

# HB 137

A bill regarding the Division of Motor Vehicles

# HB 137

- Prohibits closure of DMVs of communities of 850 or more.
- Effective date and applicability keeps open all DMVs.

# DMV: Critical Public Services

-Per the US Census, 68% of Alaskans drove alone to work in 2017.

-Per the same data, **83-86%** of commuters use personal vehicles in the Mat-Su borough.

-In Fairbanks, this rises to **90%** of commuters.

-DMV services are critical to safe passage of commuter and commercial traffic.

-Trucking amounts to **70%** of the commercial freight delivery of goods in the United States.

## POPULATION

731.5k ▲ 4.7%

2019 2009-2019

## EMPLOYMENT

321.0k ▲ 1.8%

2018 2008-2018

## LICENSED DRIVERS

536.0k ▲ 6.5%

2018 2008-2018

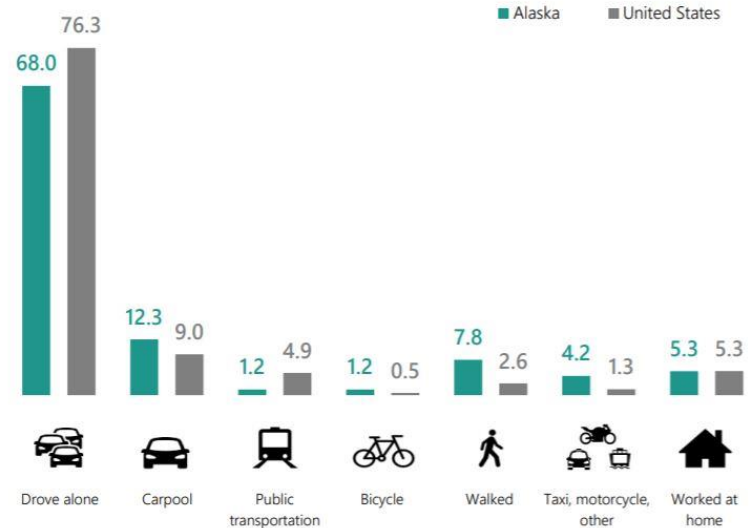
## REGISTERED VEHICLES

804.5k ▲ 18.3%

2017 2007-2017

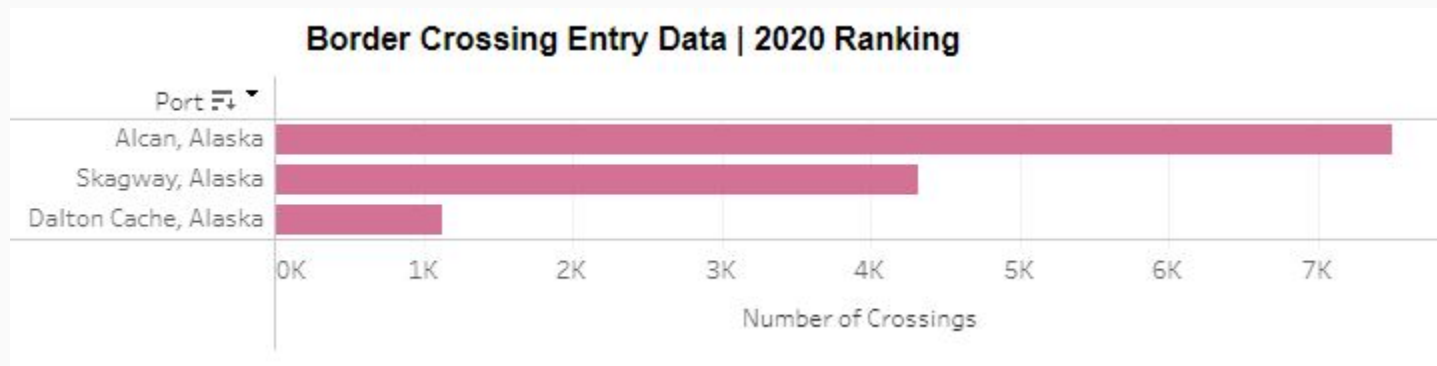
## HOW RESIDENTS GET TO WORK

Percentage of workers over age 16, 2018



Sources: US Dept of Transportation 2017  
American Community Survey 2019

# Commercial Traffic: arteries of local economies



-DMVs help ensure safe passage of approx \$9.5b worth of commercial goods via commercial trucks in 2017 in Alaska.

-Entry into Alaska is key for commercial freight on Al-Can Highway.

# What does the DMV do?

-The DMV conducts many services that are important to residents daily lives.

-Many services must be conducted in person. Many are statutory.

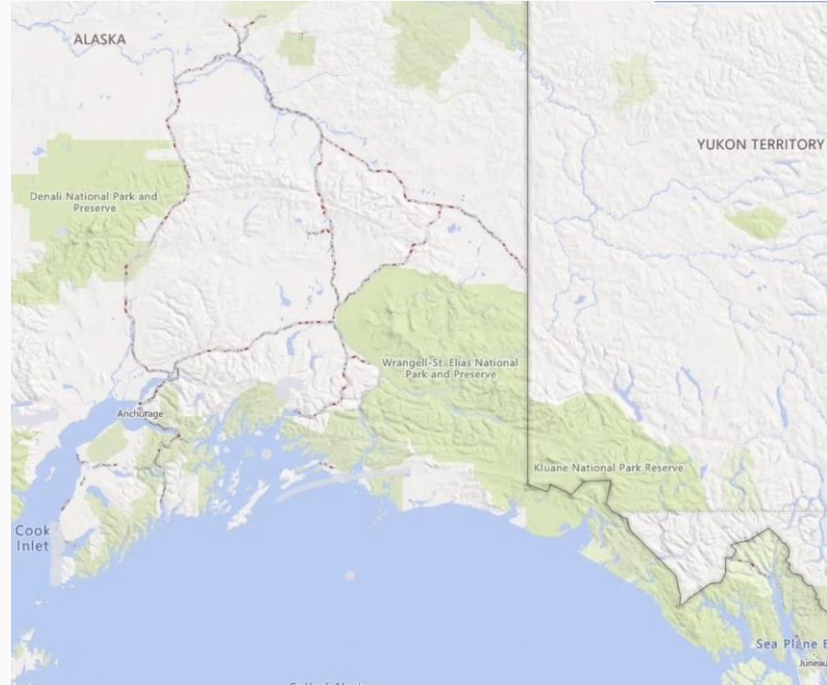
-Private operators are not required to, and cannot conduct, all the services the DMV offers, and requires for various residents.

-Private operators first responsibility is to shareholders or owners, not to public.

- Original issue of regular drivers license
- Original update at 21
- Renewal of DL for Seniors
- Original Issue of CDL
- Renewal of CDL
- REAL ID
- Test Taking
- Vehicle Transfers
- Commercial Registrations
- Permanent Registrations (P, Z tabs)
- VIN Inspections
- Surety Bond Processing
- Medical Re-instatement
- Re-instatement due to violation
- Name Change
- Marriage
- Divorce
- Handicap Parking Sticker

# Few alternatives:

- Average drive to other DMVs:
- Tok-DJ: 1 hr 41 min each way.  
(214 miles)
- DJ-Fbnks: 1 hr 40 min each way.  
(190 miles)
- Tok-Glennallen: 2 hr 40 min  
each way. (278 miles)
- Valdez-Glennallen: 2 hr 17 min  
each way. (240 miles)
- Haines-Juneau: 4 hr ferry ride  
each way. (185 miles)
- Homer-Soldotna: 1.5 hr each  
way. (149.6)



Roads in Alaska are unpredictable: weather, avalanche, flooding and fire are all risks.



Thompson Pass, 2014.

Photos courtesy AGU Blogosphere, Fairbanks  
Daily Newsminer



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Above: Drifting in Delta Junction 2020.  
Right: Swan Lake Fire, 2019.



Photos Courtesy: Delta Wind, Christina Johnstone, via Alaska Newssource



# Internet options aren't available for everyone:

- Internet options aren't available for all services, including REAL ID, Drivers knowledge test, vision test, CDL services.
- Even in communities on the road system, average cost of internet can be prohibitively expensive.
- Service is not necessarily guaranteed.
- Internet options can also be difficult for Seniors: an estimated **105,000 Alaskans** over the age of 60 are still driving.
- AK DMV is required to provide certain services in person. Original license, 2nd license renewal, and Sr Citizen Driver License Renewal.
- Knowledge testing, Drivers License reinstatement are not able to be done online.

- Eastern Interior Alaska: 25.1% households do not have internet.
- Eastern Southcentral Alaska: 18% of households do not have internet.
- In the Southern Kenai Peninsula, 18% of households do not have internet.
- In Haines, 14% of households do not have internet.
- Up to 30% of Seniors do not have internet access.

Increased Costs: public pays more for same service.

## Cost of Common DMV Transactions

| <u>Transaction Type</u> | <u>State-Run DMV</u> | <u>In-Person at UMV*</u> |
|-------------------------|----------------------|--------------------------|
| Registration Renewal    | \$110 + taxes        | \$132 + taxes            |
| Registration Duplicates | \$2                  | \$22                     |
| Parking Placard Renewal | \$0                  | \$12                     |
| Report Vehicle Sale     | \$0                  | \$2                      |
| Drivers License/ID      | \$20                 | \$45                     |
| REAL ID                 | \$40                 | \$80                     |
| Obtain Driving Record   | \$10                 | \$22                     |
| Practice Knowledge Test | \$0                  | \$10                     |

\*Example of a Private Partner; costs vary

Source: Dept of Administration

# The DMV pays for itself:

-The DMV is a division in the State that pays for itself.

-Each of the six proposed location closures was revenue positive for the state; last year and the previous 5 years.

-Closing or privatizing them only serves to pass increased costs and fewer services to residents.

-There is no corresponding increase in service; only cost.

| Location  | Revenue      | Expenditures & Encumbrances | Difference   |
|---|--------------|-----------------------------|--------------|
| 1910 - 503 DMV Field Services Anchorage Benson Blvd | 6,781,741.83 | 3,329,730.54                | 3,452,011.29 |
| 1911 - 505 DMV Field Services Anchorage Downtown    | N/A          | 399,819.40                  | N/A          |
| 1912 - 515 DMV Field Services Bethel                | 122,332.00   | 99,954.86                   | 22,377.14    |
| 1913 - 525 DMV Field Services Delta Junction        | 217,723.00   | 109,342.33                  | 108,380.67   |
| 1914 - 527 DMV Field Services Eagle River           | 1,569,198.00 | 422,357.39                  | 1,146,840.61 |
| 1915 - 529 DMV Field Services Fairbanks             | 2,200,793.35 | 1,447,741.33                | 753,052.02   |
| 1916 - 537 DMV Field Services Haines                | 113,513.00   | 80,248.19                   | 33,264.81    |
| 1917 - 539 DMV Field Services Homer                 | 634,647.00   | 177,386.53                  | 457,260.47   |
| 1918 - 543 DMV Field Services Juneau                | 966,282.00   | 549,831.03                  | 416,450.97   |
| 1919 - 547 DMV Field Services Ketchikan             | 659,495.53   | 212,301.91                  | 447,193.62   |
| 1920 - 549 DMV Field Services Kodiak                | 508,657.00   | 204,633.40                  | 304,023.60   |
| 1921 - 553 DMV Field Services Kotzebue              | 53,529.00    | 35,138.46                   | 18,390.54    |
| 1922 - 563 DMV Field Services Nome                  | N/A          | 31,154.39                   | N/A          |
| 1923 - 565 DMV Field Services Mat-Su                | 2,808,929.51 | 773,677.41                  | 2,035,252.10 |
| 1924 - 577 DMV Field Services Sitka                 | 271,979.00   | 167,695.36                  | 104,283.64   |
| 1925 - 583 DMV Field Services Soldotna              | 1,532,592.00 | 482,949.49                  | 1,049,642.51 |
| 1926 - 585 DMV Field Services Tok                   | 238,316.73   | 75,962.62                   | 162,354.11   |
| 1927 - 591 DMV Field Services Valdez                | 168,370.66   | 99,882.47                   | 68,488.19    |

# Shifting cost burdens deepen divides:

- Rural Alaska faces higher costs in healthcare, gasoline, & fewer options for utilities such as Internet.
- Driving 100+ miles (each way) for service is an additional tax.
- Private DMV partners have no regulations or controls over pricing for mandatory services. The Department has method to control costs, fees, or additional charges.
- For communities where a private partner were to be the only option, residents must either pay up front or through additional costs such as driving 70-100 miles for key services.
- Internet is not always an option for everyone or every service.

# Seniors of Alaska

*“In our poll, Seniors of Alaska found overwhelming support amongst our members to support HB 137 and retain affordable, safe options for Seniors in their local communities. 96.5% overall favored keeping their local DMV, and some locales had 100% of members supported this critical public service for seniors.”*

*-Seniors of Alaska*

# Thank you

Questions?