>Change in Revenues</b>	(496.9)		***	***	***	***	***	***
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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: 02/04/2015 01:00 PM  
Date: 02/04/15

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

BILL NO. SB022

Analysis

The Division of Motor Vehicles (DMV) collects motor vehicle registration taxes (MVRT) for the Municipality of Anchorage, City of Bethel, Bristol Bay, Cordova, Dillingham, Haines, Juneau, Kenai Peninsula Borough, Ketchikan Gateway Borough, Kodiak Island Borough, Matanuska Susitna Borough, Nenana, Nome, Petersburg, Sitka, Unalaska, and Whittier, then refunds the money to the community, less eight percent.

If enacted, SB 22 would decrease the percentage retained for this state-administered program from eight percent to five and one-half percent, resulting in a loss of approximately \$496.9 annually.

**MVRT collection in FY2014 - 8%**

\$19,877.4 - total amount of MVRT collected  
\$18,287.2 - total amount of MVRT refunded  
\$1,590.2 - 8% retained by the state

**MVRT collection in FY2014 - proposed 5.5%**

\$19,877.4 - total amount of MVRT collected  
\$18,784.1 - total amount of MVRT refunded  
\$1,093.3 - 5.5% retained by the state

\$1,590.2  
- \$1,093.3  
**(\$496.9)**

Due to the voluntary nature of municipalities adopting permanent motor vehicle registration, DMV is unable to determine the revenue loss from 2017 going forward. Therefore, losses from 2017 forward are indeterminate.

## MVRT collection for FY2014

### Statewide Summary Report

Community	Total amount Collected	Amount Retained	Amount Refunded	Cost to DMV
ANCHORAGE	\$ 12,615,361	\$ 1,009,229	\$ 11,606,132	\$ 1,031,046
KETCHIKAN	\$ 212,439	\$ 16,995	\$ 195,444	\$ 28,498
PETERSBURG	\$ 36,199	\$ 2,896	\$ 33,303	\$ 21,866
BETHEL	\$ 59,768	\$ 4,781	\$ 54,987	\$ 9,643
MATANUSKA	\$ 4,184,202	\$ 334,736	\$ 3,849,466	\$ 110,789
KODIAK	\$ 275,250	\$ 22,020	\$ 253,230	\$ 28,999
UNALASKA	\$ 141,955	\$ 11,356	\$ 130,599	\$ 40,329
NOME	\$ 41,213	\$ 3,297	\$ 37,916	\$ 14,984
WHITTIER	\$ 4,724	\$ 378	\$ 4,346	*
NENANA	\$ 7,842	\$ 627	\$ 7,215	*
BRISTOL BAY	\$ 103,111	\$ 8,249	\$ 94,862	\$ 51,880
DILLINGHAM	\$ 30,923	\$ 2,474	\$ 28,449	\$ 5,566
KENAI	\$ 1,502,144	\$ 120,172	\$ 1,381,972	\$ 175,886
SITKA	\$ 99,469	\$ 7,958	\$ 91,511	\$ 15,915
CORDOVA	\$ 33,985	\$ 2,719	\$ 31,266	\$ 6,797
JUNEAU	\$ 528,780	\$ 42,302	\$ 486,478	\$ 78,407
	<b>\$ 19,877,365</b>	<b>\$ 1,590,189</b>	<b>\$ 18,287,176</b>	<b>\$ 1,620,605</b>

\*No DMV offices at these locations. Transactions and money are accounted for in different locations

## Brittany Hutchison

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**To:** Sen. Anna MacKinnon; Sen. Bert Stedman; Sen. Dennis Egan; Sen. Lyman Hoffman  
**Cc:** Erin Shine; Randy Ruaro; Heather Evoy; Patricia Walker; John Manly  
**Subject:** C&RA Question Follow-Up from Feb. 10  
**Attachments:** Copy of mvrt 8 vs 5 percent.xlsx

C&RA Committee,

- During the February 10<sup>th</sup> C&RA Committee meeting, Sen. Stedman and Sen. MacKinnon asked to see a breakdown of the 16 communities that charge the MVRT (Municipal Vehicle Registration Tax), how they would be impacted by SB22, and the varying costs to each community. Attached is a sheet that addresses those concerns.
- The state's percentage of the MVRT goes in to the general fund.
- The Municipality of Anchorage (MOA) kept mentioning in their testimony this idea of a "windfall" to the state due to this tax, however, the "windfall" would not have occurred if the MOA had not increased their fees.
- Lastly, for clarification, the MVRT was established in 1978, not 1993, as the sponsor stated.

Please contact John or myself if you have any other questions.

Thank you!

Brittany Hutchison  
Legislative Aide  
Senator Click Bishop  
Senate Seat C  
Session Phone: (907) 465-2327  
Interim Phone: (907) 456-8161  
[brittany.hutchison@akleg.gov](mailto:brittany.hutchison@akleg.gov)

*If you would like to learn more about Senator Bishop or be informed about what is going on with him in Juneau, please visit us at <http://alaskasenate.org/bishop/>.*

*Please join us on Facebook at [www.facebook.com/SenatorClickBishop](http://www.facebook.com/SenatorClickBishop)*

**MVRT MONTHLY  
FY14**

Statewide Summary Report

Vendor Name	Total amount Collected	8% to DMV	Amount to Community	5.50% to DMV	Amount to Community	Loss to State (GF)
<b>ANCHORAGE</b>	\$ 12,615,361.00	\$ 1,009,228.88	\$ 11,606,132.12	\$ 693,844.86	\$ 11,921,516.15	\$ 315,384.03
<b>KETCHIKAN</b>	\$ 212,439.00	\$ 16,995.12	\$ 195,443.88	\$ 11,684.15	\$ 195,443.88	\$ 5,310.98
<b>PETERSBURG</b>	\$ 36,199.00	\$ 2,895.92	\$ 33,303.08	\$ 1,990.95	\$ 33,303.08	\$ 904.98
<b>BETHEL</b>	\$ 59,768.00	\$ 4,781.44	\$ 54,986.56	\$ 3,287.24	\$ 54,986.56	\$ 1,494.20
<b>MATANUSKA</b>	\$ 4,184,202.00	\$ 334,736.16	\$ 3,849,465.84	\$ 230,131.11	\$ 3,849,465.84	\$ 104,605.05
<b>KODIAK</b>	\$ 275,250.00	\$ 22,020.00	\$ 253,230.00	\$ 15,138.75	\$ 253,230.00	\$ 6,881.25
<b>UNALASKA</b>	\$ 141,955.00	\$ 11,356.40	\$ 130,598.60	\$ 7,807.53	\$ 130,598.60	\$ 3,548.88
<b>NOME</b>	\$ 41,213.00	\$ 3,297.04	\$ 37,915.96	\$ 2,266.72	\$ 37,915.96	\$ 1,030.33
<b>WHITTIER</b>	\$ 4,724.00	\$ 377.92	\$ 4,346.08	\$ 259.82	\$ 4,346.08	\$ 118.10
<b>NENANA</b>	\$ 7,842.00	\$ 627.36	\$ 7,214.64	\$ 431.31	\$ 7,214.64	\$ 196.05
<b>BRISTOL BAY</b>	\$ 103,111.00	\$ 8,248.88	\$ 94,862.12	\$ 5,671.11	\$ 94,862.12	\$ 2,577.78
<b>DILLINGHAM</b>	\$ 30,923.00	\$ 2,473.84	\$ 28,449.16	\$ 1,700.77	\$ 28,449.16	\$ 773.08
<b>KENAI</b>	\$ 1,502,144.00	\$ 120,171.52	\$ 1,381,972.48	\$ 82,617.92	\$ 1,381,972.48	\$ 37,553.60
<b>SITKA</b>	\$ 99,469.00	\$ 7,957.52	\$ 91,511.48	\$ 5,470.80	\$ 91,511.48	\$ 2,486.73
<b>CORDOVA</b>	\$ 33,985.00	\$ 2,718.80	\$ 31,266.20	\$ 1,869.18	\$ 31,266.20	\$ 849.63
<b>JUNEAU</b>	\$ 528,780.00	\$ 42,302.40	\$ 486,477.60	\$ 29,082.90	\$ 486,477.60	\$ 13,219.50
	<b>\$ 19,877,365.00</b>	<b>\$ 1,590,189.28</b>	<b>\$ 18,287,175.80</b>	<b>\$ 1,093,255.08</b>	<b>\$ 18,602,559.83</b>	<b>\$ 496,934.13</b>

FY2014 information

## Salary costs for DMV employees

Location	PCN	Salary	Benefits	Total	% of time related to MVRT Transactions	Salary related to MVRT transactions
Fiscal	12-5206	\$43,406	\$32,288	\$75,694	80%	\$60,555
Fiscal	12-5115	\$50,743	\$34,904	\$85,647	100%	\$85,647
Fiscal	12-5107	\$35,477	\$29,461	\$64,938	100%	\$64,938
Fiscal	12-5117	\$33,608	\$28,795	\$62,403	100%	\$62,403
Fiscal	12-5116	\$39,216	\$30,794	\$70,010	100%	\$70,010
Fiscal	12-5118	\$43,968	\$32,488	\$79,456	100%	\$79,456
Fiscal	12-5104	\$41,975	\$31,778	\$73,753	50%	\$36,877
Anch Pub Svc	02-9517	\$34,361	\$29,063	\$63,424	14%	\$8,879
Anch Pub Svc	02-9520	\$39,216	\$30,794	\$70,010	14%	\$9,801
Anch Pub Svc	12-5373	\$34,551	\$29,131	\$63,682	14%	\$8,915
Anch Pub Svc	12-5119	\$36,828	\$39,943	\$76,771	14%	\$10,748
Anch Pub Svc	02-9519	\$33,243	\$28,665	\$61,908	14%	\$8,667
Anch Pub Svc	12-5445	\$33,203	\$28,651	\$61,854	14%	\$8,660
Anch Pub Svc	12-5368	\$36,875	\$29,960	\$66,835	14%	\$9,357
Anch Pub Svc	12-5442	\$33,648	\$28,809	\$62,457	14%	\$8,744
Anch Pub Svc	02-9510	\$40,848	\$31,376	\$72,224	14%	\$10,111
Anch Pub Svc	12-5304	\$33,838	\$28,877	\$62,715	14%	\$8,780
Anch Pub Svc	12-5346	\$33,324	\$28,694	\$62,018	14%	\$8,683
Anch Pub Svc	12-5371	\$33,838	\$28,877	\$62,715	14%	\$8,780
Anch Pub Svc	12-5350	\$33,365	\$28,708	\$62,073	14%	\$8,690
Anch Pub Svc	12-5325	\$32,676	\$28,463	\$61,139	14%	\$8,559
Anch Pub Svc	12-5367	\$33,324	\$28,694	\$62,018	14%	\$8,683
Anch Pub Svc	12-5384	\$41,936	\$31,764	\$73,700	14%	\$10,318
Anch Pub Svc	12-5365	\$33,243	\$28,665	\$61,908	14%	\$8,667
Anch Mail Outs	12-5359	\$43,345	\$32,266	\$75,611	31%	\$23,439
Anch Mail Outs	12-5376	\$47,328	\$33,686	\$81,014	31%	\$25,114
Anch Mail Outs	12-5379	\$43,225	\$32,224	\$75,449	31%	\$23,389
Anch Mail Outs	12-5305	\$35,193	\$29,360	\$64,553	31%	\$20,011
Anch Mail Outs	12-5372	\$35,477	\$29,461	\$64,938	31%	\$20,131
Anch Downtown	12-5386	\$34,598	\$29,148	\$63,746	12%	\$7,650
Anch Downtown	12-5364	\$41,040	\$31,445	\$72,485	12%	\$8,698
Anch Downtown	12-5309	\$39,420	\$30,867	\$70,287	12%	\$8,434
Anch Downtown	12-5370	\$46,828	\$33,508	\$80,336	12%	\$9,640
Anch Downtown	12-5430	\$34,361	\$29,063	\$63,424	12%	\$7,611
Anch Dealers	12-5366	\$59,986	\$38,199	\$98,185	14%	\$13,746
Anch Dealers	12-5238	\$34,266	\$29,030	\$63,296	14%	\$8,861
Anch Dealers	12-5377	\$56,514	\$36,961	\$93,475	14%	\$13,087
Anch Dealers	12-5405	\$35,193	\$29,360	\$64,553	14%	\$9,037
Anch Dealers	12-5345	\$34,551	\$29,131	\$63,682	14%	\$8,915
Eagle River	02-9511	\$34,313	\$29,046	\$63,359	16%	\$10,137
Eagle River	12-5239	\$33,365	\$28,708	\$62,073	16%	\$9,932
Eagle River	12-5213	\$34,598	\$29,148	\$63,746	16%	\$10,199
Eagle River	12-5329	\$36,206	\$29,721	\$65,927	16%	\$10,548

Ketchikan	12-5307	\$39,772	\$30,993	\$70,765	17%	\$12,030
Ketchikan	12-5434	\$42,332	\$31,905	\$74,237	17%	\$12,620
Ketchikan	02-9513	\$14,020	\$12,004	\$26,024	17%	\$4,424
Bethel	02-9523	\$57,552	\$37,331	\$94,883	10%	\$9,488
Palmer	12-5363	\$54,036	\$36,078	\$90,114	16%	\$14,418
Palmer	12-5433	\$46,083	\$33,242	\$79,325	16%	\$12,692
Palmer	02-9521	\$39,216	\$30,794	\$70,010	16%	\$11,202
Palmer	12-5362	\$40,100	\$31,109	\$71,209	16%	\$11,393
Palmer	12-5378	\$50,196	\$34,709	\$84,905	16%	\$13,585
Palmer	02-9509	\$44,311	\$32,611	\$76,922	16%	\$12,308
Palmer	12-5351	\$40,848	\$31,376	\$72,224	16%	\$11,556
Palmer	12-5466	\$14,020	\$12,004	\$26,024	16%	\$4,164
Palmer	02-9518	\$33,243	\$28,665	\$61,908	16%	\$9,905
Kodiak	12-5412	\$43,920	\$32,471	\$76,391	17%	\$12,986
Kodiak	12-5387	\$29,874	\$24,101	\$53,975	17%	\$9,176
Nome	12-5317	\$54,280	\$36,165	\$90,445	14%	\$12,662
Juneau Pub Svc	12-5220	\$55,578	\$36,667	\$92,245	14%	\$12,914
Juneau Pub Svc	12-5236	\$46,980	\$33,562	\$80,542	14%	\$11,276
Juneau Pub Svc	12-5303	\$51,045	\$35,011	\$86,056	14%	\$12,048
Juneau Pub Svc	12-5217	\$35,828	\$29,587	\$65,415	14%	\$9,158
Juneau Pub Svc	12-5234	\$43,361	\$32,272	\$75,633	14%	\$10,589
Juneau Pub Svc	12-5336	\$31,160	\$24,560	\$55,720	14%	\$7,801
Homer	12-5477	\$30,219	\$24,224	\$54,443	18%	\$9,800
Homer	12-5313	\$46,632	\$33,438	\$80,070	18%	\$14,413
Soldotna	12-5120	\$49,592	\$34,493	\$84,085	16%	\$13,454
Soldotna	12-5311	\$38,050	\$30,379	\$68,429	16%	\$10,949
Soldotna	02-9508	\$33,405	\$28,723	\$62,128	16%	\$9,940
Soldotna	12-5431	\$47,328	\$33,686	\$81,014	16%	\$12,962
Soldotna	12-5465	\$13,615	\$11,860	\$25,475	16%	\$4,076
Fairbanks	12-5320	\$57,480	\$37,345	\$94,825	1%	\$948
Fairbanks	12-5323	\$40,444	\$31,232	\$71,676	1%	\$717
Fairbanks	02-9515	\$48,744	\$34,191	\$82,935	1%	\$829
Fairbanks	12-5326	\$37,380	\$30,140	\$67,520	1%	\$675
Fairbanks	12-5453	\$14,150	\$12,050	\$26,200	1%	\$262
Fairbanks	12-5446	\$43,970	\$32,489	\$76,459	1%	\$765
Fairbanks	02-9516	\$33,660	\$28,814	\$62,474	1%	\$625
Fairbanks	12-5333	\$33,660	\$28,814	\$62,474	1%	\$625
Fairbanks	12-5324	\$56,776	\$37,094	\$93,870	1%	\$939
Fairbanks	12-5321	\$53,640	\$35,936	\$89,576	1%	\$896
Fairbanks	12-5322	\$43,482	\$32,315	\$75,797	1%	\$758
Fairbanks	12-5216	\$35,342	\$29,413	\$64,755	1%	\$648
Fairbanks	12-5328	\$36,538	\$29,840	\$66,378	1%	\$664
Fairbanks	12-5329	\$36,206	\$29,721	\$65,927	1%	\$659
Fairbanks	12-5332	\$31,214	\$71,606	\$102,820	1%	\$1,028

Total salary cost

\$6,103,793

\$1,188,536

Leasing costs

	Yearly cost	% of MVRT transactions	Lease cost based on MVRT percentage
Anchorage	\$349,125	18%	\$62,843
Eagle River	\$60,024	16%	\$9,604
Bethel	\$6,433	10%	\$643
Palmer	\$58,323	16%	\$9,332
Kodiak	\$38,573	17%	\$6,557
Nome	\$18,275	14%	\$2,559
Juneau	\$112,710	14%	\$15,779
Homer	\$54,559	18%	\$9,821
Soldotna	\$56,643	16%	\$9,063
		<b>Total</b>	<b>\$126,200</b>

**Summary information of costs related to MVRT**

Total DMV positions that process MVRT		86
MVRT % salary cost of DMV employees	\$	1,188,536
Total cost of Commission Agent fees	\$	290,654
MVRT % leasing cost of DMV offices	\$	126,200
Cost to DMV to administer MVRT program	\$	1,605,391

FY2014 information	Cost to DMV for Commission Agents to process transactions	
Location		
Petersburg	\$	12,800
Unalaska	\$	57,941
Dillingham	\$	37,793
Cordova	\$	43,094
Seward	\$	93,219
King Salmon	\$	45,807
<u>total</u>	<u>\$</u>	<u>290,654</u>

## Forrest Wolfe

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**From:** Erickson, Amy J (DOA) <amy.erickson@alaska.gov>  
**Sent:** Monday, March 16, 2015 1:13 PM  
**To:** Forrest Wolfe  
**Cc:** Mills, Andy J (DOA); Greenshields, Coleen M (DOA)  
**Subject:** RE: Additional Questions Re: SB 22 and MVRT  
**Attachments:** sb22 data for Forrest.xlsx

Forrest,

Please find DMV's answers to your questions:

1. What is the head count and fully loaded labor cost (salary + benefits, broken out separately) of each of the individual PCN's working predominantly or exclusively on the administration of the MVRT program? Please see attached spreadsheet for PCN salary and benefits.
2. What is the total amount of non-labor direct expenses paid for predominant or exclusive benefit of the MVRT program administration function? Please see attached spreadsheet for basic leasing costs.
3. Does DMV track all costs and revenues associated with the MVRT administration program through a separate accounting fund or project or cost unit? No. However, DMV can track the number of MVRT collections by month by location.
4. If the MVRT program for the MOA were to go away entirely, how many specific positions would be cut as a result? What about if the entire MVRT program were to go away? It is unlikely any DMV positions would be eliminated if the MOA's MVRT program were to go away entirely. DMV would continue to collect vehicle registrations for the state, issue driver licenses, provide title and other registration services, etc.
5. Explain how MOA went from paying 50% of MVRT program administration costs pre-2012 to paying 63% of MVRT program administration costs starting in 2012. As of September 2014, almost 45% of the registered vehicles in Alaska were in the Municipality of Anchorage. Unless the MOA were to drastically cut the MVRT rate they currently charge they will continue to pay a larger portion of the MVRT collection cost due to the number of vehicles located in their municipality.
6. Why were the MVRT program costs not recalculated and more equitably distributed amongst the DMV and all MVRT starting in 2012 after the MOA increased its rate schedule? MVRT is determined by statute. DMV cannot recalculate the MVRT without notice by a municipality, or a change in statute.

Sincerely,  
Amy

Amy Erickson, Director  
Division of Motor Vehicles  
State of Alaska

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## Brittany Hutchison

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**From:** Erickson, Amy J (DOA) <amy.erickson@alaska.gov>  
**Sent:** Wednesday, January 28, 2015 10:45 AM  
**To:** Brittany Hutchison  
**Cc:** John Manly; Peter Fellman  
**Subject:** RE: Hearing Request SB 22

Brittany,

The division does not have an opinion on the bill at this time. The legislature must determine whether it is prudent to decrease the amount the state retains of the money it collects on behalf of the 17 communities that have a motor vehicle registration tax.

Do you plan to schedule the bill soon?

Amy

Amy Erickson, Director  
Division of Motor Vehicles  
State of Alaska

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**From:** Brittany Hutchison [mailto:Brittany.Hutchison@akleg.gov]  
**Sent:** Wednesday, January 28, 2015 9:07 AM  
**To:** Erickson, Amy J (DOA)  
**Cc:** Manly, John W (LAA); Fellman, Peter T (LAA)  
**Subject:** FW: Hearing Request SB 22

Amy,  
Attached is SB 22, the bill information that Pete mentioned to you yesterday. Would you please look at this and give us your opinion? Also, please take a look at the fiscal impact that would take place with this bill.

Thank you,

Brittany Hutchison  
Legislative Aide  
Senator Click Bishop  
Senate Seat C  
Session Phone: (907) 465-2327  
Interim Phone: (907) 456-8161  
[brittany.hutchison@akleg.gov](mailto:brittany.hutchison@akleg.gov)

*If you would like to learn more about Senator Bishop or be informed about what is going on with him in Juneau, please visit us at <http://alaskasenate.org/bishop/>.*

*Please join us on Facebook at [www.facebook.com/SenatorClickBishop](http://www.facebook.com/SenatorClickBishop)*