

Fiscal Note

State of Alaska
2024 Legislative Session

Bill Version: HB 277
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB277-DOA-DMV-04-11-24
Title: LICENSING RECIPROCITY; FEES
Sponsor: WAYS & MEANS
Requester: (H) WAYS & MEANS

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				
OPERATING EXPENDITURES	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

1004 Gen Fund (UGF)	(324.9)		(324.9)	(324.9)	(324.9)	(324.9)	(324.9)
Total	(324.9)	0.0	(324.9)	(324.9)	(324.9)	(324.9)	(324.9)

Estimated SUPPLEMENTAL (FY2024) cost: 0.0 (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? No
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: Jeffrey Schmitz, Director
Division: Division of Motor Vehicles
Approved By: Eric DeMoulin, Director
Agency: Department of Administration

Phone: (907)269-5574
Date: 04/11/2024
Date: 04/12/24

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2024 LEGISLATIVE SESSION

BILL NO. HB 277

Analysis

The proposed legislation will amend AS 28.15.271 by adding new language to limit commercial driver's license fees collected by the state to the national average.
This amendment would establish a limit for the fees collected by the Division of Motor Vehicles (DMV) for commercial driver's licenses, permits, or endorsements.
If passed, the Alaska DMV estimates a total loss in revenue, for both original commercial driver's licenses and renewal, of \$324,872.00 as we would be required to lower the CDL Original and the CDL Renewal fees from \$120.00 each to at or below the national average. See Figure 1 below.

Alaska x National Average Estimated Revenue Per Year						
Alaska Average						
Fee Type	Alaska Fee	U.S. National Average Fee	Transactions Per Year	Revenue at Current Price	Revenue at National Average	Difference in Revenue
CDL Original	\$ 120.00	\$ 63.16	1740	\$ 208,800.00	\$ 109,898.40	\$ (98,901.60)
CDL Duplicate	\$ 15.00	\$ 21.44	2467.5	\$ 37,012.50	\$ 52,903.20	\$ 15,890.70
CDL Renewal	\$ 120.00	\$ 67.32	4289.5	\$ 514,740.00	\$ 288,769.14	\$ (225,970.86)
CLP Original	\$ 15.00	\$ 27.64	1929	\$ 28,935.00	\$ 53,317.56	\$ 24,382.56
CLP Renewal	\$ 5.00	\$ 23.81	419.5	\$ 2,097.50	\$ 9,988.30	\$ 7,890.80
Skills Test	\$ 25.00	\$ 57.99	49.5	\$ 1,237.50	\$ 2,870.51	\$ 1,633.01
						\$ (324,872.46)

Figure 1 includes Alaska's fee schedule as well as the calculated average fees for all 50 states as they pertain to commercial driver's licenses, permits, or endorsements. These two fees are compared by calculating the estimated annual revenue. This is based on Alaska's average number of transactions per year from FY2022 and FY2023. The estimated revenue indicates an annual loss for two Fee Types, CDL Original (\$98,901.60) and CDL Renewal (\$225,970.86), amounting to a total loss in revenue of \$324,872.46.

Assumptions:

*For the purposes of this fiscal note, and the potential financial implications of the bill passage, the following assumptions were used in calculating the out-year estimates:

- Assume the national average for commercial driver's licenses, permits, or endorsement fees should not see a significant increase or decrease in following years.
- Assume Alaska DMV's annual transaction volume will remain about the same for commercial licensing and associated fees.

Based on these assumptions, we can infer that the amount of revenue loss will be approximately the same for each year.