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Research Brief

TO: Representative Les Gara

FROM: Jake Quarstad, Research Assistant

DATE: January 8, 2015

RE: Cost of Special Issue License Plates in Alaska

LRS Report 15.138

You wished to know the cost to the State of issuing a new license plate design and the amount the DMV charges for special issue license plates. You also asked whether the cost to the State is recovered through the fees paid by customers. You expressed particular interest in those plates designated for veterans and military service members.

The Alaska Division of Motor Vehicles (DMV) offers a variety of special issue license plates that deviate from the state's standard design and may instead be personalized, denote military status or support for various organizations and causes. For example, special issue license plates in Alaska recognize breast cancer awareness, the Alaska Children's Trust, the University of Alaska Anchorage, and the National Rifle Association, among other things. While any Alaska resident may obtain these license plates, some special issue plates are *restricted* to use by those meeting necessary qualifications. For example, restricted license plates are available for veterans of the United States Armed Forces, recipients of the Purple Heart Medal, Prisoners of War (POW); and drivers of farm, historic, and experimental vehicles.

According to DMV director Amy Erickson, there is \$250 in administrative costs associated with the creation of a new specialty license plate design.¹ The current cost to produce a set of specialty license plates is \$16.95. However, this rate fluctuates quarterly according to the price of aluminum and postage. Ms. Erickson notes that in most instances these costs are covered by the plate fee charged to customers.

Standard license plates in Alaska cost \$30 per set, while special issue plates may cost considerably more with the intention of raising revenue for specific causes. For example, veterans programs are supported through funds collected by the purchase of commemorative veteran plates, available to any Alaska resident. There is a \$100 fee for the plates, as well as a \$35 fee at the time of renewal. Ms. Erickson reports that in Fiscal Year 2014 the Division collected \$5,027 of additional funds available for allocation to such programs.

Special issue restricted plates honoring service members vary in fee structure. There is a \$30 plate fee charged for veteran's plates and National Guard plates, while there is no charge for POW, Pearl Harbor Survivor, Purple Heart, or Gold Star Family plates.²

We hope this is helpful. If you have questions or need additional information, please let us know.

¹ Amy Erickson, Director, DMV, can be reached at (907) 269-5574.

 $^{^2}$ Further information on veteran's license plates can be found on the Alaska Division of Motor Vehicles (DMV) website at http://doa.alaska.gov/dmv/plates/vets.htm.