BILL # HB 2446 **TITLE:** national guard; reservists; vehicle fees

SPONSOR: McClure **STATUS:** As Amended by MVAA

REQUESTED BY: House **PREPARED BY:** Bob Hull

	FISCAL YEAR		
	2001	**2002**	**2003**
REVENUES			
State Highway Fund	$-0-	$ (808,000) to $(1,616,000)	$ (808,000) to $(1,616,000)

FISCAL ANALYSIS

Description

The amended bill would allow national guard members and reservists who receive orders to report to active duty for deployment outside of Arizona, to renew up to 2 motor vehicle registrations for 1 year without paying the vehicle license tax and registration fee for those vehicles. The original bill would have provided the vehicle license tax and registration fee exemptions to personnel reporting to active duty outside of Arizona.

Estimated Impact

The amended bill would produce an annual revenue decrease ranging from $(808,000) to $(1,616,000) to the State Highway Fund beginning in FY 2002, for up to 25,000 national guard members and reservists with either 1 or 2 registered motor vehicles respectively. In addition, the amended bill would produce an annual revenue decrease ranging from $(3,142,000) to $(6,284,000) to the Highway User Revenue Fund and to vehicle license tax distributions for local governments beginning in FY 2002.

Assumptions

The Department of Emergency and Military Affairs estimates that there are 25,000 national guard members and reservists in Arizona, each of whom participates in an annual 2-week training exercise many of which are conducted out of state with other units. The fiscal estimate assumes an annual maximum of 25,000 national guard members and reservists would qualify for the exemption.

The fiscal estimate assumes that national guard members and reservists would have an average of from 1 to 2 registered motor vehicles, which they could renew without paying the vehicle license tax and registration fee if their 2-week training exercise was located out of state.

ADOT reports an average motor vehicle registration fee of $8 and an average vehicle license tax of $150.

The bill would be effective beginning with Fiscal Year 2002.

Local Government Impact

Annual revenue to local governments would decrease ranging from $(3,142,000) to $(6,284,000) from the Highway User Revenue Fund and from vehicle license tax distributions beginning in FY 2002. This would include decreases ranging from $(1,497,700) to $($2,995,400) to cities, from $(1,499,400) to $(2,998,800) to counties, and from $(144,900) to $(289,800) for controlled access highways in Maricopa and Pima counties.

(Continued)

Amendments

The House Military, Veterans' Affairs and Aviation amendment would allow national guard members and reservists who receive orders to report to active duty in or outside of Arizona for deployment outside of Arizona, to renew up to 2 motor vehicle registrations for 1 year without paying the vehicle license tax and registration fees for those vehicles.

2/26/01