

**HOUSE CS FOR CS FOR SENATE BILL NO. 115(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - SECOND SESSION

**BY THE HOUSE FINANCE COMMITTEE**

**Offered: 3/24/20**

**Referred: Rules**

**Sponsor(s): SENATOR BISHOP**

**A BILL**

**FOR AN ACT ENTITLED**

1   **"An Act relating to vehicle registration and registration fees; relating to the motor fuel**  
2   **tax; and providing for an effective date."**

3   **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4    \* **Section 1.** AS 28.10.155(a) is amended to read:

5           (a) **Except as provided in (c) of this section, the** [THE] owner of a motor  
6           vehicle [, OTHER THAN A COMMERCIAL MOTOR VEHICLE,] that is required to  
7           be registered under this chapter may elect to register the motor vehicle permanently in  
8           lieu of registration under AS 28.10.108 if the vehicle is at least eight years old and the  
9           owner resides in the unorganized borough or in a municipality that elects, by passage  
10          of an appropriate ordinance, to allow the permanent registration of motor vehicles.  
11          The permanent registration expires when the owner transfers or assigns the owner's  
12          title or interest in the vehicle. A permanent registration may not be renewed. On  
13          receiving the proper application and fees, the department shall issue to the registered  
14          owner registration plates, tabs, and a permanent registration form.

1     \* **Sec. 2.** AS 28.10.155 is amended by adding new subsections to read:

2             (c) The following vehicles are not eligible for permanent registration under (a)  
3             of this section:

- 4                     (1) commercial motor vehicles;  
5                     (2) electric vehicles;  
6                     (3) plug-in hybrid vehicles;  
7                     (4) vehicles powered by an alternative fuel and manufactured primarily  
8             for use on public roads.

9             (d) In this section,

- 10                    (1) "alternative fuel" includes hydrogen and natural gas;  
11                    (2) "electric vehicle" and "plug-in hybrid vehicle" have the meanings  
12             given in AS 28.10.421(k).

13     \* **Sec. 3.** AS 28.10.421 is amended by adding a new subsection to read:

14             (k) In addition to the other fees imposed under this section, the owner of an  
15             electric vehicle shall pay a special biennial registration fee of \$100, the owner of a  
16             vehicle powered by alternative fuel shall pay a special biennial registration fee of  
17             \$100, and the owner of a plug-in hybrid vehicle shall pay a special biennial  
18             registration fee of \$50. Fees collected under this subsection shall be deposited in the  
19             special highway fuel tax account described in AS 43.40.010(g). In this subsection,

20                    (1) "alternative fuel" includes hydrogen and natural gas;

21                    (2) "electric vehicle" means a vehicle that is

22                             (A) powered solely by an electric motor drawing current from  
23                             rechargeable batteries, fuel cells, or other portable sources of electrical current;  
24                             and

25                             (B) manufactured primarily for use on public streets, roads, and  
26                             highways;

27                    (3) "plug-in hybrid vehicle" means a vehicle that is

28                             (A) capable of using gasoline, diesel fuel, or alternative fuel,  
29                             and is powered in part by electrical energy using a battery storage system  
30                             capable of being recharged from an external source of electricity; and

31                             (B) manufactured primarily for use on public streets, roads, and

highways.

\* **Sec. 4.** AS 28.35.155(a) is amended to read:

(a) It is unlawful to operate a motor vehicle with studded tires or tires with chains attached on a paved highway or road from May 1 through September 15, inclusive, north of 60 North Latitude and from April 15 through September 30, inclusive, south of 60 North Latitude, except that at any latitude on a paved portion of the Sterling Highway a person may not operate a motor vehicle with studded tires or tires with chains attached from May 1 through September 15, inclusive. The commissioner of public safety shall by emergency order provide for additional lawful operating periods based on unusual seasonal or weather conditions. An emergency order adopted under this section is not subject to AS 44.62 (Administrative Procedure Act). Upon application, a special individual traction permit may be issued by the Department of Administration allowing the operation of a motor vehicle with studded tires or chains at any time at the discretion of the vehicle owner. The fee for the special individual permit is one-third of the biennial registration fee applicable to that class of vehicle under AS 28.10.421(b), (c), or (h) [AS 28.10.421]. The department may provide an appropriate sticker or other device identifying the vehicle to which the permit applies.

\* **Sec. 5.** AS 43.40.005(a) is amended to read:

(a) Every dealer or user of refined fuels shall pay a surcharge of **\$.015** [\$.0095] a gallon on refined fuel sold, transferred, or used in the state.

\* **Sec. 6.** AS 43.40.010(a) is amended to read:

(a) In addition to the surcharge levied under AS 43.40.005, there is levied a tax of **16** [EIGHT] cents a gallon on all motor fuel sold or otherwise transferred within the state, except that

(1) the tax on aviation gasoline is four and seven-tenths cents a gallon;

(2) the tax on motor fuel used in and on watercraft of all descriptions is **10** [FIVE] cents a gallon;

(3) the tax on all aviation fuel other than gasoline is three and two-tenths cents a gallon; and

(4) the tax rate on motor fuel that is blended with alcohol is the same

1 tax rate a gallon as other motor fuel; however, in an area and during the months in  
 2 which fuel containing alcohol is required to be sold, transferred, or used in an effort to  
 3 attain air quality standards for carbon monoxide as required by federal or state law or  
 4 regulation, the tax rate on motor fuel that is blended with alcohol is six cents a gallon  
 5 less than the tax on other motor fuel not described in (1) - (3) of this subsection.

6 \* **Sec. 7.** AS 43.40.010(b) is amended to read:

7 (b) In addition to the surcharge levied under AS 43.40.005, there is levied a  
 8 tax of 16 [EIGHT] cents a gallon on all motor fuel consumed by a user, except that

9 (1) the tax on aviation gasoline consumed is four and seven-tenths  
 10 cents a gallon;

11 (2) the tax on motor fuel used in and on watercraft of all descriptions is  
 12 10 [FIVE] cents a gallon;

13 (3) the tax on all aviation fuel other than gasoline is three and two-  
 14 tenths cents a gallon; and

15 (4) the tax rate on motor fuel that is blended with alcohol is the same  
 16 tax rate a gallon as other motor fuel; however, in an area and during the months in  
 17 which fuel containing alcohol is required to be sold, transferred, or used in an effort to  
 18 attain air quality standards for carbon monoxide as required by federal or state law or  
 19 regulation, the tax rate on motor fuel that is blended with alcohol is six cents a gallon  
 20 less than the tax on other motor fuel not described in (1) - (3) of this subsection.

21 \* **Sec. 8.** AS 43.40.030(a) is amended to read:

22 (a) Except as specified in AS 43.40.010(j), a person who uses motor fuel to  
 23 operate

24 (1) an internal combustion engine is entitled to a motor fuel tax refund  
 25 of 12 [SIX] cents a gallon if

26 (A) [(1)] the tax on the motor fuel has been paid;

27 (B) [(2)] the motor fuel is not aviation fuel, or motor fuel used  
 28 in or on watercraft; and

29 (C) [(3)] the internal combustion engine is not used in or in  
 30 conjunction with a motor vehicle licensed to be operated on public ways; or

31 (2) a watercraft licensed under AS 16.05.490 or 16.05.530 and used

1       **for commercial fishing is entitled to a motor fuel tax refund of five cents a gallon**  
2       **if the tax on the motor fuel has been paid.**

3       \* **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to  
4 read:

5           TRANSITION: REGULATIONS. The Department of Revenue may adopt regulations  
6 necessary to implement the changes made by this Act. The regulations take effect under  
7 AS 44.62 (Administrative Procedure Act), but not before the effective date of the law  
8 implemented by the regulation.

9       \* **Sec. 10.** Section 9 of this Act takes effect immediately under AS 01.10.070(c).

10      \* **Sec. 11.** Except as provided in sec. 10 of this Act, this Act takes effect January 1, 2021.