

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 344(STA)
 (H) Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title An Act increasing fees for driver BRU Motor Vehicles
licenses, instruction permits.... Component _____
 Sponsor House Rules Component No. 2348
 Requester House (STA)

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual	500.0	0.0	0.0	0.0	0.0	0.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	500.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008

CHANGE IN REVENUES (1005)	900.0	900.0	900.0	900.0	900.0	900.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	500.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	500.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The intent language contained in this bill instructs DMV to implement a digital license system in accordance with established national standards. There are three components needed to implement such a system. These are development of an IT system to support issuance, storage, and transmission of the digital images, equipment to produce the licenses in DMV field offices, and annual operational budget costs to purchase supplies for producing the digital licenses.

DMV already has capital funding for the equipment to produce the licenses. The annual operating costs are approximately the same as DMV currently has funded in the operating budget for the (continued on page 2)

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 Agency Department of Administration

ANALYSIS CONTINUATION

operation and supplies for the current photographic license system. The only needed funding is the onetime cost for IT system development and related costs. DMV estimates these costs to be \$500.0. This estimate is based on information from companies involved in license projects in other states and from the recent experience of other states who have developed digital license systems.

REVENUE

This bill increases the fees for the original issue, renewal, and duplicates of driver licenses, and ID cards by \$5. The fee for instruction permits is increased by \$10. The last increase in these fees was over 10 years ago. The licenses and ID cards are valid for 5 years so cost of the license or ID card increases by \$1 per year. The Instruction Permit is valid for 2 years so the cost increase is \$5.00 per year. Commercial driver licenses including school bus permits are not included in the increase.

DMV does approximately 180,000 of these transactions per year. The annual increase in revenue is \$900,000. There are no operating costs involved with changing the fees.