


SUBJECT: AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY ELIMINATING THE SUNSET PROVISIONS FOR DISTRIBUTION OF MOTOR VEHICLE TAX, AND ELIMINATING THE SUNSET PROVISIONS OF THE PERMANENT MOTOR VEHICLE REGISTRATION AND PERMANENT REGISTRATION OF NON-COMMERCIAL TRAILERS TO ALLOW SUCH REGISTRATIONS TO CONTINUE.


AGENDA OF: July 17, 2018

ASSEMBLY ACTION:

Adopted with Assemblymember Doty opposed 8-7-18 

MANAGER RECOMMENDATION: Introduce and set for public hearing.

APPROVED BY JOHN MOOSEY, BOROUGH MANAGER: _____

Route To:	Department/Individual	Initials	Remarks
	Originator	NS	for Assemblymember Kowalke
	Finance Director	<i>cy</i>	
	Borough Attorney	<i>NS</i>	
	Borough Clerk	<i>Jmm</i>	7/9/18 

ATTACHMENT (S) : Fiscal Note: YES _____ NO X

Ordinance Serial No. 18-080 (2 pp)

motion to amend something previously adopted

SUMMARY STATEMENT: This ordinance is sponsored by Assemblymember Kowalke in order to preserve the ability of MSB residents to permanently register motor vehicles and non-commercial trailers. This ordinance will also preserve the current distribution of vehicle tax.

In 2014, the Matanuska-Susitna Borough Assembly adopted Ordinances 14-107 and 14-108. Ordinance 14-107 allowed for permanent motor vehicle registration of motor vehicles over 8 years old and for permanent registration of non-commercial trailers. Ordinance 14-108 amended the distribution of motor vehicle tax. Both ordinances contained a sunset clause that the ordinances would expire on December 31, 2018.

The current ordinance will eliminate the sunset clause from both ordinances and allow permanent registrations to continue and preserve the current tax distribution.

As explained in the original informational memorandum, the fiscal impact from the permanent registration did not occur until 2017. The estimates were that permanent registration would result in a reduction of vehicle tax revenue of \$1.2million in FY 2017 and a reduction of vehicle tax revenue of \$2.4million in FY 2018. However, revenues did not decline as projected. The below numbers show the revenues before and after the fiscal impact occurred.

Revenues for the years before fiscal impact:

FY 2015 \$3,879,128 (Actual)

FY 2016 \$4,159,809 (Actual)

Revenues for the years since fiscal impact:

FY 2017 \$3,828,978 (Actual)

FY 2018 \$3,322,596 (Estimated)

Since the permanent registration does not have a large impact on MSB operations, and since permanent registration provides a valuable tax break to the people who are least likely to be able to afford new vehicles, the Borough Assembly deems it appropriate to continue the program of permanent registration.

Just as with the original ordinances 14-107 and 14-108, it is the intent of the Borough Assembly that the deletion of the sunset clause take effect immediately and the program simply continue beyond the planned sunset date. This is not a change or amendment to the existing tax.

RECOMMENDATION OF ADMINISTRATION: Adoption of legislation.