

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

8139 ○ HOUSE STATE AFFAIRS ○

Subject: HB 325
Attention: Sue Gullufson
Representative Bill Hudson's Office

From: Joan Diamond
5700 Rabbit Creek Rd.
Anchorage, Alaska 99516

I am strongly opposed to HB 325 because it represents a partial helmet law with no known benefit. Partial laws that mandate use by teenagers under 18 years of age or licensing of motorcycles with or without training has no proven effect in reducing head and neck injuries. SB 110 bill, which is a mandatory helmet law for all riders, accomplishes the goal of protecting riders from head injuries 75% of the time. Last year California experienced 33% fewer fatalities from motorcycle crashes after the mandatory Helmet Law was passed.

Partial helmet laws undermine health care reform for Alaska because it does not reduce the demand for health care services. It increases the demand for service and increases the cost of care because our population of riders are so young and can live brain damaged for so long.

Long term care from a head injury can cost more than \$2 million /year/person. 80% of long term care in some Alaskan facilities is State medicaid dollars, not private insurance. Last year, the State Trauma Registry reported that 44% of the riders who crashed without a helmet with head injuries were not insured, compared to 18% of those who wore helmets.

If the Legislature is serious about cutting the cost of government, then HB 325 is a poor choice of legislation. Cost containment requires better public policy which reduces expensive health care costs. As an Alaskan, I feel that a mandatory helmet law Not a partial law is a small trade for the benefit of health care for all Alaskans.

MEMORANDUM

State of Alaska

Department of Law

TO: The Honorable Bruce Campbell
Commissioner
Department of Transportation
and Public Facilities

DATE: September 28, 1993

FILE NO:

TEL. NO. 465-3603

SUBJECT: Motorcycle Helmet Law

FROM: Deborah Vogt *DV*
Assistant Attorney General
Transportation Section-Juneau

You have asked for an interpretation of the statutory and regulatory requirements for motorcycle helmets in Alaska.

AS 28.35.250 provides:

(b) A person who has reached the age of majority as defined by AS 25.20.010 may not be required to wear a helmet while operating a motorcycle if the person is the holder of a license that, under regulations adopted under AS 28.15.041, is classified singly as a license to operate a motorcycle.

The classes of licenses are set out in 13 AAC 08.150, which is "adopted under AS 28.15.041." While many classes license the driver for any motor vehicle, class M1 licenses the driver only for "motorcycles, motor-driven cycles, and motorized bicycles, singly or in combination with trailers or sidecars designed to be used with these vehicles." 13 AAC 08.150(b)(2)(B). Thus, it is my opinion that only a Class M1 license is "classified singly as a license to operate a motorcycle."

The requirement for a helmet is set out in 13 AAC 04.350. That regulation provides:

(a) Except as otherwise provided by statute, a person operating or riding upon a motorcycle or motor-driven cycle upon a public roadway must wear protective headgear

Thus, this regulation makes helmets mandatory unless "otherwise provided by statute" The only statute that qualifies the helmet requirement is AS 28.35.250(b), set out above, prohibiting the requirement of a helmet when an adult holds a license classified singly for motorcycles.

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MOTOR VEHICLES

§ 28.35.251

(2) the motor vehicle displays a special license plate issued to disabled or handicapped persons under AS 28.10.181(d); or

(3) the motor vehicle displays a special license plate or permit issued to disabled or handicapped persons by another state, province, territory, or country.

(b) A person who violates this section is guilty of an infraction. Upon conviction the court shall impose a fine of not less than \$100. (§ 2 ch 11 SLA 1987)

Sec. 28.35.240. Duty to obey school patrol. [Repealed, § 3 ch 68 SLA 1964.]

Sec. 28.35.245. Motorcycle helmet. (a) After January 1, 1978, motorcycle helmets may not be manufactured or sold in Alaska that do not conform to standards established by regulation by the commissioner of public safety. The regulations must provide for helmets that allow normal peripheral vision and hearing and minimize neck injuries to the wearer potentially caused by the helmet. The adoption of these regulations shall be under the provisions of the Administrative Procedure Act (AS 44.62).

(b) A person who has reached the age of majority as defined by AS 25.20.010 may not be required to wear a helmet while operating a motorcycle if the person is the holder of a license that, under regulations adopted under AS 28.15.041, is classified singly as a license to operate a motorcycle. (§ 1 ch 230 SLA 1976)

Collateral references. — 7A Am. Jur.
2d, Automobiles and Highway Traffic,
§ 210.

Sec. 28.35.250. Application of law. [Repealed, § 20 ch 241 SLA 1976.]

Sec. 28.35.251. Contained or confined loads. (a) A person may not drive a motor vehicle loaded with sand, gravel, rock, or similar materials on a highway unless

(1) the load is contained or confined to prevent the load from dropping, shifting, leaking, or escaping, except that sand or other substances may be dropped, sprinkled, or sprayed for the purpose of cleaning or maintaining the highway or providing traction; and

(2) the load is subjected to treatment by methods, approved by the commissioner by regulation, designed to settle the load or remove loose material before the vehicle is driven on the highway.

(b) If a cover is used to contain or confine a load being driven on a highway, the cover shall be securely fastened to prevent the cover from becoming loose or detached, or from being a hazard to other users of the highway. (§ 1 ch 62 SLA 1986)

§ 1205.1

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task. This information should be provided for each subelement training task on the form contained in Attachment II, "Training Activities Information."

c. Evaluation of proposed training activities by the States, and NHTSA and FHWA Regional Offices should be based on the jurisdiction's needs, the objectives of the training, and the likelihood that the training will accomplish the intended objectives. Unique proposals and those generating questions of eligibility may be referred to the Washington office for evaluation.

d. Only those costs directly associated with a highway traffic safety program of instruction should be reported as training costs on HS Form 193 and HS Form 194. While other costs such as salary of the trainees are fundable under Section 402 as non-training expenses, they should not be included as training expense items on these forms.

e. At the completion of all training tasks, the form contained in Attachment III, "Section 402 Record of Completed Training" will be completed by the Governor's Representative and submitted to the FHWA and NHTSA as appropriate for use in assessing manpower development and training progress. Three copies of each form relating to all standards will be submitted to the NHTSA Regional Administrator who will review each form for completeness and transmit two copies to the Chief, Manpower Development Division, N42-22, Office of State and Community Comprehensive Programs, TSP. In addition, three copies of each form relating to the FHWA administered standards will be submitted to the FHWA Division-Engineer, who will forward one copy to the FHWA Regional Administrator and one copy to the Director, OHS, FHWA.

f. On depletion of initial stock, copies of HS Form 193, "Training Activities Information," and of HS Form 194, "Section 402 Record of Completed Training," may be obtained from NHTSA, General Services Division, N48-51, Room 5111, NASSIF Building, 400 7th Street SW., Washington, DC 20590.

[33 FR 16337, Nov. 7, 1968. Redesignated at 38 FR 10811, May 2, 1973]

EDITORIAL NOTE: FOR FEDERAL REGISTER citations affecting § 1204.4, see the List of CFR Sections Affected in the Finding Aids section of this volume.

PART 1205—HIGHWAY SAFETY PROGRAMS; DETERMINATIONS OF EFFECTIVENESS

- Sec.
1205.1 Scope.
1205.2 Purpose.

- Sec.
1205.3 Identification of National Priority Program Areas.
1205.4 Funding procedures for National Priority Program Areas.
1205.5 Funding procedures for other program areas.

Authority: 23 U.S.C. 402; delegations of authority at 49 CFR 1.48 and 1.50.

Source: 47 FR 15120, Apr. 8, 1982, unless otherwise noted.

§ 1205.1 Scope.

This part identifies those highway safety programs that are eligible for Federal funding under the State and Community Highway Safety Grant Program (23 U.S.C. 402) and specifies the Federal funding requirements for those programs.

§ 1205.2 Purpose.

The purpose of this part is to establish national highway safety priorities and establish program areas within which highway safety programs developed by the states would be eligible to receive Federal funding.

§ 1205.3 Identification of National Priority Program Areas.

(a) Under statutory provisions administered by NHTSA, the following NHTSA-administered highway safety program areas have been identified as encompassing a major highway safety problem which is of national concern, and for which effective countermeasures have been identified. Programs developed in such areas are eligible for Federal funding, pursuant to guidelines issued by the National Highway Traffic Safety Administration and the review procedure set forth in § 1205.4:

- (1) Alcohol and Other Drug Countermeasures
(2) Police Traffic Services
(3) Occupant Protection
(4) Traffic Records
(5) Emergency Medical Services
(6) Motorcycle Safety

(b) Under statutory provisions administered by FHWA, the following FHWA-administered highway safety program area has been identified as encompassing a major highway safety problem which is of national concern, and for which effective countermeasures have been identified. The pro-

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NHTSA and FHWA, DOT**§ 1205.5**

gram developed in this area is eligible for Federal funding, pursuant to provisions of 23 U.S.C. 402(g), guidelines issued by the Federal Highway Administration and the review procedures set forth in § 1205.4: *Roadway Safety*.

(c) Under statutory provisions jointly administered by NHTSA and FHWA, the following highway safety program area, jointly administered by NHTSA and FHWA, has been identified as encompassing a major highway safety problem which is of national concern, and for which effective countermeasures have been identified. The program developed in this area is eligible for Federal funding, pursuant to provisions of 23 U.S.C. 402(g), guidelines issued by NHTSA and FHWA and the review procedures set forth in § 1205.4: *Pedestrian and Bicycle Safety*.

[47 FR 15120, Apr. 8, 1982, as amended at 53 FR 11270, Apr. 6, 1988; 56 FR 50255, Oct. 4, 1991]

§ 1205.4 Funding procedures for National Priority Program Areas.

If a State intends to use funds under 23 U.S.C. 402 to support a program that is within a National Highway Safety Priority Program Area, it shall submit as part of its annual Highway Safety Plan a three to five page overview of all highway safety problems identified in the State. The following procedure shall then apply:

(a) The State shall describe each highway safety problem within such Priority Areas, any countermeasure proposed to decrease or stabilize the problem, and the kinds of data relied upon in the making of such problem and countermeasure identifications.

(b) The State shall list the specific projects proposed to implement such countermeasures and the criteria for project selection.

(c) The State shall conduct an evaluation of its programs of the prior year, and shall describe the evaluation in the annual Highway Safety Plan.

(d) NHTSA and/or FHWA, as applicable, shall review the State's Highway Safety Plan, to determine whether each proposed program addresses the identified problems.

(e) If the State meets the criteria of paragraphs (a) through (d), of this

section, NHTSA or FHWA, as applicable, shall approve the program as part of the Highway Safety Plan.

§ 1205.5 Funding procedures for other program areas.

If a State intends to use funds under 23 U.S.C. 402 to support a project that is not within a National Highway Safety Priority Program Area, the State shall describe the project in its annual Highway Safety Plan, and shall, at its option, select one or both of the following procedures:

(a) *Formal decisionmaking.* Under this procedure, the State shall first develop and submit as part of its annual Highway Safety Plan or by a separate submission a formal administrative decisionmaking process for identifying highway safety problems and corresponding countermeasures. Upon approval of the Plan and adoption by the State of the process involved, a State may thereafter certify in subsequent Plan submissions that it has developed each proposed project in accordance with the described process. NHTSA or FHWA shall on such subsequent submissions consider the findings and determinations made by the State pursuant to such process to be determinative and shall review proposed projects only pursuant to the limited review criteria applicable to the projects subject to § 1205.4. NHTSA and/or FHWA, as applicable, shall review and approve proposed State administrative processes pursuant to the following general criteria:

(1) Use of State data on traffic accidents to determine the magnitude and severity of the highway safety problems by geographic area and target group.

(2) Determination of related system deficiencies and driver behavior deficiencies that can be stabilized or remedied by countermeasure approaches.

(3) Development of countermeasures to remedy the problems. Priorities should be assigned based on the following considerations:

(i) Estimates of the impact on accidents and injuries;

(ii) Cost effectiveness;

(iii) Past program and project results;

§ 1206.1

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- (iv) Innovative approaches;
- (v) Comprehensiveness of programs;
- (vi) Catalytic and leverage effects;

and (vii) Prospects for activities to be self-supporting or continued with State/local resources after Federal funds are discontinued.

(4) Development of projects from the countermeasure approaches that ensure consultation with affected groups and participation by the public. This shall be accomplished by conducting public meetings to identify traffic safety problems and to recommend alternate countermeasure solutions.

(5) Development of administrative and impact evaluations for the projects, as appropriate.

(b) *Problem identification.* Under this procedure, the State shall submit information on individual proposed projects. NHTSA or FHWA, as applicable, shall approve each project if it addresses the identified problem in a manner reasonably calculated to decrease or stabilize the problems. The State shall submit, at a minimum, the following information:

(1) The State and local data on traffic accidents used to determine the magnitude and severity of the particular highway safety problem by geographic area and target group.

(2) The impact each project is estimated to have on traffic accidents and injuries.

(3) Estimates of the resources necessary to carry out planned activities and projects.

(4) The relation of each project to a comprehensive, balanced program.

(5) The improvements in program operational efficiency and/or cost effectiveness which are expected as a result of the implementation of each project.

(6) The commitment of State and/or local resources to each project.

(7) The prospects for activities to be self-supporting or continued with State/local resources after Federal funds are discontinued.

(8) The criteria to be used to conduct administrative and impact evaluations of projects, as appropriate.

PART 1206—RULES OF PROCEDURE FOR INVOKING SANCTIONS UNDER THE HIGHWAY SAFETY ACT OF 1966

- Sec. 1206.1 Scope.
- 1206.2 Purpose.
- 1206.3 Definitions.
- 1206.4 Sanctions.
- 1206.5 Commencement of proceedings.
- 1206.6 Contents of notice of proposed recommended determination.
- 1206.7 Hearing officers.
- 1206.8 Prehearing conference.
- 1206.9 Consent determination.
- 1206.10 Hearing.
- 1206.11 Recommended determination.
- 1206.12 Final determination.

AUTHORITY: 23 U.S.C. 116, 315, 402.

SOURCE: 39 FR 19206, May 31, 1974, unless otherwise noted.

§ 1206.1 Scope.

This part establishes procedures governing determinations to invoke the sanctions applicable to any State that does not comply with the highway safety program requirements in the Highway Safety Act of 1966, as amended (23 U.S.C. 402), and highway safety program standards issued thereunder.

§ 1206.2 Purpose.

The purpose of this part is to prescribe procedures for determining whether and the extent to which the 23 U.S.C. 402 sanctions should be invoked, and to ensure a full airing of views on the issues relevant to such determinations by affording the affected State and all other interested persons an opportunity to participate in a public hearing.

§ 1206.3 Definitions.

As used in this part:

(a) *Administrators* means the Administrators of the Federal Highway Administration and the National Highway Traffic Safety Administration.

(b) *Affected State* means the State with respect to which a proposed recommended determination has been made pursuant to this part.

(c) *Highway safety program* means a State program consisting of both (1) a

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POSITION PAPER
HB 325

Discussion

According to the Alaska Department of Transportation and Public Facilities, there were 54 motorcycle fatalities and 318 major injuries to the head, eye or face, from 1982 to 1991. Over 75% of these victims were not wearing helmets at the time of the crashes.

The difference between this bill and the present law is primarily that only persons under age 18 would continue to be required to wear a helmet provided that adult motorcycle riders who are licensed or have some type of endorsement may not be required to wear a helmet.

In 1966, the United States Department of Transportation (USDOT), began withholding highway safety development funds to states that did not have mandatory motorcycle helmet legislation. By mid-1970's, all but three states complied. Pressure from motorcycling organizations in 1975 resulted in Congress repealing the law with the theory that personal rights of bikers should allow the individual rider to decide whether or not to wear a helmet. Each state could then make it's own decision. Twenty six states modified their laws and the death rate from non-helmeted motorcycle riding rose steadily through the 1980's.

Alaska's present law is considered a "partial" protection law because it only requires persons under 18 to wear a helmet. Several states that have reverted from a "universal helmet" law to a "partial helmet" law have conducted research on the impact of the change. A report issued in March 1992 in the Journal of American Medical Association (JAMA, 1992;267:1649-1641) states that "The results show that regardless of the denominator used (resident population, motorcycle registrations, or motorcycle crashes), states with full helmet-use laws had consistently lower head injury--associated death rates than states without such laws even when stratified by region."

Even though the total motorcycle-mortality rates were similar between states with "universal" or "partial" helmet laws, on a registration or crash basis, motorcyclists who died in crashes had a fivefold to sixfold higher risk of head injury than those who died using any other type of motor vehicle.

Four states (Kansas, South Dakota, Colorado, and Utah) conducted studies to determine the impact of the repeal reviewing 25,000 motorcycle collision victims for fatality rate, helmet use rate, injury rate and collision rate (Journal of Trauma, 0022-522/90/3010-1189).

In these four states, without motorcycle helmet legislation, the user rate dropped from 99% to 50%. With reinstatement the user rate rose to >95%.

With reinstatement, these states have determined an average hospital stay for helmeted riders is 5.8 days, and for non-helmeted riders it is 11.8 days. The fatality rate per 1000 motorcycle registrations was 6.2 for non helmeted riders, and 1.6 for helmeted riders. The extent of injury resulting in long term disabilities cost more than \$210 million (1989 dollars) per year in additional medical and rehabilitation care. Between 60% and 80% of motorcycle riders in the survey did not have insurance coverage.

California has recently returned to a "universal" helmet law. California's law was revised in 1988 to require a written examination and driving test. Motorcycle training was not required prior to this. Even with this requirement, owners of motorcycles without valid licenses were more likely to have been involved in crashes. Overall, only 33% of those involved in crashes had licenses. The lowest licensure rate was among those under 18 years of age. Thirty nine percent were operating motorcycles they did not own at the time of the crash.

At the request of the United States Senate, the General Accounting Office (GAO) reviewed 49 studies on helmet use and concluded that "universal helmet" laws requiring motorcyclists to wear helmets save lives. The GAO found that helmeted riders experienced fatality rates 28 to 73 percent lower than of non-helmeted riders, and the "incidence of head injuries rated severe or worse was 46 to 85 percent lower than of non-helmeted riders" (IIHS Status Report, Vol. 26, No.2, August 3, 1992) GAO's review of helmet law studies found that universal laws results in use rates in the range of 92 to 100 percent, while states without laws or partial laws achieve use rates of 42 to 59 percent. This finding is consistent with the research referenced above for Kansas, South Dakota, Colorado, and Utah.

Data from the Alaska Trauma Registry, which includes trauma patients admitted to hospitals from March 1988, through December 1992, showed that out of 222 motorcycle crash injuries, non-helmeted motorcycle riders were over four and one-half times as likely to suffer head injuries as helmeted riders. During this same period there were 316 ATV crash injuries, and 262 snowmachine crash injuries. Head injuries among non-helmeted ATV riders were four and one half times greater than among helmeted riders and three and one-half times more likely among snowmobile crash victims.

Data from Alaska and throughout the United States clearly shows that helmets save lives and reduce injuries. By contrast, research in several states indicates that "partial" laws mandating helmet use under age 18, or requiring licensing of motorcycle riders (with or without a requirement for training of the operator) had no positive effect toward reduction of head and neck injuries of motorcycle crash victims.


Position

The Department of Health and Social Services believes that passage of HB 325 is likely to have little or no effect on reduction of injuries or death in Alaska from motorcycle crashes.

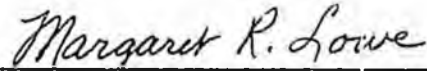
The department prefers legislation to require that all motorcycle riders wear helmets while riding on public streets and highways. Therefore, the Department of Health and Social Services opposes Section 28.35.245 of HB 325.

Recommended:

Approved:



Peter M. Nakamura, MD, MPH
Director
Division of Public Health



Margaret R. Lowe, M.Ed., Ed.S.
Commissioner
Health and Social Services

1/20/94

date

1-25-94

date



Alaska State Legislature

Please enter into the record my testimony to the House Labor & Commerce
 committee name
 committee on HB 0325, dated 2/1/94
 bill/subject

I WHOLEHEARTEDLY SUPPORT THE
 AMENDMENT TO AS 44.42.020(A), PARAGRAPH 16
 " ESTABLISH AND IMPLEMENT A MOTORCYCLE
 SAFETY PROGRAM AS A PART OF THE STATE
 HIGHWAY SAFETY PROGRAM."

PLEASE FEEL FREE TO CONTACT ME IF
 ANY FURTHER INPUT OR ASSISTANCE IS
 DESIRED.

Signed: Steve Caswell (STEVE CASWELL)
 Testifier

Representing (Optional)
POB 3238 SOLDOTNA, AK 99669
 Address
907 - 262 - 9554
 Phone No.

HB

328

HOUSE COMMITTEE REPORT

(7)

Date Referred: January 10, 1994

FURTHER REFERRALS:

Finance

Date of Committee Action: 3-8-94

The STATE AFFAIRS Committee considered:

HB 328

HOUSE BILL NO. 328

DRIVERS LIC. FEES; BIENNIAL VEHICLE REGIS

"An Act relating to motor vehicle registration and registration fees; to fees for drivers' licenses and permits; and providing for an effective date."

RECOMMENDATIONS: | | the same title
 be replaced with CS HB-324 (STA) | | a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal impact Public Safety

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Al Veary</i>	X	<i>Harley Allberg</i>			✓
<i>Pete Holt</i>	X	<i>Fery L. Lamm</i>			✓
<i>Jim Sanders</i>	X				
<i>Betty Davis</i>	X				

Al Veary

 CHAIRMAN'S SIGNATURE

8-LS1316R ✓
Ford
3/4/94

CS FOR HOUSE BILL NO. 328()
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES MARTIN AND BARNES, Phillips, B.Davis

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to motor vehicle registration and registration fees, and to the
2 optional municipal motor vehicle registration tax; to fees for drivers' licenses and
3 permits; to fees related to inspection and control of motor vehicle emissions; and
4 providing for an effective date."

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

6 * Section 1. AS 14.17.140(b) is amended to read:

7 (b) Motor vehicles subject to the motor vehicle registration tax under
8 AS 29.45.075 [AS 28.10.431] shall be treated as taxable property under this section.

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

10 (c) A vehicle subject to registration [AND NOT DESCRIBED IN (b) OF THIS
11 SECTION] shall have its initial registration, and may have its biennial [ANNUAL]
12 registration, renewed in the month of initial registration in the state, subject to the
13 provisions of (f) of this section.

14 * Sec. 3. AS 28.10.108(d) is amended to read:

1 (d) A registered vehicle retains the same biennial [ANNUAL] expiration date
2 regardless of the ownership of the vehicle.

3 * Sec. 4. AS 28.10.108(f) is amended to read:

4 (f) Upon request of the owner and payment of the proportionate prorated
5 applicable fees, a vehicle registered under this section shall have its registration period
6 extended in monthly increments to allow biennial [ANNUAL] registration to occur in
7 the month of the owner's choice.

8 * Sec. 5. AS 28.10.111(b) is amended to read:

9 (b) The department may receive an application for the renewal of vehicle
10 registration and issue a new certificate of registration at any time before the expiration
11 of the biennial [ANNUAL] registration as prescribed in regulations adopted by the
12 commissioner. Nothing in this section prevents the commissioner from providing for
13 a longer [MULTI-YEAR] registration period; however, a person may not display the
14 new registration plates on a vehicle before a date which may be set by the
15 commissioner.

16 * Sec. 6. AS 28.10.181(a) is amended to read:

17 (a) The department shall register unique and special vehicles and vehicles used
18 for special purposes and issue registration plates as provided in this section.
19 Notwithstanding other provisions of this chapter, registration plates issued under this
20 section remain with the person or organization to whom they are issued when vehicle
21 ownership is transferred or title or interest in the vehicle is assigned, except for plates
22 issued under (b), (h) and (i) of this section. Registration plates issued under this
23 section may not be used on, or transferred to, a vehicle other than the vehicle for
24 which the plates are issued without the approval of the department and payment of any
25 required fees and taxes prescribed in AS 28.10.421(d), [28.10.431 AND] 28.10.441,
26 and AS 46.14.510(e); however, if the plates issued under (c), (f) and (j) of this section
27 are transferred to a vehicle for which the registration fee is more than the fee for the
28 vehicle from which the plates are transferred, the owner shall pay the difference
29 between the two fees. Registrator plates issued under this section to which a person
30 is no longer entitled or the transfer of the plates to another vehicle which the
31 department does not approve shall be returned immediately to the department by the

1 person or organization to whom the plates were originally issued.

2 * Sec. 7. AS 28.10.411(a) is amended to read:

3 (a) For every year during any part of which a vehicle is subject to registration
4 under this chapter, a registration fee shall be paid to the department at the time of
5 original registration and at each biennial [ANNUAL] renewal of registration after that
6 time.

7 * Sec. 8. AS 28.10.411(f) is amended to read:

8 (f) A resident 65 years of age or older on January 1 of the year the vehicle is
9 registered is entitled to an exemption once each biennial registration period
10 [CALENDAR YEAR] from the registration fee required under this section for one
11 motor vehicle subject to registration under AS 28.10.421(b)(1), (2), (5), or (6). An
12 exemption may not be granted except upon written application for the exemption on
13 a form prescribed by the department.

14 * Sec. 9. AS 28.10.421(a) is amended to read:

15 (a) Unless otherwise provided by law,

16 (1) the fees prescribed in this section shall be paid to the department
17 at the times provided under AS 28.10.108 and 28.10.111; [AND]

18 (2) an additional fee of \$10 shall be added to the registration fee set
19 out in this section for registration not conducted by mail; the department may waive
20 this additional fee for a good cause based on criteria established in regulations adopted
21 by the department; and

22 (3) the department shall establish procedures that allow the fees
23 prescribed in this section to be paid by credit card, including credit card payment
24 authorized by telephone.

25 * Sec. 10. AS 28.10.421(b) is amended to read:

26 (b) The biennial [ANNUAL] registration fees under this subsection are
27 imposed within the following classifications for:

28 (1) a passenger vehicle or motor home not used or maintained for the
29 transportation of persons or property for hire or for other commercial use

30 \$53 [\$35];

31 (2) a pick-up truck or a van not exceeding 6,000 pounds unladen

- 1 weight and not used or maintained for the transportation of persons or property for hire
- 2 or for other commercial use \$60 [\$40];
- 3 (3) a taxicab \$105 [\$70];
- 4 (4) a motor bus with a seating capacity for 20 or more persons and
- 5 used exclusively for commercial purposes in the transporting of visitors or tourists
- 6 \$128 [\$85];
- 7 (5) a motorcycle or a motor-driven cycle \$30 [\$20];
- 8 (6) a trailer not used or maintained for the transportation of persons
- 9 or property for hire or for other commercial use, including, but not limited to, a boat
- 10 trailer, baggage trailer, box trailer, utility trailer, house trailer, travel trailer, or a trailer
- 11 rented or offered for rent \$8 [\$5].

12 * Sec. 11. AS 28.10.421(c) is amended to read:

13 (c) The biennial [ANNUAL] registration fees under this subsection are
14 imposed and are based upon the actual unladen weight as established by the
15 manufacturer's advertised weight or upon the actual weight which the owner shall
16 furnish, subject to the approval of the commissioner or the commissioner's
17 representative, for a vehicle, including a motor vehicle pulling a trailer or semi-trailer,
18 that is registered in the name of a company or business, or is used or maintained for
19 the transportat of passengers for hire, excepting taxicabs and buses under (b) of this
20 section, or for the transportation of property for hire or for other commercial purposes,
21 including a trailer, semi-trailer, truck, wrecker, tow car, hearse, ambulance, and tractor,
22 as follows

- 23 (1) up to and including 5,000 pounds \$77 [\$51];
- 24 (2) more than 5,000 pounds to and including 12,000 pounds
- 25 \$129 [\$86];
- 26 (3) more than 12,000 pounds to and including 18,000 pounds \$234
- 27 [\$156];
- 28 (4) more than 18,000 pounds \$332 [\$221].

29 * Sec. 12. AS 28.10.421(d) is amended to read:

30 (d) The special registration fees under this subsection are imposed biennially
31 [ANNUALLY], unless otherwise specified, for

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(1) an historic vehicle, ~~[(C)]~~ one time only upon initial registration under AS 28.10.181 ~~D]~~ \$10;

(2) special request plates for

- (A) Alaska National Guard personnel \$30;
- (B) veterans or retired veterans \$30;
- (C) recipients of the Purple Heart \$30;
- (D) owners of custom collection vehicles \$50;
- (E) other special request plates \$30;

plus the fee required for that vehicle under (b) of this section; the fee required by this paragraph shall be collected only on the first issuance and on the replacement of special request plates;

(3) a vehicle owned by a disabled veteran or other handicapped person, and registered under AS 28.10.181 or a resident 65 years of age or older who files a written application for an exemption on a form prescribed by the department none;

(4) a vehicle owned by the state none;

(5) a vehicle owned by an elected state official the fee required for that vehicle under (b) of this section;

(6) [REPEALED

(7)] a vehicle owned by a rancher, farmer, or dairyman and registered under AS 28.10.181 \$53 [\$35];

(7) [(8)] a snowmobile or off-highway vehicle \$8 [\$5];

(8) [(9)] an amateur mobile radio station vehicle,

(A) with a transceiver capable of less than 5-band operation the fee required for that vehicle under (b) or (c) of this section;

(B) in recognition of service to the public a mobile amateur radio station owned by an amateur with general class or higher license, provided the station must be satisfactorily proved capable of operating on at least five bands from 160 through 10 meters, must have an antenna, and must have a power supply and wiring as a permanent part of the vehicle; the transmitting unit may be removed from the car for service or dry storage . . . none for a mobile amateur radio station vehicle included in (b)(1) or (2) of this

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section;

(9) [(10)] dealer registration plates

(A) the initial set of plates \$68 [\$45];

(B) each subsequent set of plates \$38 [\$25];

(10) [(11)] a vehicle owned by a municipality or charitable organization meeting the requirements of AS 28.10.181(e) \$8 [\$5];

(11) [(12)] REPEALED

(13)] a vehicle owned by a Pearl Harbor survivor or a former prisoner of war none;

(12) [(14)] REPEALED

(15)] special request university plates \$50

plus the fee required for that vehicle under (b)(1) or (2) of this section; the fee required by this paragraph shall be collected only on the first issuance and on the replacement of special request plates; the commissioner of administration shall separately account by university campus designation for the fees received under this paragraph that the department deposits in the general fund; the annual estimated balance in the accounts that is in excess of the cost of issuing special request university plates may be appropriated by the legislature for the support of programs at each campus.

* Sec. 13. AS 28.10.423 is amended to read:

Sec. 28.10.423. EMISSION CONTROL INSPECTION PROGRAM FEES. In addition to the ⁷¹⁻~~annual~~ registration fee specified in AS 28.10.421, the department shall collect [A \$1 FEE IS IMPOSED UPON EVERY VEHICLE REQUIRED TO BE INSPECTED UNDER] an emission control program fee as required under AS 46.14.510(e) [ESTABLISHED UNDER AS 46.14.400 OR 46.14.510]. This fee shall be collected at the same time and in the same manner as the registration fee.

* Sec. 14. AS 28.15.271 is amended by adding a new subsection to read:

(e) The department shall establish procedures that allow the fees prescribed in this section to be paid by credit card, including credit card payment authorized by telephone.

* Sec. 15. AS 29.45.030(j) is amended to read:

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(j) One motor vehicle per household owned by a resident 65 years of age or older on January 1 of the assessment year is exempt either from taxation on its assessed value or from the registration tax under AS 29.45.075 [AS 28.10.431]. An exemption may be granted under this subsection only upon written application on a form prescribed by the municipality imposing the tax [DEPARTMENT OF PUBLIC SAFETY].

* Sec. 16. AS 29.45 is amended by adding a new section to read:

Sec. 29.45.075. ANNUAL MOTOR VEHICLE REGISTRATION TAX. (a)

A motor vehicle registration tax is imposed within a municipality that elects, by passage of an appropriate ordinance, to come under this section. If a municipality has, before October 15, 1978, levied a motor vehicle registration or ad valorem tax that has been repealed by a vote of the people at any regular or special municipal election, then the election provided for in this subsection is not effective until the ordinance passed by the local governing body has been approved by the people at the next regularly scheduled general or special municipal election.

(b) The tax is imposed upon motor vehicles subject to the license fee under AS 28.10.411 and 28.10.421 and is based upon the age of vehicles as determined by model year according to the following schedule:

Tax According to Age of Vehicle Since Model Year:

	1st	2nd	3rd	4th	5th	6th	7th	8th
	or over							
Motor Vehicle								
(1) motorcycle	\$ 9	\$ 8	\$ 7	\$ 6	\$ 4	\$ 3	\$ 2	\$ 2
(2) vehicles speci- fied in AS 28.10.- 421(b)(1)	66	55	44	33	22	17	11	8
(3) vehicles speci- fied in AS 28.10.- 421(b)(3)	66	55	44	33	22	17	11	8
(4) vehicles speci- fied in AS 28.10.-								

FIN

WORK DRAFT

WORK DRAFT

WORK DRAFT

1	421(c)(1) - (4)								
2	5,000 pounds or	66	55	44	33	22	17	11	8
3	less								
4	5,001 - 12,000	110	88	66	55	44	33	22	11
5	pounds								
6	12,001 - 18,000	165	132	110	88	66	44	33	22
7	pounds								
8	18,001 pounds	220	176	143	110	88	66	44	22
9	or over								
10	(5) vehicles speci-	110	88	66	55	44	33	22	11
11	fied in AS 28.10.-								
12	421(b)(4)								
13	(6) vehicles speci-	9	8	7	6	4	3	2	2
14	fied in AS 28.10.-								
15	421(b)(6)								
16	(7) vehicles speci-	66	55	44	33	22	17	11	8
17	fied in AS 28.10.-								
18	421(d)(9)								
19	(8) vehicles speci-	66	55	44	33	22	17	11	8
20	fied in AS 28.10.-								
21	421(b)(2)								
22	(9) vehicles eligible	44							
23	for dealer plates								
24	under AS 28.10.-								
25	421(d)(10).								

26 (c) Except as provided under (d) of this section, the registration tax shall be
 27 levied, collected, enforced, and otherwise administered by the municipality in which
 28 the tax is imposed. Only one registration tax may be collected with respect to the
 29 same motor vehicle in the year for which the tax is paid.

30 (d) If the municipality imposing a tax under (a) of this section and the
 31 commissioner of public safety agree, the registration tax imposed by that municipality

1 under this section may be collected by the Department of Public Safety in the same
2 manner as provided for registration fees imposed under AS 28.10. If the Department
3 of Public Safety collects the tax imposed under this section, the department shall
4 refund money collected under this section, less eight percent as collection costs, to the
5 municipality for which the money was collected, as determined by

6 (1) the address of residence of an individual required to pay the tax,
7 or

8 (2) the situs of the vehicle if the vehicle is not owned by an individual;
9 the tax situs is the location at which the motor vehicle is usually, normally, or
10 regularly kept or used.

11 (e) If a person has paid the registration tax imposed in this section, and the
12 municipality determines that the payor is entitled to a refund in whole or in part of the
13 registration tax, the municipality shall make the refund to which the person is entitled.
14 A refund may not be made unless application for a refund is filed with the
15 municipality by December 31 of the year following the year for which the refund is
16 claimed.

17 (f) Money received by a borough under this section shall be allocated by the
18 borough by ordinance for city, area outside city, and service area purposes within the
19 borough.

20 (g) Payment of the registration tax is in lieu of all local use taxes and ad
21 valorem taxes on motor vehicles subject to the tax. A municipality that elects to come
22 under the provisions of this section may not levy use or ad valorem taxes on motor
23 vehicles subject to the registration tax during a fiscal year in which the election is in
24 effect.

25 (h) A vehicle owned by a former prisoner of war exempted from registration
26 fees under AS 28.10.421(d)(13) is subject to a motor vehicle registration tax under this
27 section.

28 * Sec. 17. AS 29.60.010(c) is amended to read:

29 (c) For purposes of this section, locally generated revenue

30 (1) includes

31 (A) the actual revenue derived from the levy and collection of

1 local taxes in the taxing unit for municipal services;

2 (B) motor vehicle payments received by the municipality under
3 AS 29.45.075 [AS 28.10.431];

4 (C) revenue from fees, rentals, leases, penalties, licenses, or
5 permits received by the municipality for a function or service over which it has
6 control, including revenues derived from parks and recreation services, mass
7 transit, offstreet parking, and garbage and solid waste disposal services;

8 (D) special assessments received; and

9 (E) payments received by a municipality from a utility that are
10 in place of taxes levied and collected by the municipality;

11 (2) excludes

12 (A) revenue derived from the levy and collection of municipal
13 taxes and appropriated for the operating expenses and debt service of utilities;

14 (B) revenue from interest earned on investments and from the
15 sale and lease of land or equipment; and

16 (C) all other revenue from whatever service derived;

17 (3) is calculated on the basis of the actual revenue received during the
18 fiscal year of the taxing unit preceding the year in which the department's
19 determination of the millage rate equivalent is made under AS 29.60.030.

20 * Sec. 18. AS 46.14.510 is amended by adding new subsections to read:

21 (e) A person required to register a motor vehicle under AS 28.10.011 who
22 resides and operates the registered motor vehicle in an area subject to an emission
23 control program established under AS 46.14.400 or this section shall, in addition to the
24 registration fee specified in AS 28.10.421, pay an^{B/-} annual motor vehicle emissions fee
25 as provided under AS 28.10.423. The department shall, by regulation, establish the
26 amount of the motor vehicle emissions fee. The department may not establish a fee
27 under this subsection that is greater than the fee necessary to pay the cost of the
28 department's motor vehicle emissions control program. The motor vehicle fees
29 collected under this subsection may be appropriated to the motor vehicle emissions
30 control account.

31 (f) A motor vehicle emissions control account is established in the general

1 fund. It consists of appropriations made to it. The department may use money in the
2 account for administration of an emission control program established under
3 AS 46.14.400 or this section.

4 (g) In addition to the fee described under (e) of this section, the department
5 may adopt regulations that prescribe reasonable fees to pay the department's
6 administrative costs resulting from other programs of the department designed to
7 control emissions from motor vehicles or to regulate motor vehicle fuels to control
8 emissions.

9 (h) In this section, "motor vehicle" means a vehicle that is self-propelled, but
10 does not include a vehicle propelled by human or animal power.

11 * Sec. 19. AS 28.10.108(b) and 28.10.431 are repealed.

12 * Sec. 20. TRANSITION. (a) Notwithstanding secs. 2 - 12 of this Act, the biennial
13 registration fees imposed under this Act shall be collected upon initial registration or renewal
14 of an existing registration.

15 (b) Notwithstanding the provisions of AS 28.10.423, beginning July 1, 1994, and
16 ending January 1, 1995, the annual motor vehicle emissions fee paid to the Department of
17 Public Safety under AS 28.10.423 shall equal \$2.

18 * Sec. 21. Section 20(b) of this Act takes effect July 1, 1994.

19 * Sec. 22. Except as provided in sec. 21 of this Act, this Act takes effect January 1, 1995.

State Affairs Subcommittee
Analysis of Proposed CS for HB 328
(R Version)

HB 328 attempts to address two issues.

First, this legislation would establish biennial motor vehicle registration effective January 1, 1995. The fees for biennial registration would be reduced to one and one-half times the current one year rate and would result in annual savings to motor vehicle owners of approximately \$4.6 million. The proposed bill would also reduce the Division of Motor Vehicle's (DMV) workload by a minimum of 10% and significantly reduce the rate of new hires.

Currently, motor vehicle registration is linked to annual inspection and payment of emission fees as a means of ensuring compliance with emission standards set out in the federal Clean Air Act and enforced by EPA. Willful noncompliance with this mandate could jeopardize Intermodal Surface Transportation Enhancement Act (ISTEA) monies which Alaska receives from the federal government (between \$185-\$200 million in FY 94).

In order to facilitate the biennial registration process and, at the same time, maintain the annual emission inspections currently required by EPA, HB 328 would provide for DEC to establish and administer a new I/M (inspections and maintenance) program and to establish fees to cover program costs.

The sponsor and staff have worked with DEC and EPA to ensure that the committee substitute before you meets the three criteria upon which EPA will base their approval of any proposed changes in the present program:

- 1) Sufficient funding to implement the proposed change.
- 2) Sufficient staff to implement the proposed change.
- 3) Appropriate legal authority for the department.

March 4, 1994

EPA has indicated their approval of the proposed committee substitute before you.

Currently, DEC's I/M program receives \$400,000 in general fund monies. Beginning in FY 96, funding would be provided through program receipts, resulting in an annual savings to the general fund of \$280,000 to \$400,000.

HB 328 would increase the current \$1 emission fee charged at the time a motor vehicle is registered to \$2. These monies would be used to implement the new program. However, this provision is repealed January 1, 1995 - at which time the new program will be implemented and DEC will have determined a new fee based upon actual program costs (estimated to include one new position).

Second, HB 328 would delete statutory provisions that require DMV to collect annual motor vehicle registration taxes for those cities electing to participate under AS 28.10.431.

The responsibility for collecting a property tax on motor vehicles would be returned to the municipality/borough *unless* the Commissioner of the Department of Public Safety agrees to collect the tax for the municipality/borough, in which case the Department of Public Safety would retain eight percent of the fees to cover collection costs.

It is the sponsor's position that returning this responsibility to the municipality more accurately discloses the true nature of the tax and its purpose to the tax payer. There should be no loss in local government revenues since the monies (8%) they are now paying the state to collect their taxes can be used for their own tax collection purposes. While the state will receive approximately \$220,000 less in program receipts, there will be a corresponding reduction in personal services - approximately 7 positions.

March 4, 1994

Pro's:

- 1) Would remove inspection problems associated with biennial registration.
- 2) Ensures continued compliance with EPA requirements.
- 3) Would return approximately \$4.6 million to motor vehicle owners.
- 4) Would reduce the need for general fund monies by approximately \$280,000 - \$400,000/yr.
- 5) Would decrease the rate of new DMV hires.

Con's:

- 1) Municipalities oppose.
- 2) Approximate \$4.6 million reduction in general fund revenues due to the 25% savings to owners per motor vehicle registered.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO: HB 328

Revision Date: _____ Dept. Affected: Public Safety
 Title: An Act relating to motor vehicle registration fees; to fees for driver BRU: Motor Vehicles
 Component: Field Services
 Sponsor: Representative Terry Martin
 Requestor: H. STA COMPONENT SERIAL NO. 502

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	265.0	177.5	130.0	130.0	130.0	130.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	265.0	177.5	130.0	130.0	130.0	130.0
CAPITAL						
REVENUE FUND SOURCE:	2,300.0	(55.0)	(4,820.0)	(4,820.0)	(4,820.0)	(4,820.0)

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	265.0	177.5	130.0	130.0	130.0	130.0
1006 GF/MHTIA						
Other						
TOTAL	265.0	177.5	130.0	130.0	130.0	130.0

Estimate of current year (FY 94) impact: \$ _____

POSITIONS:

FULL-TIME					
PART-TIME					
TEMPORARY					

ANALYSIS: (Attach a separate page if necessary.)

See attached.

Prepared By: Charles R. Hosack Phone: 269-5559
 Division: Motor Vehicles Date: 1/7/94
 Approved by Commissioner: *[Signature]* Date: 1/13/94
 Agency: Richard I. Burton, Dept. of Public Safety

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EFFECT AND ASSUMPTIONS

This bill changes the registration period for all vehicles from annual to biennial. This bill would reduce some of the annual workload for DMV but it will not reduce it by 50%. The annual renewal of registration is one of the easiest to process and the total volume of annual renewal transactions is only 15%-20% of the total workload for the division. The average renewal transaction takes less than a minute to process as compared to 10 minutes for a vehicle title change or a driver license renewal, 45 minutes for an original non-commercial license with a road test, or 3 hours for an original commercial driver license with a road test.

It is assumed for the purposes of this fiscal note that a transition period will be allowed to phase this program in over a two-year period so that 50% of the vehicles will be changed to biennial registration the first year and the remainder the following year. If all were changed in the same year then every other year all registrations would be due and staffing problems would remain the same until this spike in activity changed after several years time of bringing new vehicles into the program in the off years. It is also assumed that the effective date will be changed to January 1, 1995, to allow time to make the necessary extensive computer changes.

COSTS

The major costs for implementation of this bill will be for the extensive changes needed to computer programs in the registration system. This series of programs related to registration is the largest in the APSIN system and will require major modifications because all of the related programs are predicated on an annual renewal system. All existing programming staff is dedicated to federally mandated programs connected to DMV transactions so contract programmers will be used for this effort. It is estimated that 600 hours of programmer time will be required to revise all programs, tables, and related revenue collection programs and to test the system prior to implementation. The cost for contract programming support is \$75/hour so the total cost is \$45,000.00.

This bill also requires the division to accept credit cards for payment of all fees. The division collects \$30,000,000 in total revenue annually. Based on information provided by local large retailers, approximately 50% of their customers use credit cards for purchases. The estimated fee to be paid to credit card companies is 1.5% which would equate to an annual cost of \$225,000.00.

COST SAVINGS

With the phased implementation there will be no change in the costs during the first year of the program since all vehicles will still have to register for either 1 or 2 years. During the second and following years of the program there would be savings for postage and forms as only 50% of the vehicles would need to be registered each year as compared to current work volume. The annual cost savings are as follows:

Postage	250,000 @ .25 (initial notice)	\$62.5
	75,000 @ .29 (completed renewals)	\$21.7
Forms	250,000 Registration forms @ \$21/M	\$ 5.3
	325,000 Envelopes @ \$17/M	\$ 5.5
	TOTAL	\$95.0

There will be a reduced workload but there will not be a reduction in employee strength or funding. These employees will be used to reduce the waiting times in major offices to 2 hours. The workload is increasing at 3%-5% annually so this program only allows us to keep pace.

REVENUE CONSIDERATIONS

Although the registration period has been doubled, the registration fees have only been increased to 1.5 times the current fee. During the first year of the phase-in period there will be an increase in revenue since all vehicles must still register and half of them will pay higher fees. After that only half the vehicles will register for 2 years but will pay the equivalent of 1.5 years of registration at the current rate. The result is the same as a 25% reduction in registration revenues to the state. In FY 93 the Division collected \$18,479,866 in registration fees so the annual loss will be approximately \$4,600,000.00 in GF revenue.

This bill makes no change to AS 28.10.431, the Municipal Vehicle Registration Tax (MVRT). This tax is collected at the same time as the registration fees so under this bill the tax would only be collected biennially rather than annually with no increase in the tax rates. The result of this change is a \$2,750,000.00 annual revenue loss to local governments. The division is allowed to retain 8% of this amount for collection costs so the loss to Program Receipt funds is \$220,000.00 or the equivalent of 7 public service positions.

The revenue calculations for the initial years are as follows:

FY 95 - All vehicles must register during CY 95 but half of these vehicles will pay the higher amount for the two year registration. This will generate the normal registration revenue plus the higher amount for half of the vehicles. The increased revenue for the vehicles registering January -- June is \$2,300,000 or half the annual amount. The MVRT amount is unchanged since all vehicles are registering.

FY 96 - For July -- December 95 all of the vehicles are registering with half paying the higher amount generating an additional \$2,300,000 in revenue. During the second half of the year only half the vehicles will register but all of these will pay the higher fees. The revenue loss from the current system is \$2,300,000 so the loss and gain cancel each other. Since only half the vehicles are registering there will be a loss in MVRT of \$55,000 during the second half of the year.

FY 97 - This is the first year that only half the vehicles will register at the higher fee. The revenue loss is \$4,600,000 and the MVRT loss is \$220,000 for a total loss of \$4,820,000. This does not include the \$2,750,000 loss to the local government in MVRT.

SUMMARY

Implementation costs (one time cost)	\$ 45.0
Operational savings (after initial year)	(\$ 95.0)
Operational costs - Credit card fees	\$225.0
Registration revenue loss (after initial year)	\$4,600.0
MVRT PR loss	\$ 220.0
Net loss to State on annual basis	\$4,950.0
Loss to Local Government on MVRT	\$2,750.0
Total loss in government revenues	\$7,700.0

HB 328
FISCAL NOTE SUMMARY

	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
OPERATING						
PROGRAMMING COSTS (ONE TIME COST)	45.0					
CREDIT CARD COSTS (ASSUMING 1.5% FEE)	225.0	225.0	225.0	225.0	225.0	225.0
POSTAGE (SAVINGS)		-42.1	-84.2	-84.2	-84.2	-84.2
FORMS (SAVINGS)		-5.4	-10.8	-10.8	-10.8	-10.8
	=====	=====	=====	=====	=====	=====
TOTALS	270.0	177.5	130.0	130.0	130.0	130.0
REVENUE						
REGISTRATION FEES	2300.0	0.0	-4600.0	-4600.0	-4600.0	-4600.0
MVRT LOSS (8% COLLECTION COST)	0.0	-55.0	-220.0	-220.0	-220.0	-220.0
	=====	=====	=====	=====	=====	=====
TOTALS	2300.0	-55.0	-4820.0	-4820.0	-4820.0	-4820.0

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

DIVISION OF ENVIRONMENTAL QUALITY
AIR QUALITY MANAGEMENT SECTION
410 Willoughby Avenue, Suite 105
Juneau, Alaska 99801-1795

Phone: (907) 465-5100

Fax: (907) 465-5129

February 18, 1994

W. Ladd McBride
Alaskan Watch Inc.
P.O. Box 83567
Fairbanks, AK 99708

Dear Mr. McBride:

First, I would like to thank you for the buttons you sent. The individuals who received them were very appreciative of your efforts to get these additional buttons. I must apologize for the delay in answering your letters. I have been in Anchorage implementing the commuter program.

As it relates to your question the health concerns regarding ethanol, Dr. John P. Middaugh, the State Epidemiologist has been looking into the potential health affects. He has been in contact with the Centers for Disease Control (CDC). To ensure that we have not over looked any potential studies, I would like to ask you to send copies of your studies to both Dr. Middaugh and myself. The Department appreciates the efforts you and others within your organization have made regarding the potential health concerns.

The fees discussed during the teleconference on HB 328 were suggestions and are not a formal proposal. During my testimony, I was suggesting one possible option that would establish an increasing emission fee for failure to comply over a given period of time (eg, after 30-days \$50, 60-days \$100, and 90-days \$500). Before these fees or any other proposed fees can be charged, the proposed fees must be established by regulations with an appropriate public notice and comment period.

As for how we would handle vehicles which are not operating, we would have to establish a process in regulations. In some cases the vehicle, which is not operating, would have to be handled on a case by case basis. We would establish the process through the regulatory process at the same time as we would set the fees. Yes, this would require additional staff and costs to the Department of Environmental Conservation. Once we have been able to identify all of the costs, the legislature will be able to determine whether there would be any net savings before adoption of HB 328.

February 18, 1994

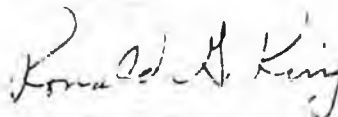
Your final question related to the monitoring of vehicles that might be commuting into Anchorage is reasonably simple. First, we are in the process of identifying the potential commuters into Anchorage. Second, we have all of the test records and will continue to get periodic updates. We would then compare the tested vehicles against those vehicles owned by the individuals. If you are a commuter and have at least one vehicle inspected, we would not contact you requiring an inspection. If you drove a different car into Anchorage which was not inspected, you could be cited for not having your inspection. Would some people do this? "YES!" Will we take action? "YES", if found. Will some slip through and not be caught? "YES!"

As I am sure that you are aware, regulations and laws do not always stop people from doing something wrong. The particular option and approach taken in the attempt to reduce emission from commuters is the least costly at this time. Most of the effort can be done by the use of computers.

However, I would like to state at this time that we have and will continue to be interested in the remote sensing device for use in controlling emissions from the commuters. One of the biggest draw backs to the use of the remote sensing device is associated with how you are able to identify the vehicles, as well as potential operating problems. We are extremely pleased that the Fairbanks North Star Borough has under taken the acquisition of a remote sensing device to be used in a demonstration project. The department will be cooperating with the Borough and we will be evaluating its potentials for use in the commuter program.

If I can be of further assistance, please contact me at the address or phone number listed above.

Sincerely,



Ronald G. King
Project Manager

RK /mdb (AQ\ronk\ladd3.mem)
Enclosure

cc: John A. Sandor, Commissioner, ADEC
Michael L. Menge, Director, ADEC/EQ
Pete McGee, Regional Administrator, ADEC/NRO
Leonard D. Verrelli, Section Chief, ADEC/CO
✓ Representative Terry Martin, Alaska House of Representatives
Representative Al Veasey, Alaska House of Representatives
Representative Jeannette James, Alaska House Representatives



U.S. ENVIRONMENTAL PROTECTION AGENCY
REGION 10

ALASKA OPERATIONS OFFICE
410 WILLOUGBY AVE. SUITE 100
JUNEAU, ALASKA 99801

January 21, 1994

REPLY TO
ATTN OF: AOO/J

Honorable Terry Martin
Alaska State Legislature
State Capital (MS 3100)
Juneau, Ak. 99801-1182

Dear Representative Martin:

Thank you for the opportunity to comment on HB 328. The Environmental Protection Agency (EPA) met with your staff and two state agencies on January 14, 1994 to discuss this legislation. We expressed our support for HB 328's goals during that meeting and we continue to support these goals. EPA is, however, concerned about possible unintended consequences that HB 328 may have on the mandatory vehicle inspection and maintenance (I/M) programs in Anchorage and Fairbanks.

The motor vehicle registration process serves as one of the primary compliance tools for both I/M programs. If Alaska switches from annual to biennial registration without compensating for the lack of this compliance tool it would significantly reduce the effectiveness of these I/M programs. While Alaska is commended for having excellent I/M programs which are responsible for the significant progress that has been made in reducing carbon monoxide (CO) emissions, violations of the National Ambient Air Quality Standards for CO in Anchorage and Fairbanks continue, and given the uncertainty surrounding Alaska's oxygenated fuel program, EPA needs to ensure that Anchorage and Fairbanks strengthen rather than weaken their I/M programs.

In conclusion, we respectfully request that you consider including provisions for an alternative means of assuring compliance throughout the biennial cycle that will result in equivalent or stronger I/M program effectiveness for Anchorage and Fairbanks. EPA is available to work with you and your staff toward this end. Again, thank you for the opportunity to provide comments on this important issue.

Sincerely,


Steven A. Torok, Chief
State Operations Section

cc: M. Treadwell
A. Ewing

ELECTIVE DISTRICT 14
ELMENDORF A.F.B.
EAST ANCHORAGE
GOVERNMENT HILL

REP. TERRY MARTIN

HOME
355 DONNA DR., #11
ANCHORAGE, AK 99504
PHONE: 333-6990


DURING SESSION
P.O. BOX V
STATE CAPITOL BUILDING
JUNEAU, AK 99811
PHONE: 465-3783

Alaska House of Representatives

MEMORANDUM

DATE: January 10, 1994

TO: Representative Al Vezey, Chair
House State Affairs Committee

FROM: Representative Terry Martin 

RE: Request for hearing

HB 328, "An Act relating to motor vehicle registration and registration fees; to fees for drivers' licenses and permits; and providing for an effective date," has been referred to your committee for a hearing.

The intent of this legislation is to improve DMV efficiency and reduce state operating costs through adoption of a biennial registration process - similar to registration processes in Oregon and Massachusetts. Additionally, categorizing by last name (A-L, M-Z) for even and odd numbered years would be initiated. Finally, to encourage public participation, registration fees would be less than the two-year cost of the present registration program. A sectional analysis and sponsor summary are attached for your review.

I respectfully request that this bill be scheduled for a hearing at your earliest convenience.

BILL NO: HB 328

DATE: January 13, 1994

TITLE: An Act relating to motor vehicle registration fees; to fees for driver. . ."

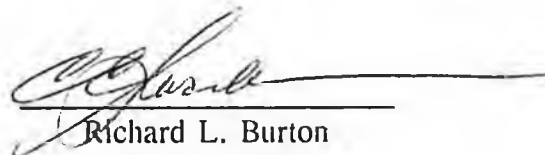
CONTACT: Juanita Hensley
Chief, Driver Services
465-4361

This bill changes the vehicle registration period from annual to biennial and makes changes to the registration fee schedule. The intent of the legislation is to reduce the workload for the Division of Motor Vehicles so that budget increases will not be needed.

The Department is not opposed to the concept of biennial registration and is in favor of a program to reduce government workload. The statutes currently allow the commissioner to start a program for multi-year registration but this has not occurred because many other programs are attached to the registration program. The most important are the Emission Inspection Programs required in Anchorage and Fairbanks. The Department of Environmental Conservation operates this program in conjunction with the local governments. The Alaska program requires annual inspections and is enforced through the registration process. Failure to meet federal standards in this program will result in the loss of 10% of the federal highway funds.

The bill doubles the registration period but only increases the fees by 1.5 times the current rate. This will result in a revenue loss to the state of \$4,600,000.00 annually without corresponding savings in operating costs. The bill will also result in loss to local governments of \$2,750,000.00 in Municipal Vehicle Registration Tax revenue. The Department recognizes that the legislature may set tax rates but a revenue loss of this magnitude seems inconsistent with current revenue initiatives.

The Department's position on this bill is neutral. This position could be changed to support the bill if the Department of Environmental Conservation feels that the Emission Inspection Program can be changed to a biennial inspection without risking the loss of the highway funds, and with the legislature's full knowledge of the bill's impact on the collection of the Municipal Vehicle Registration Tax.



Richard L. Burton
Commissioner

POSITION PAPER - Department of Public Safety

SPONSOR'S SUMMARY

In an effort to improve DMV efficiency and to reduce state operating costs associated with motor vehicle registration, I have introduced HB 328. This legislation would amend existing statutes to require that vehicle registration occur every two years rather than every year as is currently required.

The bill contains a provision to allow biennial registration to be achieved on a gradual basis; i.e. persons with last names beginning A - L would register their vehicles in even numbered years, those with last names beginning M - Z would register their vehicles in odd numbered years. It would be most beneficial if this were signed into law to make it operative beginning July 1, 1994.

HB 328 would also allow motor vehicle registration fees to be paid by credit card, including authorization by phone.

Finally, to encourage public participation and to reflect increased efficiency of DMV operations, the biennial registration fee would be one and a half times the current yearly rate (i.e., less than the two-year cost of the present registration program).

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

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

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

January 10, 1994

SUBJECT: Sectional Summary of HB 328

TO: Representative Terry Martin

FROM: Michael F. Ford *M.F.F.*
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 and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Requires that motor vehicle registration occur every two years, instead of the present annual registration.

Section 2. Requires biennial renewal of motor vehicle registration.

Section 3. Technical amendment regarding transfer of ownership of a motor vehicle.

Section 4. Allows extension of registration on a biennial basis.

Section 5. Allows renewal of registration on a biennial basis.

Section 6. Requires motor vehicle registration be renewed on a biennial basis.

Section 7. Allows a senior citizen exemption from registration on a biennial basis.

Section 8. Provides that motor vehicle registration can be paid by credit card, including authorization by phone.

Section 9. Imposes fees for registration on a biennial basis.

Section 10. Imposes fees for registration on a biennial basis.

Representative Terry Martin
January 10, 1994
Page 2

Section 11. Imposes special fees for registration on a biennial basis.

Section 12. Imposes emission inspection fees on a biennial basis.

Section 13. Allows certain fees to be paid by credit card, including phone authorization.

Section 14. Transition section to allow for biennial registration on a gradual basis.

Section 15. Effective date.

MFF:gc
94-008.glc

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO: HB 328

Revision Date: _____ Dept. Affected: Public Safety
 Title: An Act relating to motor vehicle regis- BRU: Motor Vehicles
tration fees: to fees for driver... Component: Field Services
 Sponsor: Representative Terry Martin
 Requestor: H. STA COMPONENT SERIAL NO. 502

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	265.0	177.5	130.0	130.0	130.0	130.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	265.0	177.5	130.0	130.0	130.0	130.0
CAPITAL						
REVENUE FUND SOURCE:	2,300.0	(55.0)	(4,820.0)	(4,820.0)	(4,820.0)	(4,820.0)

FUNDING: (Thousands of Dollars)

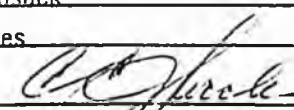
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	265.0	177.5	130.0	130.0	130.0	130.0
1006 GF/MHTIA						
Other						
TOTAL	265.0	177.5	130.0	130.0	130.0	130.0

Estimate of current year (FY 94) impact: \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)
See attached.

Prepared By: Charles R. Honsack Phone: 269-5559
 Division: Motor Vehicles Date: 1/7/94
 Approved by Commissioner:  Date: 1/13/94
 Agency: Richard L. Burton, Dept. of Public Safety

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FWD
1/13/94

EFFECT AND ASSUMPTIONS

This bill changes the registration period for all vehicles from annual to biennial. This bill would reduce some of the annual workload for DMV but it will not reduce it by 50%. The annual renewal of registration is one of the easiest to process and the total volume of annual renewal transactions is only 15%-20% of the total workload for the division. The average renewal transaction takes less than a minute to process as compared to 10 minutes for a vehicle title change or a driver license renewal, 45 minutes for an original non-commercial license with a road test, or 3 hours for an original commercial driver license with a road test.

It is assumed for the purposes of this fiscal note that a transition period will be allowed to phase this program in over a two-year period so that 50% of the vehicles will be changed to biennial registration the first year and the remainder the following year. If all were changed in the same year then every other year all registrations would be due and staffing problems would remain the same until this spike in activity changed after several years time of bringing new vehicles into the program in the off years. It is also assumed that the effective date will be changed to January 1, 1995, to allow time to make the necessary extensive computer changes.

COSTS

The major costs for implementation of this bill will be for the extensive changes needed to computer programs in the registration system. This series of programs related to registration is the largest in the APSIN system and will require major modifications because all of the related programs are predicated on an annual renewal system. All existing programming staff is dedicated to federally mandated programs connected to DMV transactions so contract programmers will be used for this effort. It is estimated that 600 hours of programmer time will be required to revise all programs, tables, and related revenue collection programs and to test the system prior to implementation. The cost for contract programming support is \$75/hour so the total cost is \$45,000.00.

This bill also requires the division to accept credit cards for payment of all fees. The division collects \$30,000,000 in total revenue annually. Based on information provided by local large retailers, approximately 50% of their customers use credit cards for purchases. The estimated fee to be paid to credit card companies is 1.5% which would equate to an annual cost of \$225,000.00.

COST SAVINGS

With the phased implementation there will be no change in the costs during the first year of the program since all vehicles will still have to register for either 1 or 2 years. During the second and following years of the program there would be savings for postage and forms as only 50% of the vehicles would need to be registered each year as compared to current work volume. The annual cost savings are as follows:

Postage	250,000 @ .25 (initial notice)	\$62.5
	75,000 @ .29 (completed renewals)	\$21.7
Forms	250,000 Registration forms @ \$21/M	\$ 5.3
	325,000 Envelopes @ \$17/M	\$ 5.5
	TOTAL	\$95.0

There will be a reduced workload but there will not be a reduction in employee strength or funding. These employees will be used to reduce the waiting times in major offices to 2 hours. The workload is increasing at 3%-5% annually so this program only allows us to keep pace.

REVENUE CONSIDERATIONS

Although the registration period has been doubled, the registration fees have only been increased to 1.5 times the current fee. During the first year of the phase-in period there will be an increase in revenue since all vehicles must still register and half of them will pay higher fees. After that only half the vehicles will register for 2 years but will pay the equivalent of 1.5 years of registration at the current rate. The result is the same as a 25% reduction in registration revenues to the state. In FY 93 the Division collected \$18,479,866 in registration fees so the annual loss will be approximately \$4,600,000.00 in GF revenue.

This bill makes no change to AS 28.10.431, the Municipal Vehicle Registration Tax (MVRT). This tax is collected at the same time as the registration fees so under this bill the tax would only be collected biennially rather than annually with no increase in the tax rates. The result of this change is a \$2,750,000.00 annual revenue loss to local governments. The division is allowed to retain 8% of this amount for collection costs so the loss to Program Receipt funds is \$220,000.00 or the equivalent of 7 public service positions.

The revenue calculations for the initial years are as follows:

FY 95 - All vehicles must register during CY 95 but half of these vehicles will pay the higher amount for the two year registration. This will generate the normal registration revenue plus the higher amount for half of the vehicles. The increased revenue for the vehicles registering January -- June is \$2,300,000 or half the annual amount. The MVRT amount is unchanged since all vehicles are registering.

FY 96 - For July -- December 95 all of the vehicles are registering with half paying the higher amount generating an additional \$2,300,000 in revenue. During the second half of the year only half the vehicles will register but all of these will pay the higher fees. The revenue loss from the current system is \$2,300,000 so the loss and gain cancel each other. Since only half the vehicles are registering there will be a loss in MVRT of \$55,000 during the second half of the year.

FY 97 - This is the first year that only half the vehicles will register at the higher fee. The revenue loss is \$4,600,000 and the MVRT loss is \$220,000 for a total loss of \$4,820,000. This does not include the \$2,750,000 loss to the local government in MVRT.

SUMMARY

Implementation costs (one time cost)	\$ 45.0
Operational savings (after initial year)	(\$ 95.0)
Operational costs - Credit card fees	\$225.0
Registration revenue loss (after initial year)	\$4,600.0
MVRT PR loss	\$ 220.0
Net loss to State on annual basis	\$4,950.0
Loss to Local Government on MVRT	\$2,750.0
Total loss in government revenues	\$7,700.0

HB 328

FISCAL NOTE SUMMARY

	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
OPERATING						
PROGRAMMING COSTS (ONE TIME COST)	45.0					
CREDIT CARD COSTS (ASSUMING 1.5% FEE)	225.0	225.0	225.0	225.0	225.0	225.0
POSTAGE (SAVINGS)		-42.1	-84.2	-34.2	-84.2	-84.2
FORMS (SAVINGS)		-5.4	-10.8	-10.8	-10.8	-10.8
	=====	=====	=====	=====	=====	=====
TOTALS	270.0	177.5	130.0	130.0	130.0	130.0
REVENUE						
REGISTRATION FEES	2300.0	0.0	-4600.0	-4600.0	-4600.0	-4600.0
MVRT LOSS (8% COLLECTION COST)	0.0	-55.0	-220.0	-220.0	-220.0	-220.0
	=====	=====	=====	=====	=====	=====
TOTALS	2300.0	-55.0	-4820.0	-4820.0	-4820.0	-4820.0

BILL NO: HB 328

DATE: January 13, 1994

TITLE: An Act relating to motor vehicle registration fees; to fees for driver. . ."

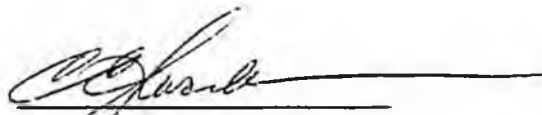
CONTACT: Juanita Hensley
Chief, Driver Services
465-4361

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The Department is not opposed to the concept of biennial registration and is in favor of a program to reduce government workload. The statutes currently allow the commissioner to start a program for multi-year registration but this has not occurred because many other programs are attached to the registration program. The most important are the Emission Inspection Programs required in Anchorage and Fairbanks. The Department of Environmental Conservation operates this program in conjunction with the local governments. The Alaska program requires annual inspections and is enforced through the registration process. Failure to meet federal standards in this program will result in the loss of 10% of the federal highway funds.

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The Department's position on this bill is neutral. This position could be changed to support the bill if the Department of Environmental Conservation feels that the Emission Inspection Program can be changed to a biennial inspection without risking the loss of the highway funds, and with the legislature's full knowledge of the bill's impact on the collection of the Municipal Vehicle Registration Tax.



Richard L. Burton
Commissioner

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF PUBLIC SAFETY

DIVISION OF MOTOR VEHICLES

P.O. BOX 20020
JUNEAU, ALASKA 99802-0020

PHONE:
(907) 269-5559

January 13, 1994

The Honorable Terry Martin
Alaska State Legislature
State Capitol
Juneau, Alaska 99811

Dear Representative Martin:

Several questions came up in the Legislative Budget & Audit meeting yesterday that I wanted to make sure you have the answer to should they be addressed again.

1. What was the effect of the loss of seasonal positions at the end of FY 93?

With seasonal positions layed off at the end of June waiting times for public service in most DMV offices exceeded 2 hours at peak times. Appointments for road tests were 6-8 weeks in advance. In Anchorage, where road tests were given on a first come first served basis in the mornings without appointment, competition was so keen for those few slots that DMV personnel were unable to handle the unruly opening crowds and police were called on several occasions. As a result, the Anchorage office was placed on an appointment only basis for road tests. Consider these effects when absence of the seasonals was not even during our busiest months. During April, May, and June of this year waiting times are expected to exceed 3 hours, with waits for road tests in excess of 8 weeks.

2. Did the imposition of the \$10 fee for not using the mails have any effect?

The \$10 incentive to use the mail for vehicle registration renewal has had a dramatic effect. Usage has gone from an average of 30% to 56%, and will probably peak in the 60's. This has certainly reduced the number of customers in DMV offices. However, there has been no reduction in the amount of work. The same amount of processing goes into a renewal whether it is received in the mail or whether the person is standing before a DMV representative. The time saved by not exchanging pleasantries in a face to face setting is offset by the

Dulany/Martin
January 13, 1994

Page 2

additional time in handling the mail. And since no new employees were authorized to process the increased mail the additional workload of the mail-out unit created a reduction in the number of counter personnel available to help customers at the public service counter.

3. Will a 2 year registration have any effect on the DMV workload?

Absolutely. But not to the extent of cutting the work by 50%. Vehicle registration renewals are the least time consuming of all the Division's transactions. They comprise about 20% of the total DMV workload. If the number of renewals is halved by a 2 year registration cycle, then the DMV workload is reduced by one-half of 20%, or a 10% reduction. For a 3 hour waiting period this equates to shaving off 18 minutes. Nevertheless, every little efficiency helps.

The Division is planning efficiency initiatives that will help to see us into the next century. I hope to be able to discuss some of these with you during the next few weeks.

Sincerely,

J. N. Dulany
Jay N. Dulany
Director

ALASKA TRUCKING ASSOCIATION, INC.3443 Minnesota Drive • Anchorage, Alaska 99503 • PHONE (907) 276-1149 • FAX (907) 274-1946

TESTIMONY OF FRANK J. DILLON
BEFORE STATE AFFAIRS COMMITTEE
JANUARY 22, 1994

CHAIRMAN VEZEY AND MEMBERS OF THE COMMITTEE.

MY NAME IS FRANK DILLON AND I AM EXECUTIVE DIRECTOR OF ALASKA TRUCKING ASSOCIATION, INC. I'M HERE TODAY TO SPEAK IN SUPPORT OF HOUSE BILL NO. 328.

ALASKA'S TRUCKING INDUSTRY STRONGLY BELIEVES THAT THIS IS THE TYPE OF IMPROVEMENT IN GOVERNMENT SERVICE THAT WE ALL NEED TO BE LOOKING FOR IN THESE TIMES OF FISCAL DIFFICULTIES.

THIS ACT BENEFITS BOTH THE MOTORING PUBLIC AND THE STATE OF ALASKA BY REDUCING COSTS, AND GENERATING MORE THAN ENOUGH REVENUE TO RUN THE DIVISION OF MOTOR VEHICLE'S PROGRAMS.

WE WOULD URGE ALL THE MEMBERS OF THE COMMITTEE TO SUPPORT THIS LEGISLATION BY RECOMMENDING A DO-PASS.

THANK YOU FOR THE OPPORTUNITY TO TESTIFY TODAY. I WOULD BE HAPPY TO ANSWER ANY QUESTIONS YOU MIGHT HAVE.





U.S. ENVIRONMENTAL PROTECTION AGENCY
REGION 10

ALASKA OPERATIONS OFFICE
410 WILLOUGBY AVE. SUITE 100
JUNEAU, ALASKA 99801

January 21, 1994

REPLY TO
ATTN OF: AOO/J

Honorable Terry Martin
Alaska State Legislature
State Capital (MS 3100)
Juneau, Ak. 99801-1182

Dear Representative Martin:

Thank you for the opportunity to comment on HB 328. The Environmental Protection Agency (EPA) met with your staff and two state agencies on January 14, 1994 to discuss this legislation. We expressed our support for HB 328's goals during that meeting and we continue to support these goals. EPA is, however, concerned about possible unintended consequences that HB 328 may have on the mandatory vehicle inspection and maintenance (I/M) programs in Anchorage and Fairbanks.

The motor vehicle registration process serves as one of the primary compliance tools for both I/M programs. If Alaska switches from annual to biennial registration without compensating for the lack of this compliance tool it would significantly reduce the effectiveness of these I/M programs. While Alaska is commended for having excellent I/M programs which are responsible for the significant progress that has been made in reducing carbon monoxide (CO) emissions, violations of the National Ambient Air Quality Standards for CO in Anchorage and Fairbanks continue, and given the uncertainty surrounding Alaska's oxygenated fuel program, EPA needs to ensure that Anchorage and Fairbanks strengthen rather than weaken their I/M programs.

In conclusion, we respectfully request that you consider including provisions for an alternative means of assuring compliance throughout the biennial cycle that will result in equivalent or stronger I/M program effectiveness for Anchorage and Fairbanks. EPA is available to work with you and your staff toward this end. Again, thank you for the opportunity to provide comments on this important issue.

Sincerely,


Steven A. Torok, Chief
State Operations Section

cc: M. Treadwell
A. Ewing

BRU: Motor Vehicles

MISSION: *To protect life and property through the efficient and effective administration of the title, registration, and driver license programs.*

OVERVIEW: AS 28, 13 AAC 08-70

The Division of Motor Vehicles is a service organization with a high amount of public contact and visibility. Due to the high degree of vehicle ownership, and the need to have a driver's license, DMV's activities reach virtually every person of driving age.

Licensed drivers in Alaska: 449,386

Registered vehicles in Alaska: 590,545

Driver Services: Compiles and maintains driver records used for insurance, court, and law enforcement purposes; administers the driver improvement program which takes action against habitual traffic violators; administers the financial responsibility law, and mandatory insurance law which protect victims involved in accidents with uninsured motorists; conducts administrative reviews of license actions under "drunk driver" laws; and processes applications for licenses by mail.

Field Services: Operates 22 field offices and has 13 commission agents which: issue vehicle titles, registrations, driver's licenses, and ID cards; register voters; collect municipal taxes; enforce municipal emission control programs; provide organ donor identification and information; and certify the collection of federal taxes for heavy vehicles.

Administration: Responsible for overall management and accounting of more than \$29,400,000 collected each year by DMV; provides overall Division management; and compiles and maintains all vehicle ownership records.

Over 6,000 drivers are notified annually of a suspension of their driver's license within 30-45 days of an uninsured accident. Less than one half of that number of drivers are suspended for having no motor vehicle liability insurance, representing approximately 10% of the total number of drivers involved in accidents during the year. The 10% uninsured rate is consistent with other mandatory insurance states.

Over 4,500 drivers arrested during the year for DWI blow a .10 or greater BAC, and nearly 1000 refuse to give a breath sample. These 5,500 drivers have their driver's licenses administratively revoked with nearly 2,000 contesting the action. The processing delays from these challenges cause the number of days from arrest to license revocation to exceed by 10 days the time period allowed to qualify for federal incentive money.

The Division operates 22 state public service offices located in cities throughout the state. These offices provide all types of motor vehicle services including the issuance of registrations, titles, driver licenses,

and ID cards; driver testing; and historical record checks. The larger offices are typically open from 8:30 a.m. to 4:30 p.m. and the smaller offices have reduced hours since in most cases these are one-person offices. The single employee in the smaller offices must close the office during road tests and while performing accounting and mail duties.

These offices have over 3,000,000 direct public contacts annually either in person or by phone. In FY93 the offices collected approximately \$29,400,000.00 in government revenues. Although these offices improve safety through the licensing and registration programs, their performance is generally measured by the amount of time the public has to wait for service. With the addition of the seasonal positions in this budget, the peak waiting times in the larger offices should be reduced from over 3 hours to approximately 1.5 hours. The peak waits for road test appointments should be reduced from eight weeks to four weeks.

The Division contracts with agents to provide service in areas where a State office would not be cost effective. Approximately 5,000 annual transactions are needed to make a State office more cost effective than a commission agent. Twelve commission agents in small communities throughout the state collected nearly \$600,000 from motor vehicle and driver's license transaction fees. All but one commission agent are city governments.

DMV employees in Haines, Cordova, Glennallen, Bethel, and Nome provide part-time motor vehicle and driver's license service, and additionally support the Divisions of Alaska State Troopers and Fish and Wildlife Protection in those areas.

AST employees in Tok, Talkeetna, and Kotzebue, provide part-time DMV services in these communities where transaction volumes are too low to justify even part-time DMV offices or commission agents.

FINANCIAL SUMMARY:

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>	<u>PROGRAM RECEIPTS</u>	<u>OTHER FUNDS</u>	<u>POSITIONS PFT</u>	<u>PPT</u>	<u>NP</u>
FY94 AUTHORIZED	7,912.2	3,215.3	4,439.2	257.7	142	3	
FY95 GOVERNOR	8,569.8	3,307.2	5,132.4	130.2	142	21	

BRI/COMPONENT CHANGES:

The Division of Motor Vehicles has a responsibility to maintain offices that are accessible to the public for a variety of services. The need for these offices is demonstrated by over 3,000,000 public contacts each year making this Division the most widely used state agency. To provide access the Division maintains offices in all major population centers of the state. In the larger areas with sufficient work volume the Division has offices with state employees. These range in size from Anchorage with 42 employees to locations with only a part-time employee. In many smaller communities with a very low volume the Division uses contract agents. All except one of these agent contracts are with the local

gov. revenue. The Division's budget funds these public service offices and related headquarters support functions. As a return for the \$7,912,200 spent on the Division's FY 94 budget the Division is expected to collect nearly \$30,000,000 in state and local revenues.

The most critical service measure of this Division's budget is the ability to provide service in a timely manner. The ability to achieve a reasonable measure of service is a function of having enough employees to keep pace with the increasing driver and vehicle populations. The need for adequate staffing is most critical during the months of April - September when the work volume increases by 50%. The most cost-effective method to accommodate this increase is to augment the regular staff with seasonal positions during this time. The use of seasonal positions had been very successful until FY 92 when the seasonal positions were deleted from the budget. The seasonal positions were approved for a short period in FY 93 as an RPL, and again in FY 94. Without these positions waiting times at major offices would be nearly 4 hours and waits for road tests would exceed 8 weeks. This budget request addresses this issue by including an increment to fund 18 seasonal positions in 7 locations. These seasonal positions will increase staffing during the busy months at these offices by 25% - 30% and will reduce the wait times to an average of 1.5 hours at peak times and waits for road tests to 4 weeks.

The Division uses the state's mainframe and network to process all transactions in the state in an on-line mode. This approach has two main advantages. First there is no need to have a large data entry section to input work that has already been handled at the public counter. The same employee is able to review the documents, input the work, and give the customer the finished documents immediately. Secondly the information is immediately available to law enforcement agencies, courts and other users who have a critical need for this information. The costs for the system are returned to the Department of Administration through the DP chargeback system. Their estimated costs have increased dramatically and have been passed on to the users who have little or no control over them. These services are critical to the operation and an increment is included to fund these charges.



U.S. ENVIRONMENTAL PROTECTION AGENCY
REGION 10

ALASKA OPERATIONS OFFICE
410 WILLOUGBY AVE. SUITE 100
JUNEAU, ALASKA 99801

February 28, 1994

REPLY TO
ATTN OF: AOO/J

Honorable Al Vezey
Alaska State Legislature
State Capital (MS 3100)
Juneau, Ak. 99801-1182


Dear Representative Vezey:

Thank you for the opportunity to comment on HB 328. The Environmental Protection Agency (EPA) supports the goals of HB 328, including Sections 13 and 18 relating to motor vehicle emissions fees. EPA is, however, concerned about possible unintended consequences that HB 328 may have on the mandatory vehicle inspection and maintenance (I/M) programs in Anchorage and Fairbanks.

The motor vehicle registration process serves as one of the primary compliance tools for both I/M programs. If Alaska switches from annual to biennial registration without compensating for the lack of this compliance tool it would significantly reduce the effectiveness of these I/M programs. While Alaska is commended for having excellent I/M programs which are responsible for the significant progress that has been made in reducing carbon monoxide (CO) emissions, violations of the National Ambient Air Quality Standards for CO in Anchorage and Fairbanks continue. Given the uncertainty surrounding Alaska's oxygenated fuel program, EPA needs to ensure that Anchorage and Fairbanks strengthen rather than weaken their I/M programs.

In conclusion, we respectfully request that you consider including provisions for an alternative means of assuring compliance throughout the biennial cycle that will result in equivalent or stronger I/M program effectiveness for Anchorage and Fairbanks. EPA is available to work with you and your staff toward this end. Again, thank you for the opportunity to provide comments on this important issue.

Sincerely,


Steven A. Torok, Chief
State Operations Section

cc: M. Treadwell
A. Ewing

HB

342

HOUSE COMMITTEE REPORT

(7)

Date Referred: January 21, 1994

FURTHER REFERRALS:

Finance

Date of Committee Action: 4-5-94

The STATE AFFAIRS Committee considered:

HB 342

HOUSE BILL NO. 342

EXTEND TOURISM MARKETING COUNCIL

"An Act extending the termination date of the Alaska Tourism Marketing Council."

RECOMMENDATIONS:

be replaced with _____ the same title
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) COMMERCIAL & ECON. DEV.

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>[Signature]</i>	X	<i>[Signature]</i>		<input checked="" type="checkbox"/>	
<i>[Signature]</i>	X	<i>[Signature]</i>		<input checked="" type="checkbox"/>	
<i>[Signature]</i>	X				
<i>[Signature]</i>	X				

[Signature]
 CHAIRMAN'S SIGNATURE

HOUSE COMMITTEE REPORT

(7)

Date Referred: January 10, 1994

FURTHER REFERRALS:

State

Date of Committee Action: 1/20/94

The LABOR AND COMMERCE Committee considered:

HOUSE BILL NO. 342

EXTEND TOURISM MARKETING CC

"An Act extending the termination date of the Alaska Tourism Marketing Council."

RECOMMENDATIONS:

be replaced with _____

[] the same title

[] a new title

[] have attached amendments(s)

do pass

[] do not pass

[] no recommendations

[] individual recommendations

[] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

APPROVES PREVIOUS: (Dept/Date)

[] fiscal impact _____

[] fiscal note(s) _____

zero fiscal note Commerce

[] zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	N
<i>[Signature]</i>	X			
<i>Bill Hudson</i>	X			
<i>W.K. Williams</i>	X			
<i>Joe Patton</i>	X			
<i>Brian Porter</i>	X			
<i>[Signature]</i>	X			

Committee Report

Bill Hudson
CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 342

Revision Date: _____
Title: Extending the Alaska Tourism Marketing Council
Sponsor: Rep. Kott
Requestor: House Labor and Commerce

Department Affected: Commerce and Economic Development
BRU: Tourism
Component: _____
COMPONENT SERIAL NO. _____

Expenditures/Revenues:

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL EXPENDITURES	0	0	0	0	0	0
----------------------	---	---	---	---	---	---

CHANGE IN REVENUES ()	0	0	0	0	0	0
------------------------	---	---	---	---	---	---

FUND SOURCE

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

Estimate of current year (FY 94) cost: \$ 0

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

The expenditures are contained in the proposed operating budget and the revenues are reflected in revenue projections.

Prepared by: Tina Lindaren
Division: Alaska Tourism Marketing Council

Phone: 465-2500
Date: January 18, 1994

Approved by Commissioner: Paul Fuhs
Agency: Commerce and Economic Development

Date: 1/12/94

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For further distribution information call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 342

ANALYSIS: (continued)

The passage of Senate Bill 478 (SLA 1988, Chapter 78) created the Alaska Tourism Marketing Council which became law, effective July 1, 1988. Legislative findings regarding SB 478 stated:

"The Legislature finds that a cooperative effort between the state and private industry to support and expand the visitor industry of the state and to foster expansion of the market for Alaska as a destination throughout the nation and the world is in the public interest and is a valid public purpose. The Legislature further finds that this cooperative effort would inure to the benefit of the visitor industry in the state and that some of the costs of maintaining the effort be borne by the industry. The Legislature further finds that expansion of the economic benefit of tourism is in the public interest and the state should take an active interest in the ensurance of a quality experience for visitors to the state, cooperate with the private sector in improving the amenities available to visitors to the state, and seek to ensure authentic accessible experience for visitors throughout the state."

Alaska State Legislature
House of Representatives

COMMITTEES:
HEALTH, EDUCATION
& SOCIAL SERVICES
JUDICIARY
STATE AFFAIRS

SPECIAL COMMITTEES:
MILITARY & VETERANS AFFAIRS
OIL & GAS

INTERIM:
EAGLE CENTER, SUITE 141
EAGLE RIVER, AK 99577
PHONE (907) 694-8944
FAX 694-8945

SESSION:
STATE CAPITOL
JUNEAU, AK 99801
PHONE (907) 465-3777

Representative Pete Kott

SPONSOR STATEMENT

It is in the best interest of the State of Alaska to accept HB 342, and extend the life of the Alaska Tourism Marketing Council (ATMC) to December 30, 1998. This legislation conforms to the recommendations of the 1993 Budget and Audit Report.

ATMC falls under the Department of Commerce and Economic Development, Division of Tourism. Ten of ATMC's members are appointed by the Governor, while ten others are appointed by the Alaska Visitor Association. The Director of the Division of Tourism is automatically a member. ATMC works to "promote the state as a destination and promote all forms of travel to the state, including travel by air, highway, and water" (AK Statute 44.33.720 a) 1.)

An example of ATMC activities is the publication of "The Alaska Vacation Planner's Guide," which lists 1,300 Alaskan businesses and is mailed all over the United States and the world. This is a vital vehicle for Alaska in promoting the tourism industry. The Planner has also provided needed advertisement to businesses located in the outer regions of the state, and to those that do not have a large promotional budget. Other ATMC activities include TV and print advertising, research, and providing advice to the Division of Tourism.

ATMC plays a substantial part in bringing over \$52 million each year to the State of Alaska (McDowell Group, 1992.) If we want to continue to compete successfully in the national and international tourism market, we need to support extending the Alaska Tourism Marketing Council's term.



SPONSOR STATEMENT

**DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

COPY

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

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

January 7, 1994

SUBJECT: Sectional Summary of HB 342 (8-LS1426E)
TO: Representative Pete Kott
FROM: Terri Lauterbach
Legislative Counsel

You have requested a sectional summary of the above bill.

Section 1. Extends the termination date of the Alaska Tourism Marketing Council to December 30, 1998.

TML:pl
94-015.plm

Sectional Summary

**HB 342: "An Act extending the termination date of the
Alaska Tourism Marketing Council"**

The Alaska Tourism Marketing Council (ATMC) is a public-private partnership that combines the resources and expertise of the state and private industry. It is jointly managed by the Department of Commerce and Economic Development and Alaska Visitors Association. The council consists of ten members appointed by the Governor, ten members appointed by the visitor industry, and the Director of the Division of Tourism.

The goal of the ATMC is to stimulate statewide economic growth, diversification, and employment through the promotion of Alaska as a visitor destination. To achieve this goal, the ATMC designs and executes a marketing campaign directed at domestic and Canadian markets with the greatest potential for producing new and repeat visitors. Primary elements of the program include media advertising, public relations, and distribution of the State Vacation Planner. These elements are designed to interest people in Alaska and influence their decision to visit. The program also provides the final link between local businesses and consumers on a scale that is possible only through a cooperative effort.

If the ATMC program did not exist, the economic impact of the visitor industry would be significantly reduced and the larger tour companies would gain an even greater share of the remaining market. By conducting a cooperative marketing program, everyone in the state benefits, including other state agencies who receive revenues from visitor spending.

WM/dgllmme041pp.co

POSITION PAPER

December 23, 1993

Tina Lindgren
Alaska Tourism Marketing Council
3601 C Street, Suite 700
Anchorage, Alaska 99503

STATE OF ALASKA
DEPARTMENT OF COMMERCE
& ECONOMIC DEVELOPMENT

DEC 23 1993

ALASKA TOURISM
MARKETING COUNCIL

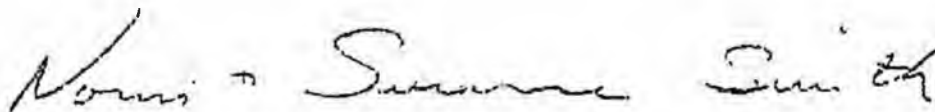
Dear Tina,

Just a quick note to say "thank you" for conducting the recent survey, and by providing us with some informative words on who/what ATMC actually is & does.

My husband and I have run a small business here in Haines for 15 years, and greatly appreciate and depend upon the state's/private sector's co-operative marketing program. Without you we could not exist! Thanks again for all your efforts, and if you're ever in our neighborhood, we'd be happy to put you up!

BEST WISHES FOR THE HOLIDAYS!

Sincerely,



Norm & Suzanne Smith
Owners/Operators, Fort Seward B & B

12-23-93 ATMC Letter

Downtown Deli And Cafe

P.O. Box 2653, Anchorage, Alaska 99510

Phone (907) 274-0027

January 7, 1994

Brad Phillips
Phillips Cruises and Tours
509 W. 4th Ave.
Anchorage, Alaska 99501

Dear Brad,

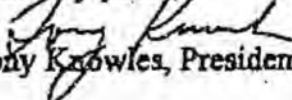
I am writing to you in your capacity as the Chair of the Alaska Tourism Marketing Council. I want to express to you my total support of the Council's public/private marketing efforts. My business is the Downtown Deli and Cafe, which has been operating for 18 years in the same location. During this time I have seen the visitor business grow from a negligible portion of my sales to in excess of two thirds of my total receipts. There is no question that the aggressive marketing of Alaska has played an essential part in this growth.

I am deeply disturbed that a severe reduction in the state's part of the program is being proposed by the Governor. It is well known that tourism, currently one of Alaska's top employers, has the greatest potential growth for both employment and Alaskan small business opportunities. It is also well known that this potential is at risk, as there is intense global competition for the tourism and visitor dollar.

At a time when there is an immediate need to develop private sector jobs to compensate for fewer public revenue based jobs, it is not sensible to turn away from the most logical source of future employment - an expanding visitor industry. Indeed, at a time when Alaska is being attacked through the media, a reduction in our marketing efforts may cause long term damage to Alaska tourism. The bottom line is that we should consider a strategic reassessment of our marketing approach and, in light of the current situation, significantly increase both the public and private marketing efforts for this proven Alaskan job development industry.

Thank you, Brad, for all of your efforts to keep the visitor industry strong.

Sincerely yours,


Tony Knowles, President

1-7-94 Phillips Cruises & Tours



3812 KATMAI CIRCLE
ANCHORAGE, ALASKA 99517-1024
(907) 243-1238

cc: Admon...

* EXCLUSIVE & OVERNIGHT *
CHARTERS
* DROP OFF/ PICK-UP *
* FISHING *

1/12/94

Rick Halford
Alaska State Legislature
Room 111
Juneau, AK 99801-1182

Dear Mr. Halford,

I would like to voice my concern regarding the proposed \$3 million cut to the Cooperative Marketing Budget. As a small businessman directly dependent on tourism dollars during a short summer season, being able to participate in a highly visible cooperative marketing program as has been put together by ATMC has been very productive for us. The Vacation Planner is the single most productive vehicle we have to market ourselves nationally and internationally at a price we can afford. However, even the cost of a small narrative ad has doubled for the 1995 Planner. This is in response to past and proposed cuts to the Cooperative Marketing Budget.

We all realize times are getting leaner and subsidies are being cut because of decreased oil revenues and other factors. One bright, consistent light in the gloom however, has been the inflow of tourism dollars to the state. A definite renewable resource that shows positive growth every year and benefits virtually everyone in the state at one level or another! As strong as tourism is becoming, it definitely needs nurturing and attention and not taken for granted. Cutting the ATMC budget will be felt right down to my level and this is a most important level to me and many other companies, and our employees, and their families! It gets right down to the basics.

Please consider increasing funding for the Cooperative Marketing Budget, not decreasing. We are trying to pull our weight on this small business level, but we do need some assistance before the load gets prohibitive.

Thank you for your consideration.

Sincerely,

John Shady
John Shady
Owner/operator

KENAI FJORDS NATIONAL PARK • RESURRECTION BAY • NORTH GULF COAST

1/12/94 Rick Halford letter

Your Radio Concert Hall

January 9, 1994

Hon. Cynthia Toohey
Alaska State House of Representatives
State Capitol Building MS 3100
Juneau, Alaska 99802

Dear Cynthia,

I understand there's some question as to whether the state should continue helping fund the marketing of Alaska as a tourist destination.

My answer is a resounding, "Yes!"

The growth of the visitor industry is one of the best things that's ever happened to Alaska, and the state's financial participation is critical to this continued success.

The millions of dollars which tourists leave in Alaska make a difference to us all. Even in a business such as mine, which is hardly at the center of the visitor industry, their importance is very real. In my opinion, if Anchorage had no visitor industry, KLEF could not continue as a viable enterprise.


Sincerely,

Rick Goodfellow
President and General Manager

/jrg

3601 C Street, Suite 290

Anchorage, Alaska 99503

(907) 361-5556

1-9-94 Cynthia Toohey Letter



February 2, 1994

FEB 07 1994

Mr. Al Vezey
Chairman-State Affairs
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Mr. Vezey:

As one of the many thousand employees who is directly employed in the tourism industry, I would like to state to you that the tourism industry as a whole is a very important asset to our community and the people it represents. The Anchorage Hilton, in which I work for, depends on the cooperative marketing program to promote our product and service. Not only would many organizations be out of business but myself and others would be without a job.

As we all know, oil prices keep plummeting lower and lower and I feel that this is not an appropriate time to cut the Alaska Tourism Marketing Council's budget. This organization has been very successful in the development of our tourism industry. The ATMC reaches the entire traveling market nationwide and has proven its capability in producing monies through the years.

Please do not put an end to the funding of this organization. History has repeated itself. ATMC and all of Alaska's tourism industry partners are a success story among economic development programs.

If you cut off the funds to this organization, you will be cutting off an "education system". Many outside tourist are inquisitive and undecided about that special vacation spot they want to go to. Demographics have proven that visual advertising is one of the best means of selling a product. Other than word of mouth, scenic photographs and an enticing narrative are the keys to TV and magazine advertising. That 30 second TV spot featuring Prince William Sound or Denali National Park could be the "final straw" in a decision made by many people desiring to explore our wonderful state. Do not cut our special visitor short of an opportunity of a lifetime by reducing the funding to this wonderful organization!!

With shrinking oil and fish revenues, our number three state revenue maker is swiftly becoming our number one money maker. The past 3-4 years has proven that we are in the beginning stages of a wonderful uphill growth pattern. Please do not stifle tourism's growth pattern and progress now!

Sincerely,


Cyndy Moffitt

cc: Karen Cowart, AVA

FEB 10 1994

February 8, 1994

Representative Al Vezey
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Representative,

I am writing to ask you to support continued funding for the Alaska Tourism Marketing Council.

I work in the tourism industry for Denali Park Hotels at Denali National Park, a company which employs approximately 700 people each year. We provide hotel rooms, tours and many other guest services to visitors to our state who spend millions of dollars each season in the Denali Park area. A majority of our business is generated, directly or indirectly, from the exposure we receive in the State Travel Planner and other cooperative marketing programs of the Alaska Tourism Marketing Council. I am told that every dollar we spend on cooperative marketing comes back one hundredfold to the Alaskan economy in the form of visitor, business and employee dollars spent. Tourism is Alaska's great renewable natural resource and an industry we would be wise to encourage.

Again, I urge you to support the Alaska Tourism Marketing Council and to maintain their current funding level. Thank you.

Sincerely,



Tracy Alexander
3637 Thompson Avenue #4
Anchorage, AK 99508

FEB 07 1994



February 2, 1993

Al Vezey
Alaska State Legislature
Chair - State Affairs
State Capitol
Juneau, AK 99801-1182

Dear Mr. Vezey:

Thank you for your consideration of this letter and the action you will take!

I work for the Anchorage Hilton Hotel and the jobs we have in the Alaskan Tourism Industry are extremely important to us all.

As you are probably aware, the Alaska Tourism Marketing Council's budget has been cut. The ATMC had a dream of assisting in the development of Alaska's tourism. Without tourists and visitors to Alaska our hotel would not exist or most certainly be in dire straights. The ATMC and its industry partners have worked together and been successful over the years to promote summer tourism.

Our hotels are now at capacity in the summer. However, Fall, Winter and Spring are greatly lacking. The Anchorage Hilton Hotel as with other hotels in the city lay off a lot of individuals each winter.

My recommendation is that alternate action be taken to reinstate funds through the ATMC to promote Fall, Winter, and Spring (October through April). Our economy would be healthier, people would be employed and the visitors from the outside could appreciate the true Alaska.

Please support this alternative action plan. It will make a tremendous difference to the hospitality industry.

Sincerely,

A handwritten signature in cursive script that reads 'Kathleen Cox'.

Kathleen Cox
Sales Manager

CC: Karen Cowart, Alaska Visitors Association

FEB 07 1994

 Anchorage

Hilton

FEB 07 1994

FEB 07 1994

February 2, 1994

Al Vezey
Alaska State Legislature
State Affairs Chair
State Capitol
Juneau, AK 99801-1182

Dear Mr. Vezey:

The astronomical budget cut being considered for Alaska's Tourism Industry must not happen. With oil monies projected to get leaner, this is no time to cut the Alaska Tourism Marketing Council's budget.

ATMC is important in promoting Alaska as a travel destination and has been a major factor in the successful development and growth of the tourism industry.

With the support of ATMC's marketing, I will continued to be employed in the tourism industry. My job is very important to me and to the many visitors the Anchorage Hilton Hotel serves each year. Furthermore, the entire industry is important to this community and to the people you represent.

Thank you for your consideration and understanding in the importance the tourism industry impacts Anchorage and the State of Alaska.

Sincerely,

Toni Walker

Toni Walker
Tour and Travel Sales Manager

CC: Karen Cowart, AVA Statewide

FEB 07 1994



February 2, 1994

Representative Al Vezey
Chairman - State Affairs
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Rep. Vezey:

I am writing to you to encourage you to make the Alaskan tourism industry a priority when you vote on the State budget this legislative session.

In Alaska, tourism industry ranks as either the second or third strongest and largest industry in the economy. Tourism is a renewable resource that when managed well, fostered to grow, and protected from budgetary cut backs, will strengthen the states economic profile.

With oil revenues continuing to be an unreliable source of monies for a capital budget, the legislature must recognize tourism as a viable source of revenue for the state, and support that recognition through careful budgetary allocation efforts. If the advertising dollars set aside for marketing this very important resource are taken away, the legislature will have been responsible for setting the Alaskan economy back even further.

Thank you for your support. We are all trying to make Alaska a good place to live. Make sure you help us do so by voting to support the tourism industry through budgetary support!

Sincerely,

THE ANCHORAGE HILTON

A handwritten signature in cursive script that reads 'Keri Gatke'.

Keri A. Gatke
Sales Manager

cc: Karen Cowart, AVA



February 7, 1994

Representative Al Vezey
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear Rep. Vezey,

I am writing on behalf of myself and all of the members of the visitor industry who are counting on your support to retain and properly fund The Alaska Tourism Marketing Council.

This body over the last 10 years has added fuel to the flames of Alaska tourism and has helped grow the industry to the second largest private employer in the State. The partnership that has flourished between the private sector and the Government has had positive effects on this industry and all the others which directly or indirectly contact it on a daily basis.

The obvious effect of this program especially for the smaller businesses which are unable to support large marketing programs will take a dramatic toll if the ATMC is allowed to dwindle or die.

I have been in Tourism for the past 15 years starting as a housekeeper at a National Park lodge. I have seen the dramatic growth of this industry and the positive effects it has had on me, my family and the state in general. I urge you to continue support of this vital program. If anything, funding must be increased to insure that Alaska continues to be a premiere destination for visitors into the next century.

Thank you for your support. Alaska is counting on you!

Sincerely,

A handwritten signature in cursive script, appearing to read "Steve Halloran", with a long horizontal flourish extending to the right.

Steve Halloran
Tour & Marketing General Manager
Denali Park Resorts

Gray Line of Alaska

GRAY LINE

March 31, 1994

Al Vezey
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Al:

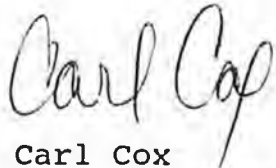
I am writing to ask your support of the industry that has shaped my life and my career - Tourism.

Working my way up from a coach driver in Skagway 12 years ago, I know how this industry has shaped the lives of hundreds of friends, acquaintances and associates.

Tourism is vital to the livelihood of thousands of Alaskans and demands your support.

Please use the influence vested in your position to support this vital and growing industry by re-instating funding for ATMC and voting for HB342.

Sincerely,



Carl Cox
Regional Manager
Anchorage/Fairbanks

CC/kg



STATE OF ALASKA

LEGISLATIVE AFFAIRS AGENCY

DIVISION OF PUBLIC SERVICES

DATE: 4/5/94

Please accept the enclosed original(s) of written testimony for the House State Affairs teleconference hearing that was scheduled on 4/3/94 on HB 342.

A copy of this testimony was transmitted to your committee via fax on 4/5/94.

Thank you,

Fran Zauling
Fbx 210



Alaska State Legislature

Please enter into the record my testimony to the House State Affairs
committee name
committee on HB 342, dated April 5, 1994
bill/subject

With the decline of oil revenues, it is essential that we extend funding for the Alaska Tourism Marketing Council, whose Alaska Vacation Planner publication is a major vehicle for attracting tourist dollars to Alaska entrepreneurs - both large and small.

I can assure you that as ^{an} owners of two Bed & Breakfasts, I definitely stimulate the local and state economy through dollars spent on advertising, furnishings, supplies, and my 8% bed tax is sorely needed by the North Star Borough.

The Alaska visitor industry, the ^{2nd} largest private sector industry employer, relies on ATMC to introduce our state worldwide. Cutting ATMC dollars is like burning your seed money. Please don't!

Signed: Cristine E. Upton
Testifier

Fairbanks Association of Bed & Breakfasts
Representing (Optional)

119 Governing Way Fairbanks, AK 99712.
Address

April 5, 1994

RE: HB 342

I regret that I had to leave the teleconference before you had the opportunity for public opinion. I represent the Fairbanks Association of Bed & Breakfasts, which has 43 members at this time. The general consensus of that body is that the ATMC has had a very positive impact on the growth of tourism within the state. In the past, the AK Vacation Planner has offered an option for small business to be marketed nationwide. As a B & B owner myself, approximately 50% of our past business has come as a result of the Alaska Vacation Planner.

Tourism is a vital, growing industry which can only continue to produce increased revenues within the state. Let's nurture this seed, & carefully water it, so that it will blossom into good fruit for all to enjoy. I urge you to extend the ATMC and show support for this valuable, renewable resource.

4312 Birch Lane
Fairbanks, AK 99709

Leicha Melton, President
FABB

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

April 5, 1991

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Leicha Welton, President
FABB

APR-05-94 TUE 10:51

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FAX NO. 4564112

P.01



TELECOPY COVER SHEET

Fairbanks Legislative Information Office

Office - (907) 452-4448

Fax - (907) 456-3346

TO: Rep. Al Wagnon FAX: 465-3258 PHONE: 465-3719

FROM: Chair, Natural Sta PHONE: _____
Flt LTO

INSTRUCTIONS: Written Testimonial for HB 342 teleconference
on 4/5/94

RECEIVED: Date _____ Time _____

SENT: Date 4/5/94 Time _____

DISPOSAL OF ORIGINAL: Discard _____ Hold for Pickup _____

NUMBER OF PAGES: 2 (Not counting cover sheet)

SENT BY: Finn

April 5, 1994

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4312 Birch Lane

Leicha Helton, President
F.A.B.B.



Alaska State Legislature

Please enter into the record my testimony to the House State Affairs
committee name

committee on HB 342, dated April 5, 1994
bill/subject

With the decline of oil revenues, it is essential that we extend funding for the Alaska Tourism Marketing Council, whose Alaska Vacation Planner publication is a major vehicle for attracting tourist dollars to Alaska entrepreneurs - both large and small.

I can assure you that as an owner of two Bed & Breakfasts, I definitely stimulate the local and state economy through dollars spent on advertising, furnishings, supplies, and my 8% bed tax is sorely needed by the North Star Borough.

The Alaska visitor industry, the ^{2nd} largest private sector industry employer, relies on ATMC to introduce our state worldwide. Cutting ATMC dollars is like burning your seed money. Please don't!

Signed: Christine F. Upton

Testifier

Fairbanks Association of Bed & Breakfasts

Representing (Optional)

119 Governing Way Fairbanks, AK 99712

Address