

ALASKA STATE LEGISLATURE

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SPONSOR STATEMENT

HB 141

HB 141, "An Act Relating To Registration Fees For Certain Leased Motor Vehicles".

The Department of Motor Vehicles defines a commercial vehicle as a vehicle used in a business for the purpose of transporting persons, goods, or properties. Their registration fees for commercial vehicles are calculated on the empty weight of the vehicle and are valid for two years. Registration fees for passenger vehicles are based on the class of the vehicle, but on the weight of a vehicle in cases of trucks, buses and for hire vehicles. The registration fee is \$68.00 for standard passenger vehicles and motor homes. Fees for trucks and cargo vans less than 10,000 pounds run \$78.00. In addition, some municipalities and boroughs levy a Motor Vehicle Registration Tax (MVRT).

Companies that lease automobiles agree that regulations are unfair to consumers. It is a DMV problem. Leased vehicles are a capital asset to the company that owns them; however, the responsibility for paying the registration for a leased vehicle according to DMV regulations is the person leasing the vehicle. Lessees are charged the commercial rate (\$158) for a two-year registration even though they are not **using or maintaining the vehicle for the transportation of persons or property for hire or for other commercial purposes.**

Fairness demands that this be changed so that lessee's pay the same registration fee as anyone else for a passenger vehicle not being used for commercial purposes. HB 141 makes this change by adding a subsection that states: (i) notwithstanding the other provisions of this section, a leased motor vehicle registered by the lessee that is not being used for a commercial purpose is subject to the fee required for that vehicle under (b) of this section.