

Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version: HB 163
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB163-DOA-DMV-5-17-22
Title: FORM OF SIGNATURE ON VEHICLE TITLE
Sponsor: SCHRAGE
Requester: SENATE 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)

| | FY2023 | Included in | Out-Year Cost Estimates | | | | | |
|-------------------------------|-------------------------|---------------------------|-------------------------|----------------|----------------|----------------|----------------|----------------|
| | Appropriation Requested | Governor's FY2023 Request | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| OPERATING EXPENDITURES | FY 2023 | FY 2023 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| 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 | 0.0 |

Fund Source (Operating Only)

| | | | | | | | | |
|--------------|------------|------------|------------|------------|------------|------------|------------|------------|
| None | | | | | | | | |
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Positions

| | | | | | | | | |
|-----------|--|--|--|--|--|--|--|--|
| Full-time | | | | | | | | |
| Part-time | | | | | | | | |
| Temporary | | | | | | | | |

Change in Revenues

| | | | | | | | | |
|--------------|------------|------------|------------|------------|------------|------------|------------|------------|
| None | | | | | | | | |
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimated SUPPLEMENTAL (FY2022) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2023) 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If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Additional narrative has been added to the comments section that reflects contingent initial estimates to move forward with implementation of a digital signature capability, should the department opt to pursue it.

| | |
|---|-----------------------------|
| Prepared By: <u>Ken Truitt, Legislative Liaison</u> | Phone: <u>(907)465-8464</u> |
| Division: <u>Office of the Commissioner</u> | Date: <u>05/17/2022</u> |
| Approved By: <u>Leslie Isaacs, Administrative Services Director</u> | Date: <u>05/17/22</u> |
| Agency: <u>Department of Administration</u> | |

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION

BILL NO. HB 163

Analysis

This bill is relating to vehicle title applications, and signature requirements. The bill removes the requirement in AS 28.10.211(b) for an application for title or transfer of title to be signed in ink, presumably to provide an option for these items to be signed electronically.

By removing the provision that all titles and title applications must be signed in ink the bill provides an opportunity for DMV to seek out and vet electronic signature mediums and study the operational impact of electronic signature solutions, which is not currently possible given the current wet signature statute restriction. In the bill's current form there is no required action by the DMV, therefore the DMV submits a zero-fiscal note.

However, if upon passage of the bill DMV opts to move forward with implementation of a digital signature capability, DMV estimates that the cost to acquire or program such a system to be \$3.5 million.

Projected cost estimates would include the following:

A feasibility study to be conducted prior to planning stages of the project. A feasibility study would need to be conducted to determine programming and other operational costs to business processes and the impact to stakeholders to determine the ultimate operational and financial impact to the state.

Creation of a customer portal for individuals and entities to perform title exchanges, this would include multiple token exchanges such as multi-owner, lienholders, buyer check out, buyer purchase and seller. It will also need to ensure device agnostics.

A security portal will be required and overall integration with all current systems will need to be completed.

Creation of the digital eTitle function, this will include updates to the ALVIN system, multiple Token Exchanges, Electronic Lien & Title Program Integration, American Association of Motor Vehicle Administrators (AAMVA), National Motor Vehicle Title Information System (NMVTIS) and Unified Network Interface (UNI).

Project Management will be crucial to ensure milestones, goals and objectives are set up and met. This includes information technology (IT) and DMV staff working side by side to scope, plan and complete the project.

Program Manager will be required for the long term care of the program. All aspects of the program, the connections between platforms, and potential customers use, will need to be fully vetted and thoroughly tested prior to going live.

Emergency and Contingency planning will need to be in place to ensure adequate coverage throughout the project.