

Submitted by: ASSEMBLY MEMBER DRUMMOND

Assembly Member Gray-Jackson

Prepared by: Assembly Counsel

For reading: January 17, 2012

Postponed Indefinitely 1/31/12

ANCHORAGE, ALASKA

AO NO. 2012-12

AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY AMENDING AO 2010-81(S-1) AND AO 2011-30, RELATED TO IMPOSITION OF THE TAX LEVY ON MOTOR VEHICLE REGISTRATIONS IN ANCHORAGE MUNICIPAL CODE §12.07.010 AND §12.10.010, TO MAKE THE EFFECTIVE DATE OF THE TAX LEVY COINCIDE MORE CLOSELY WITH TERMINATION OF THE I/M PROGRAM, SET BY THE ASSEMBLY AS 180 DAYS AFTER ADEC AND EPA APPROVAL PURSUANT TO AO 2010-35(S); AND PROVIDING FOR RETROACTIVE APPLICATION.

WHEREAS, AO 2010-35(S), passed and approved by the Assembly on May 11, 2010, states at Section 9: "Sections 1, 3, 6, and 7 of this ordinance shall become effective one hundred eighty (180) days after ADEC provides written notice to the I/M Administrator that both the ADEC and EPA have duly accepted and approved termination of the I/M Program in accordance with amendments to the State Air Quality Control Plan and State Implementation Plan (SIP)"; and

WHEREAS, as of January 13, 2012, both the EPA and ADEC have provided written approval for termination of the I/M program; and

WHEREAS, the 180-day transition period has been relied upon by the industry contractors who have maintained municipal compliance with federal and state law in the interim, until the EPA and ADEC processes were complete; and

WHEREAS, in approving the imposition of an additional tax levy on motor vehicle registrations to become effective January 1, 2012 under AO 2010-81(S-1) and AO 2011-30, the Assembly anticipated the phase out of the I/M program to precede implementation of the additional tax levy on motor vehicle registrations so as to avoid substantial overlap in payments required from Anchorage residents on non-commercial motor vehicle ownership; now therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Subsection (1), Section 54, of AO 2010-81 (S-1), approving an additional tax levy on motor vehicle registrations, is amended to read as follows (*other subsections not affected are not set out*):

- (1) Section 16 regarding motor vehicle registration tax shall become effective July [JANUARY] 1, 2012.

*** *** ***

Section 2. Section 3 of AO 2011-30 is amended to read as follows (*other sections not affected are not set out*):

1 This ordinance shall become effective January 1, 2012 except for vehicle type 1 and
2 vehicle type 2 under the schedule in Subsection 12.07.010A. For type 1 (motorcycle)
3 and type 2 (vehicles specified in AS 28.10.421(b)(1): non-commercial passenger
4 vehicles, motor homes, and low speed vehicles), this ordinance shall become effective
5 July 1, 2012.
6

7 **Section 3.** This ordinance shall become effective retroactive to January 1, 2012 upon
8 passage and approval by the Assembly.
9

10 PASSED AND APPROVED by the Anchorage Assembly this _____ day of
11 _____, 2012.
12

13
14
15
16 _____
Chair

17 ATTEST:
18
19
20
21

22 _____
Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2012-12

Title: AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY AMENDING AO 2010-81(S-1) AND AO 2011-30, RELATED TO IMPOSITION OF THE TAX LEVY ON MOTOR VEHICLE REGISTRATIONS IN ANCHORAGE MUNICIPAL CODE §12.07.010 AND §12.10.010, TO MAKE THE EFFECTIVE DATE OF THE TAX LEVY COINCIDE MORE CLOSELY WITH TERMINATION OF THE I/M PROGRAM, SET BY THE ASSEMBLY AS 180 DAYS AFTER ADEC AND EPA APPROVAL PURSUANT TO AO 2010-35(S); AND PROVIDING FOR RETROACTIVE APPLICATION.

Sponsor: Assembly Member Drummond
 Assembly Member Gray-Jackson

Preparing Agency: Department of Finance **Others Impacted:** None

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

ITEM	FY12	FY13	FY14	FY15	FY16
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services					
4000 Debt Service					
5000 Capital Outlay					
TOTAL DIRECT COSTS:	0	0	0	0	0
6000 IGCs	0	0	0	0	0
FUNCTION COST:	0	0	0	0	0
REVENUES:	<1,880,000>	0	0	0	0
CAPITAL:	0	0	0	0	0
POSITIONS: FT/PT and Temp.	0	0	0	0	0

PUBLIC SECTOR ECONOMIC EFFECTS:

AO 2010-81(s) and AO 2011-30 contemplated an annual increase of \$3.7 million in motor vehicle tax revenue by implementing tax increases on motor vehicles registered to owners residing within the Municipality of Anchorage. Such taxes were to be collected by the State of Alaska, Department of Motor Vehicles, during the registration and license renewal process occurring on and after January 1, 2012 and subsequently remitted to the Municipality of Anchorage. The proposed ordinance AO 2012-12 will delay implementation of the tax increases by six months, resulting in expected realization of only one half of previously anticipated revenue gain for the fiscal year 2012.

PRIVATE SECTOR ECONOMIC EFFECTS:

The proposed ordinance AO 2012-12 will delay implementation of the motor vehicle tax increases enacted by AO 2010-81(s) and AO 2011-30 and is expected to result in an average savings of approximately \$24 per motor vehicle registered in the Municipality of Anchorage between January 1, 2012 and July 1, 2012.

Prepared by: Mike Mullane, Pr Admin Officer, Treasury

Telephone: 343-6965

Validated by OMB: _____

Date: _____

Approved by: _____
(Director, Preparing Agency)

Date: _____