Representative Jennifer Johnston



Session: Alaska State Capitol Juneau, AK 99801 465-4949

MEMORANDUM

Date: 1 March 2019

To: DOA Finance Subcommittee Members

From: Rep. Jennifer Johnston

RE: DOA Subcommittee Indirect Expenditure Recommendations FY 18

Statutory Change Proposals From FY 18 Narrative:

The following statutory change recommendations are also submitted to the House Finance Committee for consideration:

For Consideration by House State Affairs Committee:

- 1) Streamline Alaska Public Offices Commission Reporting Statutes. Since the FY15 Management Plan, the Commission's budget has seen a 42.2% reduction in UGF, resulting in a reduction of six positions (5 PFT, 1 PPT). It has become apparent that streamlining reporting requirements would better ensure the Commission's ability to fulfill its mission and more efficiently serve the Alaskan public.
 - Revise AS 15.13.374(c) to extend the response time for advisory opinion requests from seven days to ten working days.
 - o This change would allow the Commission additional time to increase efficiencies by avoiding pulling staff from one time-sensitive project to another, while still fulfilling requests within a reasonable timeframe.
 - Consider amending AS 15.13.030(7), AS 15.13.040(g) and AS 15.13.090(c) and repealing AS 15.13.040(k) to reduce redundancies, inconsistencies and inefficiencies in reporting and filing requirements.
- 2) Increase Alaska Public Offices Commission Ability to Collect Fees from User Groups. While the Commission's GF/Program receipt authority has been increased from \$120,000 to \$245,300 proposed, the additional receipts are uncollectable without increasing statutory authority to increase current, or establish new, fees.

- Add a new subsection in AS 15.13.400 to formally define the term "entity." Add a new subsection within AS 15.13.050 instituting a registration fee for groups, nongroup entities and "entities."
 - o This change would define a new class of persons making independent expenditures intended to influence the outcome of elections that do not technically fall within current definitions of "group" or "nongroup entity."
 - o Providing this collection authority would generate revenues from the user groups whose activities take the most significant portion of the Commissioner's staff time to track.
- Explore the impact of adding subsections within Chapter 15.13 instituting fees for Public Officials Financial Disclosures, Legislative Financial Disclosures and Candidate Registrations, while considering exemptions for municipal-level office holders.
 - o Implementing a fee for public officials, legislators and candidates would bring in revenues from additional user groups to support important Commission operations. It was expressed by Subcommittee membership the importance of considering exceptions, where appropriate, to avoid costprohibitive filing and potential inefficiencies.

3) Standardize Minimum Age in Division of Motor Vehicles (DMV) Waivers.

- Amend AS 18.65.310(g) to change eligibility for identification card fee waivers from 60 years and older to 65 years and older.
 - O At the recommendation of Legislative Finance, this change would establish a qualifying age matching that in AS 28.10.411(f), increasing consistency for the Division in granting exemptions for this population.

4) Modify Discounts/Exemptions for DMV Vehicle Registration Fees.

- Amend AS 28.10.421(d) to increase the vehicle registration fee for municipal governments and charitable organizations from \$10 to \$50.
 - O Under current statute, vehicle registration fees for municipal and charitable organizations are reduced from \$100 to \$10 per vehicle. In FY15, this \$90 discount was used for 5,543 vehicles, resulting in lost annual revenue of \$498,870. In the January 2017 Indirect Expenditure Report, Legislative Finance recommended a review and modification of this discount rate first enacted in 1978.
- Repeal AS 28.10.481(i) to remove the \$100 per vehicle exemption for amateur radio exemptions.

OTHER INFORMATION:

The Subcommittee discussed a variety of issues during the meetings. Those not put forward in this report for consideration by the House Finance Committee include, but are not limited to:

1) Modification of Senior Vehicle Registration Exemption. An amendment proposal was discussed that would have modified the vehicle registration fee exemption for senior citizens 65 years and older, as provided in AS 28.10.411(f). In FY15, this \$100 discount was used for 6,629 vehicles, resulting in lost annual revenues of \$662,900. While a modification to this indirect expenditure may be worth

examining, the Subcommittee did not feel it had sufficient information to determine its full impact on Alaska's seniors.

Applicable Program Division of Motor Vehicles

Indirect Expenditure Name \$10 fee waiver for government agencies

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Fee waiver for government agencies (a municipal, state or federal agency or judicial agency) requesting driver and vehicle records from DMV.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

2 AAC 92.200(d)

(4) Year Enacted

07/04/06

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Fee waiver for government agencies

(7) Public Purpose

Courtesy savings to government agencies

(8) Estimated Revenue Impact

FY 2011 - Not tracked.

FY 2012 - Not tracked.

FY 2013 - Not tracked.

FY 2014 - Not tracked.

FY 2015 - Not tracked.

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

Any municipalities, state agencies or federal agencies who apply in the State of Alaska

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

Unknown/ not tracked by DOA

(2) Estimate of Annual Monetary Benefit to Recipients

Unknown/ not tracked by DOA

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Continue as part of normal service provided by DMV to other government entities.

Applicable ProgramDivision of Motor Vehicles

Indirect Expenditure Name
Anatomical Gift Awareness Fund (Organ Donor Registration)

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

DMV provided an in-kind benefit to a non-profit organization by hosting a database on a state-owned server. Effective FY2014, DMV no longer hosts the program information for Life Alaska Donor Services on their server.

(2) Type

N/A

(3) Authorizing Statute, Regulation or Other Authority

AS 13.50.160

(4) Year Enacted

2009

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Fund established for the collection of donations pertaining to anatomical gift awareness

(7) Public Purpose

Public Service

(8) Estimated Revenue Impact

FY 2011 - \$6,552

FY 2012 - \$11,805

FY 2013 - \$8,484

FY 2014 - \$0

FY 2015 - \$0

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

1

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$0

(2) Estimate of Annual Monetary Benefit to Recipients

\$0

(3) Legislative Intent Met?

Applicable ProgramDivision of Motor Vehicles

Indirect Expenditure Name
Anatomical Gift Awareness Fund (Organ Donor Registration)

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Legislative Finance recommends that this item be deleted from future Indirect Expenditure Reports. Prior to FY14, DMV hosted the organ donor registry on its server; but this was never a tax credit, an exemption, a discount or a deduction in the normal course of business. (Life Alaska Donor Services, a non-profit organization associated with the American Association of Tissue Banks, coordinates registration through MyAlaska online.)

Applicable ProgramDivision of Motor Vehicles

Indirect Expenditure Name

Motor vehicle license plates and registrations
fees for amateur radio users

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Waives \$100 registration fee for certain amateur radio users with an amateur mobile radio license issued by the Federal Communications Commission (FCC).

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 28.10.421, AS 28.10.181(i)

(4) Year Enacted

1978

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Allows the registration of an amateur mobile radio station vehicle for each radio license issued by the FCC.

(7) Public Purpose

Public Service Determined in AS 28.10.421(d)(8)

(8) Estimated Revenue Impact

FY 2011 - \$17,400

FY 2012 - \$16,600

FY 2013 - \$8,600

FY 2014 - \$4,400

FY 2015 - \$4,400

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

44

Legislative Finance Analysis per AS 24.20.235

- (1) Estimate of Annual Revenue Foregone by the State \$4,400
- (2) Estimate of Annual Monetary Benefit to Recipients \$100
- (3) Legislative Intent Met?

Applicable ProgramDivision of Motor Vehicles

Indirect Expenditure Name
Motor vehicle license plates and registrations
fees for amateur radio users

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Continue exemption, which is based on the potential public service provided by a vehicle equipped with a radio.

Applicable Program

Division of Motor Vehicles

Indirect Expenditure Name

Motor vehicle license plates and registrations fees for disabled persons

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Waives \$100 registration fee for disabled persons. Must be medically certified as disabled.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 28.10.421, AS 28.10.181

(4) Year Enacted

2002

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Allow disabled persons to be issued a plate that does not have the international symbol of accessibility and which they are qualified for under AS 28.10.181.

(7) Public Purpose

Public Service

(8) Estimated Revenue Impact

FY 2011 - \$409,850

FY 2012 - \$417,150

FY 2013 - \$366,950

FY 2014 - \$301,650

FY 2015 - \$301,650

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

3,016

Legislative Finance Analysis per AS 24.20.235

- (1) Estimate of Annual Revenue Foregone by the State \$301,650
- (2) Estimate of Annual Monetary Benefit to Recipients \$100
- (3) Legislative Intent Met?

Applicable ProgramDivision of Motor Vehicles

Indirect Expenditure Name
Motor vehicle license plates and registrations
fees for disabled persons

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Continue exemption in order to avoid the proliferation of "limited accessibility" plates.

Applicable ProgramDivision of Motor Vehicles

Indirect Expenditure Name Motor vehicle license plates and registrations fees for disabled veterans

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Waives \$100 registration fee for disabled veterans. Military certification form required to qualify.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 28.10.421, AS 28.10.181

(4) Year Enacted

2002

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Create a distinctive plate so disabled veterans can be recognized and stand out.

(7) Public Purpose

Public Service

(8) Estimated Revenue Impact

FY 2011 - \$174,900

FY 2012 - \$195,950

FY 2013 - \$204,000

FY 2014 - \$193,900

FY 2015 - \$193,900

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

1.939

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State \$193,900

(2) Estimate of Annual Monetary Benefit to Recipients \$100

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Continue exemption - rewards service to the United States.

Applicable Program Division of Motor Vehicles

Indirect Expenditure Name
Motor vehicle license plates and registrations
fees for Gold Star Family

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Waives \$100 registration fee for survivors of those killed in the line of duty.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 28.10.421, AS 28.10.181(I)

(4) Year Enacted

2007

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Allows relatives of members of the United States Armed Forces that were killed in the line of duty to receive a waived registration fee and gold star license plate.

(7) Public Purpose

Public Service

(8) Estimated Revenue Impact

FY 2011 - \$2,350

FY 2012 - \$2.750

FY 2013 - \$200

FY 2014 - \$3,600

FY 2015 - \$3,600

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

2

Legislative Finance Analysis per AS 24.20.235

- (1) Estimate of Annual Revenue Foregone by the State \$200
- (2) Estimate of Annual Monetary Benefit to Recipients \$100
- (3) Legislative Intent Met?

Applicable ProgramDivision of Motor Vehicles

Indirect Expenditure Name Motor vehicle license plates and registrations fees for Gold Star Family

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Continue exemption - cost is insignificant and the waiver honors those families who have lost a family member in service to the United States.

Applicable ProgramDivision of Motor Vehicles

Indirect Expenditure Name

Motor vehicle license plates and registrations fees for municipal governments and charitable organizations

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Reduces vehicle registration fees from \$100 to \$10 for vehicles owned by municipal governments, charitable or non-profit organizations, church/religious organizations, and Alaska Tribal Village Councils.

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 28.10.421(d), AS 28.10.181(a), AS 28.10.181(e), 2 AAC 92.140

(4) Year Enacted

1978

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Allows municipalities, charitable, non-profits, and church/religious organizations to get a discounted rate on vehicle registrations. Alaska Native Tribal Village Councils are also eligible.

(7) Public Purpose

Courtesy savings to government and non-profit organizations

(8) Estimated Revenue Impact

FY 2011 - \$472,455

FY 2012 - \$486,270

FY 2013 - \$504,765

FY 2014 - \$498,915

FY 2015 - \$498,915

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

5,543

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State \$498,915

(2) Estimate of Annual Monetary Benefit to Recipients \$90

Applicable ProgramDivision of Motor Vehicles

Indirect Expenditure Name

Motor vehicle license plates and registrations fees for municipal governments and charitable organizations

Legislative Finance Analysis per AS 24.20.235

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Modify discount — Recommend review and modification of the discount rate (initially enacted in 1978). The legislature included Intent in the FY17 Motor Vehicles budget to increase revenue through improved efficiencies and to increase the amount of dollars deposited into the General Fund. A 90% reduction (from \$100 to \$10) may no longer be desirable with 5,543 beneficiaries.

Applicable ProgramDivision of Motor Vehicles

Indirect Expenditure Name

Motor vehicle license plates and registrations
fees for Pearl Harbor survivors

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Waives \$100 registration fee for Pearl Harbor survivors.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 28.10.421, AS 28.10.181(I)

(4) Year Enacted

1988

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Allows individuals who were on active duty in Pearl Harbor on December 7, 1941 to register one non-commercial vehicle. (based on submission of Military Form DD214)

(7) Public Purpose

Public Service

(8) Estimated Revenue Impact

FY 2011 - \$350

FY 2012 - \$200

FY 2013 - \$100

FY 2014 - \$0

FY 2015 - \$100

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

1

Legislative Finance Analysis per AS 24.20.235

- (1) Estimate of Annual Revenue Foregone by the State \$100
- (2) Estimate of Annual Monetary Benefit to Recipients \$100
- (3) Legislative Intent Met?

Applicable ProgramDivision of Motor Vehicles

Indirect Expenditure Name
Motor vehicle license plates and registrations
fees for Pearl Harbor survivors

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Continue exemption; although any beneficiaries would also be encompassed by the senior citizen exemption (AS 28.10.411(f)).

Applicable Program Division of Motor Vehicles

Indirect Expenditure Name Motor vehicle license plates and registrations fees for Prisoners of War

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Waives \$100 registration fee for Prisoners of War.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 28.10.421, AS 28.10.181(i)

(4) Year Enacted

1984

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Allows individuals who were Prisoners of War to register one non-commercial vehicle. (based on submission of Military Form DD214)

(7) Public Purpose

Public Service

(8) Estimated Revenue Impact

FY 2011 - \$500

FY 2012 - \$350

FY 2013 - \$200

FY 2014 - \$0

FY 2015 - \$0

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

0

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$0

(2) Estimate of Annual Monetary Benefit to Recipients

\$0

(3) Legislative Intent Met?

Applicable ProgramDivision of Motor Vehicles

Indirect Expenditure Name
Motor vehicle license plates and registrations
fees for Prisoners of War

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated? Continue exemption - cost is zero.

Applicable Program Division of Motor Vehicles

Indirect Expenditure Name Motor vehicle license plates and registrations fees for Purple Heart recipients

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Waives \$100 registration fee for Purple Heart recipients.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 28.10.421, AS 28.10.181(q)

(4) Year Enacted

1989

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Allows Purple Heart recipients to register one non-commercial vehicle. (based on submission of Military Form DD214)

(7) Public Purpose

Public Service

(8) Estimated Revenue Impact

FY 2011 - \$33,800

FY 2012 - \$39,000

FY 2013 - \$34,200

FY 2014 - \$32,900

FY 2015 - \$32,900

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

329

Legislative Finance Analysis per AS 24.20.235

- (1) Estimate of Annual Revenue Foregone by the State \$32,900
- (2) Estimate of Annual Monetary Benefit to Recipients \$100

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Continue exemption - rewards service to the United States.

Applicable Program

Division of Motor Vehicles

Indirect Expenditure Name

Motor vehicle license plates and registrations fees for senior citizens

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Waives \$100 registration fee for persons 65 years of age or older.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 28.10.411 (f)

(4) Year Enacted

1978

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Allows individuals who are 65 years of age or older (on January 1st of the year the vehicle is registered) to one exemption

(7) Public Purpose

Public Service

(8) Estimated Revenue Impact

FY 2011 - \$317,100

FY 2012 - \$317,100

FY 2013 - \$302,700

FY 2014 - \$662,900

FY 2015 - \$662,900

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

6,629

Legislative Finance Analysis per AS 24.20.235

- (1) Estimate of Annual Revenue Foregone by the State \$662,900
- (2) Estimate of Annual Monetary Benefit to Recipients \$100
- (3) Legislative Intent Met?

Applicable ProgramDivision of Motor Vehicles

Indirect Expenditure Name
Motor vehicle license plates and registrations
fees for senior citizens

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Continue exemption - but recommend review of minimum age for consistency across DMV-related statutes.

Applicable Program Division of Motor Vehicles

Indirect Expenditure Name
Motor vehicle license plates and registrations
fees for state owned vehicles

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Waives \$100 registration fee for state owned vehicles

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 28.10.421(d)(4)

(4) Year Enacted

Prior to 1993

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Eliminates Interagency Transfers between state agencies

(7) Public Purpose

Courtesy savings to state agencies

(8) Estimated Revenue Impact

FY 2011 - \$57,900

FY 2012 - \$55,450

FY 2013 - \$38,050

FY 2014 - \$27,500

FY 2015 - \$27,500

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

275

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State \$27,500

(2) Estimate of Annual Monetary Benefit to Recipients \$100

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Continue exemption.

Applicable Program Division of Motor Vehicles

Indirect Expenditure Name

Permanent registration for eight- year-old vehicles in unorganized boroughs or communities that elect to allow this service.

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Allows permanent registration for vehicles eight years or older in unorganized boroughs or in communities that have passed an ordinance to allow permanent registration.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 28.10.155

(4) Year Enacted

2015

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Matches unorganized borough/community ordinances

(7) Public Purpose

Public Service

(8) Estimated Revenue Impact

FY 2011 - Not in effect

FY 2012 - Not in effect

FY 2013 - Not in effect

FY 2014 - Not in effect

FY 2015 - \$0

Revenue loss will not be realized until the two-year registration period comes due on the vehicles that are permanently registered. The program began on January 1, 2015. Revenue loss will start being calculated on January 30, 2017.

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

O

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$0

(2) Estimate of Annual Monetary Benefit to Recipients

\$0

Applicable ProgramDivision of Motor Vehicles

Indirect Expenditure Name
Permanent registration for eight- year-old vehicles in unorganized boroughs or communities that elect to allow this service.

Legislative Finance Analysis per AS 24.20.235

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Continue — as noted by the Department, revenue loss will not be realized until the two-year registration period comes due on the vehicles that are permanently registered. The program began on 1/1/15 and calculations of revenue loss will be begin on 1/30/17.

Applicable Program Division of Motor Vehicles

Indirect Expenditure Name State identification cards for senior citizens

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Waives \$15 identification card fee for applicants who are 60 years or older. Identification cards are valid for five years.

(2) Type

Exemption

(3) Authorizing Statute, Regulation or Other Authority

AS 18.65.310(g)

(4) Year Enacted

1973

(5) Sunset or Repeal Date

None

(6) Legislative Intent

Allows residents over 60 years of age to receive a free state identification card.

(7) Public Purpose

Public Service

(8) Estimated Revenue Impact

FY 2011 - \$161,265

FY 2012 - \$132,930

FY 2013 - \$137,325

FY 2014 - \$168,525

FY 2015 - \$207,630

(9) Cost to Administer

\$0

(10) Number of Beneficiaries / Who Benefits

13.842

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State \$207,630

(2) Estimate of Annual Monetary Benefit to Recipients

\$15

(3) Legislative Intent Met?

Yes

(4) Should it be Continued, Modified or Terminated?

Continue exemption -- but recommend review of minimum age for consistency across DMV-related statutes.