

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number
Bill Version **HB 180\A**
() Publish Date

Identifier (file name) HB180-DOA-DMV-03-11-11
Title Veteran Designation on Driver's License
Dept. Affected Administration
Appropriation Motor Vehicles
Allocation Motor Vehicles
Sponsor Rep. Saddler, Feige, Herron, Fairclough
Requester House Military & Veterans Affairs
OMB Component Number 2348

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|------------------------|---------------------------|-------------|------------|------------|------------|------------|------------|
| OPERATING EXPENDITURES | FY 2012 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Services | 57.2 | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Commodities | 39.3 | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital Outlay | | | | | | | |
| Grants | | | | | | | |
| Miscellaneous | | | | | | | |
| TOTAL OPERATING | 96.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

CAPITAL EXPENDITURES

| | | | | | | | |
|---------------------------|-------------------|--------------|------------|------------|------------|------------|------------|
| CHANGE IN REVENUES | 1005 GF/PR | 693.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|---------------------------|-------------------|--------------|------------|------------|------------|------------|------------|

FUND SOURCE (Thousands of Dollars)

| | | | | | | | |
|--------------------------|-------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | 96.5 | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1037 GF/Mental Health | | | | | | | |
| Other (please identify) | | | | | | | |
| TOTAL | 96.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY2011) cost 0.0

POSITIONS

| | | | | | | | |
|-----------|--|--|--|--|--|--|--|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

Why this fiscal note differs from previous version (if initial version, please note as such)

Not applicable; initial version

Prepared by Whitney Brewster, Director
Division Motor Vehicles
Approved by John Cramer, Deputy Commissioner
Department of Administration

Phone 907-269-5574
Date/Time 3/11/11 3:00 PM
Date 3/11/2011

FISCAL NOTE

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BILL NO. HB 180A

Analysis

This bill would require the Division of Motor Vehicles (DMV) to print a designator on a driver's license identifying the driver as a veteran. This bill would also require DMV to provide the name and address of the license holder to the Department of Military and Veterans' Affairs (DMVA).

Expenditures

1) Programming will be required to:

- a) add a 'veteran' field to DMV's database;
- b) redesign the driver's license to accommodate a designation; and
- c) produce a reporting feature for notification to DMVA.

Estimated hours: 400

Cost per hour: \$143

Total programming cost: $400 \times \$143 = \$57,200$

2) Cost to produce duplicate licenses for existing population of Alaska veterans. If the designator will provide benefits to the veteran, such as store discounts, DMV anticipates that 75% of qualified drivers will opt for the designator within the first year. Of those, approximately one-fifth will have licenses that expire in FY12.

77,000 Quantity of veterans in Alaska as of 09/30/10 per U.S. Dept. of Veterans Affairs

x 75% Estimated percentage of veterans opting for the designator

57,750 Quantity of veterans opting for the designation

x 80% Percentage of veterans who will obtain duplicate licenses (the designation will be added on the license of 20% when the veteran comes in for renewal during FY12)

46,200 Quantity of veterans obtaining duplicate licenses in FY12

x \$.85 Cost for license (printer ribbon, laminate, and card)

\$39,270 Total Estimated cost to produce duplicate driver's licenses in FY12

Revenue

The bill states, "The department may not charge a fee for the designation." It is unclear from this statement whether or not DMV may collect the standard fee for a driver's license per AS 28.15.271. DMV is making the assumption that the standard fees do apply.

46,200 Quantity of veterans obtaining duplicate licenses in FY12

x \$15 Cost of a duplicate license

\$ 693,000 Estimate additional revenue collected in FY12

Performance Measures

DMV currently produces about 270,000 driver's licenses and identification cards each year. The anticipated additional 46,200 customers in FY12 will impact DMV's ability to meet the performance measure of serving customers in an average of 20 minutes or less.