

HOUSE FINANCE COMMITTEE
March 31, 2005
9:13 a.m.

CALL TO ORDER

Co-Chair Meyer called the House Finance Committee meeting to order at [9:13:18 AM](#).

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair
Representative Kevin Meyer, Co-Chair
Representative Bill Stoltze, Vice-Chair
Representative Eric Croft
Representative Richard Foster
Representative Mike Hawker
Representative Jim Holm
Representative Reggie Joule
Representative Mike Kelly
Representative Bruce Weyhrauch

MEMBERS ABSENT

Representative Carl Moses

ALSO PRESENT

Sarah Gilbertson, Legislative Liaison, Department of Fish and Game; Konrad Jackson, Staff, Representative Kurt Olson; Duane Bannock, Director, Division of Motor Vehicles, Department of Administration; George Gaguzis, Administrative Manager, Division of Motor Vehicles

PRESENT VIA TELECONFERENCE

Kevin Saxby, Assistant Attorney General, Natural Resources Section, Anchorage

SUMMARY

HB 75 "An Act relating to promoting and preserving sport hunting in the state."

CSHB 75 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with a zero note # 1 by the Alaska Department of Fish and Game.

HB 178 "An Act relating to special motor vehicle registration plates; and providing for an effective date."

HB 178 was heard and HELD in Committee for further consideration.

[9:13:33 AM](#)

HOUSE BILL NO. 75

"An Act relating to promoting and preserving sport hunting in the state."

SARAH GILBERTSON, LEGISLATIVE LIAISON, ALASKA DEPARTMENT OF FISH AND GAME, related that the new CS, Version Y, encompasses all of the changes requested by the Alaska Department of Fish and Game and solidifies the department's authority.

Vice-Chair Stoltze inquired if the bill's purpose is to remove ambiguity about the right to fish and hunt. Ms. Gilbertson replied that is her understanding.

[9:16:38 AM](#)

KEVIN SAXBY, ASSISTANT ATTORNEY GENERAL, NATURAL RESOURCES SECTION, ANCHORAGE, (via teleconference) in response to a question by Representative Croft, replied that the bill adds to existing authority and does not establish a priority of one activity over another.

Co-Chair Meyer closed public testimony.

Representative Foster MOVED to report CS HB 75 (FIN) out of Committee with individual recommendations and the accompanying zero fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 75 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with a zero note # 1 by the Alaska Department of Fish and Game.

HOUSE BILL NO. 178

"An Act relating to special motor vehicle registration plates; and providing for an effective date."

[9:18:53 AM](#)

KONRAD JACKSON, STAFF, REPRESENTATIVE KURT OLSON, explained that through this bill all license plates, including "vanity" plates, would be made available for use on all motor vehicles. He reported that the bill would bring funds into the DMV.

Representative Foster asked if some type of evidence is required from Veterans with Purple Hearts. Mr. Jackson replied yes.

Co-Chair Meyer asked for clarification of the \$5,000 amount under operating and under capital expenditures in the fiscal note. Mr. Jackson replied that capital expenditures would be for additional plates produced. Co-Chair Meyer inquired about FY 06 receipts for supported services.

[9:22:49 AM](#)

DUANE BANNOCK, DIRECTOR, DIVISION OF MOTOR VEHICLES, DEPARTMENT OF ADMINISTRATION, spoke to Co-Chair Meyer's question. He explained "vanity" plates and the rules for usage of the plates. He noted that the bill standardizes the language and correctly notes that some plates are specific to people, but not specific to style or type of automobile. The bill attempts to expand the use of personalized license plates. The newest plate is the commemorative veteran's plate.

Vice-Chair Stoltze spoke of problems about limited notice of new plates and lack of communication about the small number of some plates.

Mr. Bannock held up a plate, RUNDMV, and explained that the background is not important; the emblems are, for the purposes of identification by law enforcement.

[9:28:09 AM](#)

Co-Chair Meyer asked for further clarification of the fiscal note. Mr. Bannock explained that in FY 06 there is a \$5,000 contractual charge. It is a one-time fee previously used to block certain types of vehicle registration. The capital expenditure is the expected incurred cost of plates to be sold. The change in the revenues line represents the price intended for collection for the sale of the additional plates. Co-Chair Meyer asked what the actual net to DMV is. Mr. Bannock replied that it is \$10,000 the first year, and it is projected that an additional \$45,000 will be collected in both the first and second years. He added that this is one step in a marketing scheme to develop greater usage of personalized license plates.

Representative Weyhrauch referred to Section 2 and inquired why more than six letters are not allowed. Mr. Bannock replied that the mainframe system is outdated and won't allow for that possibility.

Representative Weyhrauch inquired how much the fee for a personalized plate is. Mr. Bannock replied that under subsection (c) special request plates, it is \$30 per plate. Representative Weyhrauch asked if it is a one-time fee. Mr. Bannock related that it is because that's the way the law reads. He clarified that the commemorating veteran's plate has a biennial fee. Representative Weyhrauch asked if the

only special fee is under section (w) of the bill. Mr. Bannock replied that is correct. Representative Weyhrauch asked if there was a legislative reason for requiring that specific portion of the statute. Mr. Bannock referred to section (16), and explained that cost of issuing special request plates may be appropriated by the legislature for the support of programs benefiting Alaskan veterans. Representative Weyhrauch summarized that all other special requests plates, such as kid plates, are only charged once.

Representative Weyhrauch referred to section 13 and asked when the last time the legislature addressed increasing these fees. Mr. Bannock replied that in FY 04, both commercial and non-commercial registration fees were addressed and adjusted upwards. This would result in an increase in revenue of about \$12 million per year.

[9:36:22 AM](#)

Co-Chair Meyer requested clarification on veteran's plates. Mr. Bannock replied that the intent was to create a fundraising mechanism for veterans. One plate is for those who have served; one is to support veterans. Co-Chair Meyer asked how the money gets to the veterans. Mr. Bannock explained that DMV collects the money, accounts for it separately, and reports it to the state's general fund as specific money raised from the plate.

Vice-Chair Stoltze asked if there is regulation in place, which would prevent inappropriate plates. Mr. Bannock replied yes. He explained it is a two-part process, yet some bad plates are missed.

Representative Joule asked if the fees collected that go to the general fund become a dedicated fund. Mr. Bannock deferred to Mr. Gaguzis.

[9:40:28 AM](#)

GEORGE GAGUZIS, ADMINISTRATIVE MANAGER, DIVISION OF MOTOR VEHICLES, explained how the funds go to the general fund and are appropriated. He explained that veterans' programs are governed by DMVA. Representative Joule asked for an example. Mr. Gaguzis gave an example of grant money used for a monument.

Representative Weyhrauch asked why other programs don't have the same reoccurring fee. Mr. Gaguzis explained that SB 246, the Veteran Commemorative Plate Bill, set it up this way. Other organizations are hoping to market plates as fundraisers.

[9:45:16 AM](#)

Representative Joule asked Mr. Bannock to show the rest of his plates. Mr. Bannock displayed a variety of personalized license plates.

Vice-Chair Stoltze acknowledged Mr. Gaguzis's contributions to veterans' activities.

[9:54:33 AM](#)

Representative Joule asked if the plates reflect headlights. Mr. Bannock said the goal is to have reflective paint on every plate. He held up an example of a flat plate and noted that embossed plates are easier to read.

Representative Hawker voiced his appreciation for the information.

[9:58:25 AM](#)

Representative Holm MOVED to ADOPT Conceptual Amendment 1, on page 6, line 1, remove the charge for recipients of the Purple Heart. He noted that on line 3 on page 7, prisoners of war pay no fee. He pointed out that there are 519 recipients of Purple Hearts, which would equal \$15,700 in lost revenue.

Co-Chair Meyer OBJECTED for discussion purposes.

Mr. Bannock projected that based on estimates of 50 new Purple Hearts recipients, the decrease in revenue would be \$1,500.

Representative Holm commended Mr. Bannock and DMV. He emphasized limiting charges to Purple Heart recipients.

Co-Chair Meyer agreed with Representative Holm. He noted that none of the money that would have been collected from the fee from Purple Heart plates goes to veterans. Mr. Bannock said that is correct.

Co-Chair Meyer WITHDREW his OBJECTION.

Representative Weyhrauch suggested that like "1 percent for the arts" this idea might be used to raise money to replace those fees lost by the removal of the Purple Heart plates category.

Co-Chair Meyer asked if Representative Weyhrauch's intent is to make up the money lost by Conceptual Amendment 1. Representative Weyhrauch noted that it is an option.

Representative Kelly commented about loss of revenue from a money making venture.

[10:03:27 AM](#)

Co-Chair Meyer voiced support for the amendment. He suggested that the committee deal with money-replacing issues at another time. Mr. Bannock agreed and added that the bill is not about funding, but breaking down barriers concerning usage of the plates

Co-Chair Meyer asked if Mr. Bannock objected to Conceptual Amendment 1. He said DMV supports the amendment. He added that the plates cost \$5.25 each and the decrease in revenue is not an issue.

[10:06:50 AM](#)

Representative Weyhrauch asked if prisoners make these plates. Mr. Bannock said, no, a firm in Portland, Oregon does. Representative Weyhrauch asked for the sponsor's opinion of the amendment.

Mr. Jackson opined that the sponsor would have no problem with the amendment.

Co-Chair Meyer REMOVED his OBJECTION to adopt Conceptual Amendment 1. There being NO OBJECTION, it was so ordered.

Co-Chair Meyer suggested that Representative Weyhrauch get together with the sponsor to discuss his ideas.

[10:08:49 AM](#)

Representative Weyhrauch explained a potential amendment to add another special request plate to make up for the loss of funds due to Conceptual Amendment 1. Mr. Jackson replied that he is not opposed to that idea. Mr. Bannock also said he is not opposed to the idea.

Representative Joule asked for the amount specialty plates would raise every two years. Mr. Bannock said he could get those figures and that projections could be worked out.

Mr. Jackson agreed that the sponsor would prefer that the bill be held until Conceptual Amendment 2 is made.

HB 178 was heard and HELD in Committee for further consideration.

ADJOURNMENT

The meeting was adjourned at 10:14 AM