

Fiscal Note

State of Alaska
2024 Legislative Session

Bill Version: SB 18
Fiscal Note Number:
() Publish Date:

Identifier: SB18-DOA-DMV-02-17-2024
Title: ALLOW ELECTRONIC DRIVERS' LICENSES AND
ID
Sponsor: KAWASAKI
Requester: (S) STATE AFFAIRS

Department: Department of Administration
Appropriation: Motor Vehicles
Allocation: Motor Vehicles
OMB Component Number: 2348

Expenditures/Revenues

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

(Thousands of Dollars)

	FY2025 Appropriation Requested	Included in Governor's FY2025 Request	Out-Year Cost Estimates				
			FY 2025	FY 2025	FY 2026	FY 2027	FY 2028
OPERATING EXPENDITURES	FY 2025						
Personal Services							
Travel							
Services	1,299.5		90.0	90.0	90.0	90.0	90.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	1,299.5		0.0	90.0	90.0	90.0	90.0

Fund Source (Operating Only)

1005 GF/Prgm (DGF)	1,299.5	90.0	90.0	90.0	90.0	90.0
Total	1,299.5	0.0	90.0	90.0	90.0	90.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

1004 Gen Fund (UGF)		5,977.4	6,430.2	6,883.0	7,355.9	7,788.7	8,241.5
Total		0.0	5,977.4	6,430.2	6,883.0	7,355.9	7,788.7

Estimated SUPPLEMENTAL (FY2024) cost: 45.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2025) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No

(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/24

Why this fiscal note differs from previous version/comments:

Not Applicable; Initial Version

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Agency: Department of Administration

Phone: (907)269-5559
Date: 02/17/2024 04:00 PM
Date: 02/17/24

FISCAL NOTE ANALYSIS

**STATE OF ALASKA
2024 LEGISLATIVE SESSION**

BILL NO. SB18

Analysis

This bill takes into account the increases in revenue outlined on page 1 of this fiscal note are calculated as follows:

FY2025: Figure 1 below sum total of all fee code structure increases at \$5,524,579 + Figure 2 estimated increase in revenue from electronic driver license and permits \$432,300 + Figure 4 estimated increase in revenue from electronic ID cards \$20,520 = \$5,977,399.

FY2026: Figure 1 below sum total of all fee code structure increases at \$5,524,579 + Figure 2 estimated increase in revenue from electronic driver license and permits \$864,600 + Figure 4 estimated increase in revenue from electronic ID cards \$41,040 = \$6,430,219.

FY2027: Figure 1 below sum total of all fee code structure increases at \$5,524,579 + Figure 2 estimated increase in revenue from electronic driver license and permits \$1,296,900 + Figure 4 estimated increase in revenue from electronic ID cards \$61,560 = \$6,883,039.

FY2028: Figure 1 below sum total of all fee code structure increases at \$5,524,579 + Figure 2 estimated increase in revenue from electronic driver license and permits \$1,729,200 + Figure 4 estimated increase in revenue from electronic ID cards \$82,100 = \$7,335,879.

FY2029: Figure 1 below sum total of all fee code structure increases at \$5,524,579 + Figure 2 estimated increase in revenue from electronic driver license and permits \$2,161,500 + Figure 4 estimated increase in revenue from electronic ID cards \$102,600 = \$7,788,679.

FY2030: Figure 1 below sum total of all fee code structure increases at \$5,524,579 + Figure 2 estimated increase in revenue from electronic driver license and permits \$2,593,800 + Figure 4 estimated increase in revenue from electronic ID cards \$123,120 = \$8,241,499.

This bill introduces both the process of issuing electronic credentials for an additional fee to Alaskans. This bill also introduces a new fee for an electronic driver's license or permit and increases overall fees in Title 28.

Figure 1: This bill introduces fee increases for Alaska Driver License and Permits in the following ways:

- Non-Commercial vehicles and motor-driven cycles from \$20 to \$31- All commercial motor vehicles from \$100 to \$155
- Instruction permit from \$15 to \$23- Duplicate DL or instruction permit from \$15 to \$23 - Temporary license and renewal of permit from \$5 to \$8 - School bus driver's endorsement renewal from \$5 to \$8

Figure 1									
Alaska Driver Licences and Permits	Fee Code(s)	Current Unit Price	FY 2023	FY 2022	FY 2021	Average Revenue From FY21 - FY23	Average Number of Transactions From FY21 - FY23	New Fee Structure Price Based of SB18	Fee Structure Estimated Annual Revenue From SB18
Non-Commercial Vehicles and Motor-driven cycles	D01, D03, D23	\$20.00	\$1,945,623.00	\$1,986,724	\$2,358,853	\$2,097,067	105089	\$31	\$3,257,759
All Commercial Motor Vehicles	C01, C03	\$100.00	\$572,220.00	\$691,990	\$586,820	\$617,010	5941	\$155	\$920,855
Instruction Permit	D01P	\$15.00	\$188,300.00	\$171,840	\$171,255	\$177,132	11821	\$23	\$271,883
Duplicate DL or Instruction Permit	D02, D24, D25	\$15.00	\$508,721.00	\$462,465	\$404,574	\$458,587	44902	\$23	\$1,032,746
Temporary License & Renewal of Permit	D05, D03P	\$5.00	\$24,830.00	\$27,205	\$32,395	\$28,143	5167	\$8	\$41,336
School Bus Driver's Endorsement Renewal		\$5.00						\$8	\$0
Sum Totals						\$3,377,939	172,920		\$5,524,579

(Revised 10/31/2023 OMB/LFD)

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Figure 2: The bill adds an electronic driver's license or permit for \$50.

DMV used the Driver License and Permit transaction data from FY2021, FY2022, and FY2023 to calculate an average annual number of transactions of 172,920 (see sum total from Figure 1.)

In FY2024, DMV selected a new contractor that will provide the mDL solution available to Alaskans in FY2025. For purposes of this fiscal note, Figure 2 demonstrates that DMV expects a consistent minimum of 5% of the population to embrace the mobile solution with incremental growth year over year.

To calculate the estimated increase in revenue, DMV used the average sum of Driver License and Permit transaction data from Figure 1 (172,920 over FY2021 - FY2023) and multiplied by 5% with incremental growth through 2030.

Figure 2								
Electronic Driver Licenses & Permits	2024		2025	2026	2027	2028	2029	2030
	0%	5%	10%	15%	20%	25%	30%	
Average Number of Transactions	172920	-	8646	17292	25938	34584	43230	51876
Projected Revenue	\$50	-	\$432,300.00	\$864,600	\$1,296,900	\$1,729,200	\$2,161,500	\$2,593,800

Figure 3: The Division's current Identification Card fees are set to the current fee structure:

- DMV Original ID Card = \$15
- DMV Duplicate ID Card = \$15
- DMV Renewal ID Card = \$15
- Alcohol Restriction ID Card = \$50

Figure 3							
Alaska Identification Cards	Fee Code(s)	Current Unit Price	FY 2023		FY 2021	Average Revenue From FY21 - FY23	Average Number of Transactions From FY21 - FY23
			FY 2022	FY 2021			
DMV Original ID Card	I01	\$15.00	\$ 147,730.00	\$132,470	\$107,200.00	\$2,097,067	8671
DMV Duplicate ID Card	I02	\$15.00	\$ 120,925.00	\$116,105	\$107,685.00	\$617,010	8687
DMV Renewal ID Card	I03	\$15.00	\$ 220,200.00	\$222,785	\$200,865.00	\$177,132	14750
Alcohol Restriction ID	I07	\$50.00	\$ 30,285.00	\$30,720	\$30,765	\$28,143	724
Sum Totals						\$729,838	8208

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Figure 4:

For purposes of this fiscal note, Figure 4 demonstrates that DMV expects a consistent minimum of 5% of the population to embrace the electronic ID cards with incremental growth year over year. Using the average sum total of 8,208 transactions based off FY2021, FY2022, and FY2023 data, this figure shows the estimated annual revenue year over year at 5% incremental growth.

Figure 4		2024	2025	2026	2027	2028	2029	2030
Electronic ID Cards		0%	5%	10%	15%	20%	25%	30%
Average Number of Transactions	8208	-	410	821	1231	1642	2052	2462
Projected Revenue	\$50	-	\$20,520.00	\$41,040	\$61,560	\$82,100	\$102,600	\$123,120

The Division recently selected a contractor for producing driver's license and identification cards which will provide Alaska a mobile-drivers license (mDL) option, with development beginning in 2024.

FY2024 cost as of 1/1/2024:

Scope of work determined.

Hardware delivery. Amount: \$45,000

FY2025:

Completion of Central Site Staging by July 2024. Amount: \$797,000

Apps in App Stores and Completion of Training by September 2024. Amount: \$157,000

Completion of Installations and Final Acceptance by October 2024. Amount: \$255,474

Year one of the modernized security features, ensuring increased identity and fraud protection for Alaskans with the physical card solutions. Amount: \$90,000

FY2025 Total Amount: \$1,299,474

The State of Alaska Department of Administration, Division of Motor vehicles will provide a physical card solution and Mobile Driver's License Solution (mDL) for all credentials as an option to the consumer. Amount: \$90,000 per year.