

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: 13  
 Bill Version: CSHB 4 (JUD))  
 (H) Publish Date: 4/5/01

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
 Title: An act relating to offenses involving operating BRU: Motor Vehicles  
amotor vehicle, aircraft, or watercraft while under the..... Component: \_\_\_\_\_  
 Sponsor: Representative Rokeberg  
 Requester: H (JUD) Component Number: 2348

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	564.3	564.3	564.3	564.3	564.3	564.3
Travel						
Contractual	124.1	14.7	14.7	14.7	14.7	14.7
Supplies	23.1	4.9	4.9	4.9	4.9	4.9
Equipment	75.5					
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>787.0</b>	<b>583.9</b>	<b>583.9</b>	<b>583.9</b>	<b>583.9</b>	<b>583.9</b>

CAPITAL EXPENDITURES						
<b>CHANGE IN REVENUES ( )</b>	<b>347.5</b>	<b>347.5</b>	<b>347.5</b>	<b>347.5</b>	<b>347.5</b>	<b>347.5</b>

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	787.0	583.9	583.9	583.9	583.9	583.9
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>787.0</b>	<b>583.9</b>	<b>583.9</b>	<b>583.9</b>	<b>583.9</b>	<b>583.9</b>

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

Full-time	13	13	13	13	13	13
Part-time	1	1	1	1	1	1
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

See Attached sheets for detailed analysis.

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 Division: Motor Vehicles Date/Time 03/08/01  
 Approved by: Jim Duncan, Commissioner Date 3/8/01  
 Agency: Department of Administration

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The fiscal impact can be separated into four main areas as follows:

1. Sec 6. This requires DMV to refuse to register a vehicle if the owner has a license suspension or revocation. Cost - \$546.0 10 PFT/1 PPT
2. Sec 26. DMV estimates DWI arrests will increase by 15% when BAC is reduced to .08. Requests for hearing will increase and an additional hearing officer and support person will be needed. Cost - \$112.0 2 PFT
3. Sec. 31& 33. These sections require DMV to revoke the registration of vehicles owned by the offender or it requires the offender to surrender the license plates to DMV. Cost - \$48.2 1 PFT
4. Sec 47. This section requires DMV to establish and maintain a Public Database of Felony DWI offenders. Cost - \$80.9

The detailed analysis for each of these impacts will be shown on the attached pages.

#### 1. Section 6 – Refusal to Register

Section 6 of this bill will have a fiscal impact in that DMV shall refuse to register a vehicle or renew a registration if the applicant does not have a driver license and the applicant's license or privilege to drive is suspended or revoked. While the remainder of this bill addresses DWI issues, the language of Section 1 requires DMV to take actions on all suspensions or revocations regardless of the cause.

This provision is difficult to administer because the driver license and vehicle databases are not linked electronically. In the driver license program there is a requirement to positively identify the person so that convictions can be placed on the correct record. In the vehicle program identification of that specific property is key and there is no requirement to positively identify each vehicle owner. Currently there is not a requirement to use a complete legal name on ownership or registration records. This fact plus the issues of multiple ownership, business ownership, etc, makes it difficult and cumbersome to link the two databases. DMV's estimate of a project to link the two databases is \$1.5 to \$2 million for contract programming staff and would take 2 years to complete. This is no small undertaking and would not allow the provision to be implemented by the effective date of the bill.

Because there is no electronic link it will be necessary to review the driving record of each applicant and all co-owners every time a registration transaction is done. The annual volume of these transactions is 350,000 which includes both new and renewal transactions.

There are four areas of the registration program where this section will have a fiscal impact.

A. Business Partners - DMV uses business partners such as car dealers and emission inspection stations to process registrations. These partners are linked electronically to DMV for processing in real time and they operate much the same as a DMV office. Driver license information is confidential by statute and these partners are not allowed access to this information. These partners process 65,000 registration transactions annually and they would have to deny registration based on the applicants driver license status. DMV cannot give them access to driver information so it will be necessary to develop a new computer application that will allow query by driver license but will only return a "Yes" or "No" indicator based on the driving record status. This work will be done by a contract for programming service at the state's standard contract rates.

160 Hours x \$122.77 per hour = \$19,643  
ITG contract administration fee = \$ 659

Note: Although it is not a cost to the state, vehicle sales may be affected if the dealer's inquiry returns a "no" reply on the purchaser. Not all dealers have online access; these transactions would come to a DMV office for researching and possible refusal of the registration.

B. Web/Phone Renewal Services - These electronic venues are completely automated so there is not a possibility to review the applicant's record to determine if the license is suspended or revoked. A person other than the owner could renew the registration if they were willing to pay for it and this complicates the problem further. These services will be discontinued and it is assumed that the applicants will now go to a DMV office or use the mail to renew registrations. The volume of transactions on these two venues is 30,000 annually. Using the standard renewal rate, one employee can process 20,000 transactions so this will require 1.5 PFT positions plus equipment and other costs.

1 PFT position and 1 PPT position, range 10	\$59,215
Equipment and associated costs	\$17,356

C. DMV Field Office Work - The remainder of the renewal transactions, 285,000 annually, will be done at a DMV office and it will be necessary to review the driving record prior to issuing the registration. This volume will lengthen the transaction and wait times and will require additional staffing to compensate. Assuming one employee can do 50,000 reviews annually then it will require 6 new PFT position for this work. In addition the mail renewal program would need 1 additional PFT position to ensure registrations are completed in a timely manner and returned to the owner. The annual volume of mail renewals is 70,000 and DMV is required to meet rigid time constraints in this program.

7 PFT positions, range 10	\$276,339
Equipment and associated costs	\$ 60,746

D. Hearing Process - Whenever DMV refuses to register a vehicle it is required to offer the opportunity to have a hearing as a matter of due process. It is estimated that 25% will request a hearing. This is the same average that request hearings on driver license actions. This volume will require 1 hearing officer and 1 support person.

1 PFT Hearing Officer, range 16	\$55,119
1 PFT position for admin support, range 10	\$39,477
Equipment and associated costs	\$17,356

Summary Costs (First Year)

Personal Services (10 PFT, 1 PPT)	\$430.2
Associated Costs	
Contractual	\$ 38.3
Commodities	\$ 18.2
Equipment	\$ 59.3
Total	\$546.0

2. Section 26 .08 BAC

Based on information from other states that have lowered the DWI threshold to .08 BAC and the Department of Justice, DMV estimates that DWI arrests will increase by 15%. All of these drivers must be afforded the opportunity for a hearing before their license can be revoked by DMV. Cases under the current .10 law are now scheduled for hearing 30 – 45 days out. This is a quasi-judicial process and will require one additional hearing officer and one support person.

1 PFT Hearing Officer, range 16	\$55,119
1 PFT position for admin support, range 10	\$39,477
Equipment and associated costs	\$17,356
Total Cost (First Year)	\$111,952

3. Section 31. Registration Revocation for Felony Offenders  
Section 33. Surrender of License Plates for Repeat Offenders

These two sections are grouped together because the work actions are the same. DMV must either revoke a registration or require the surrender of license plates. Each action requires researching the vehicle records, making appropriate entries in the record and, in the case of revocations, and sending notice to the individual.

1 PFT position for admin support, range 10	\$39,477
Equipment and associated costs	\$ 8,678
Total Cost ( First Year)	\$48,155

4. Section 47. Public Database of Felony Offenders

This database must be available to anyone and must be current and accurate. DMV will use a contractor to develop an internet application that will return appropriate information if the person is a felony offender.

640 hours contractor time @ \$122.77 per hour	\$78,563
ITG contract administration fee	\$ 2,357
Total Cost (one time cost)	\$80,920

Revenue

The license reinstatement fees for DWI offenders is increased by \$100 for first time offenders and by \$250 for repeat offenders. On average there are 3200 first time offenders and 1500 repeat offenders each year. Approximately 50% of these will reinstate the license. The remainder either leave the state or find the cost of the required insurance unaffordable. The combined revenue for those that do reinstate is estimated to be \$347,500 annually.