

**ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE**

March 15, 2007

1:36 p.m.

MEMBERS PRESENT

Representative Kyle Johansen, Chair
Representative Mark Neuman, Vice Chair
Representative Anna Fairclough
Representative Craig Johnson
Representative Vic Kohring
Representative Mike Doogan

MEMBERS ABSENT

Representative Woodie Salmon

COMMITTEE CALENDAR

CS FOR SENATE BILL NO. 49(STA)

"An Act relating to commemorative license plates celebrating Alaska's 50th anniversary as a state; and providing for an effective date."

- MOVED HCS CSSB 49(TRA) OUT OF COMMITTEE; ADOPTED A HOUSE CONCURRENT RESOLUTION ALLOWING THE TITLE CHANGE [LATER NUMBERED HCR 4]

PREVIOUS COMMITTEE ACTION

BILL: SB 49

SHORT TITLE: COMMEMORATIVE PLATES: STATEHOOD ANIV.

SPONSOR(S): SENATOR(S) STEVENS

01/16/07	(S)	READ THE FIRST TIME - REFERRALS
01/16/07	(S)	STA, TRA, FIN
01/23/07	(S)	STA AT 9:00 AM BELTZ 211
01/23/07	(S)	Moved CSSB 49(STA) Out of Committee
01/23/07	(S)	MINUTE(STA)
01/24/07	(S)	STA RPT CS 3DP 2NR SAME TITLE
01/24/07	(S)	DP: MCGUIRE, STEVENS, GREEN
01/24/07	(S)	NR: FRENCH, BUNDE
01/30/07	(S)	TRA AT 2:00 PM BUTROVICH 205
01/30/07	(S)	-- Meeting Canceled --
02/15/07	(H)	TRA AT 1:30 PM CAPITOL 17
02/15/07	(S)	Moved CSSB 49(STA) Out of Committee

02/15/07 (S) MINUTE(TRA)
02/16/07 (S) TRA RPT CS(STA) 3DP 1NR
02/16/07 (S) DP: KOOKESH, WIELECHOWSKI, COWDERY
02/16/07 (S) NR: OLSON
02/26/07 (S) FIN RPT CS(STA) 3DP 4NR
02/26/07 (S) DP: STEDMAN, DYSON, HUGGINS
02/26/07 (S) NR: HOFFMAN, ELTON, THOMAS, OLSON
02/26/07 (S) FIN AT 9:00 AM SENATE FINANCE 532
02/26/07 (S) Moved CSSB 49(STA) Out of Committee
02/26/07 (S) MINUTE(FIN)
02/28/07 (S) TRANSMITTED TO (H)
02/28/07 (S) VERSION: CSSB 49(STA)
03/01/07 (H) READ THE FIRST TIME - REFERRALS
03/01/07 (H) TRA, STA
03/15/07 (H) TRA AT 1:30 PM CAPITOL 17

WITNESS REGISTER

DOUG LETCH, Staff
to Senator Gary Stevens
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Presented SB 49 on behalf of the sponsor,
Senator Stevens.

RANDY RUARO, Staff
to Representative Kyle Johansen
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Reviewed the changes embodied in HCS CSSB
49, Version E.

DUANE BANNOCK, Director
Division of Motor Vehicles
Department of Transportation & Public Facilities
Anchorage, Alaska
POSITION STATEMENT: During hearing of HCS CSSB 49, Version E,
answered questions.

CHRISTOPHER CONSTANT, Vice Chair
Alaska Statehood Celebration Commission
Anchorage, Alaska
POSITION STATEMENT: Expressed concerns with HCS CSSB 49,
Version E.

ACTION NARRATIVE

CHAIR KYLE JOHANSEN called the House Transportation Standing Committee meeting to order at [1:36:23 PM](#). Representatives Johansen, Doogan, Johnson, and Fairclough were present at the call to order. Representatives Neuman and Kohring arrived as the meeting was in progress.

[Due to technical difficulties no audio is available for the time period between 1:36:23 PM and 1:36:54 PM.]

SB 49-COMMEMORATIVE PLATES: STATEHOOD ANIV.

CHAIR JOHANSEN announced that the only order of business would be CS FOR SENATE BILL NO. 49(STA), "An Act relating to commemorative license plates celebrating Alaska's 50th anniversary as a state; and providing for an effective date."

[1:36:54 PM](#)

DOUG LETCH, Staff to Senator Gary Stevens, Alaska State Legislature, explained that SB 49 would create a commemorative license plate to celebrate Alaska's 50th anniversary as a state. In 2009 Alaska will celebrate its 50th anniversary. To mark this anniversary, the legislature created the Statehood Celebration Commission, the goal of which was to organize, plan, and administer all celebratory activities, including the statehood celebration license plate. This legislation will authorize the Division of Motor Vehicles (DMV) to issue this special license plate for a couple of years. The license plate will include the statehood celebration seal, which was determined by the commission. This license plate will be available in January if SB 49 goes through. Mr. Letch noted that the committee packet should include a letter of support from Gail Phillips, chair of the Alaska Statehood Celebration Commission, until recently. He also noted that Mr. Bannock, DMV, has worked on this legislation extensively.

[1:39:26 PM](#)

REPRESENTATIVE NEUMAN moved to adopt HCS CSSB 49, Version 25-LS0388\E, Luckhaupt, 3/5/07, as the working document. There being no objection, Version E was before the committee.

[1:39:58 PM](#)

RANDY RUARO, Staff to Representative Kyle Johansen, Alaska State Legislature, began by pointing out that the title of SB 49 has been amended and broadened out so that it can encompass the

later changes in the legislation. Therefore, a title change resolution will need to be moved. The legislation is similarly broadened in Section 1. Version E adds a new Section 4, which adds vehicles owned by Alaskans who have received a Medal of Honor citation to the list of vehicles entitled to special or unique registration status with the DMV. The aforementioned means that Alaska's Pearl Harbor survivors, former Prisoners of War (POW) and Medal of Honor recipients could receive special license plates for their personal vehicle without charge. The design of the plate would be left to the discretion of the commissioner of [the Department of Transportation & Public Facilities (DOT&PF)]. In Version E there is a new Section 5 that amends AS 28.10.421(d)(2) by deleting the existing \$30 registration fee for recipients of the Purple Heart. Section 6 adds recipients of the Medal of Honor to the list of those who don't have to pay for vehicle registration.

[1:42:08 PM](#)

MR. RUARO, in response to Representative Fairclough, explained that the administration's practice is to prepare fiscal notes after the proposed committee substitute (CS) is adopted and moved from committee. Therefore, there's a forthcoming fiscal note that will move with the legislation. He related that the DMV has advised that the fiscal note will be zero because the impact is minor and could be absorbed in the administration's budget.

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REPRESENTATIVE FAIRCLOUGH pointed out that there is a fiscal note that specifies that there's no net impact. However, if a fee is being reduced, she said she would expect something. She then inquired as to how many plates are expected to be printed.

MR. RUARO advised that three to five Alaskans have been awarded the Medal of Honor, and therefore it isn't a large number.

REPRESENTATIVE FAIRCLOUGH inquired as to how many commemorative license plates will be made and the analysis used to determine the initial run.

MR. RUARO deferred to Mr. Bannock or Mr. Letch.

[1:44:31 PM](#)

MR. RUARO, in response to Representative Doogan, clarified that Section 4 is a list of persons who are eligible to receive a special license plate. The language specifying that Medal of Honor recipients don't have to pay for special registration plates is in the existing language of AS 29.10.181(1) on page 2, line 29.

[1:46:03 PM](#)

REPRESENTATIVE NEUMAN, speaking as a member of the Alaska Statehood Commission, clarified that he has had several hours of conversation this morning to ensure that the changes encompassed in Version E wouldn't have a huge impact on the Alaska Statehood Commission license plate. Because there are only three recipients of the Purple Heart, it will be of minimal cost and can be absorbed [by the DMV]. Representative Neuman then noted that Senator Stevens doesn't object to Version E.

[1:47:44 PM](#)

REPRESENTATIVE DOOGAN returned to the information that there are only three recipients of the Purple Heart [in Alaska].

MR. RUARO related his understanding that there are several hundred recipients of the Purple Heart, but only a few recipients of the Congressional Medal of Honor. In further response to Representative Doogan, Mr. Ruaro noted his agreement with Representative Doogan's understanding that those who receive the Purple Heart are those who are wounded in combat.

[1:48:21 PM](#)

REPRESENTATIVE NEUMAN inquired as to the number of recipients of the Purple Heart.

MR. RUARO related his understanding that there are approximately 500 Purple Heart recipients statewide who have also applied for the special license plate. He acknowledged that there could be more total.

[1:49:21 PM](#)

REPRESENTATIVE NEUMAN said that he has been assured that the DMV can absorb any cost to the state under Version E, and therefore there would be no fiscal note for this legislation.

[1:49:40 PM](#)

DUANE BANNOCK, Director, Division of Motor Vehicles, Department of Transportation & Public Facilities (DOT&PF), stated that from a cost point of view [the division/department] has agreed that with the implementation there will be no additional costs in the division's budget. However, there will potentially be a very small loss of revenue due to the elimination of the fee.

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MR. BANNOCK, in response to Representative Neuman, said he couldn't think of another free license plate or other reductions in the DMV's budget in any other instance outside of SB 49. He noted that in the four years he has been the director, there hasn't been the opportunity to lower any fees.

1:51:13 PM

REPRESENTATIVE NEUMAN asked if the proposal in [Version E] would have a substantial impact in the future. He inquired as to how the proposal for Medal of Honor recipients to receive a special registration plate for free in perpetuity while the Alaska Statehood Commission license plate is only available for a specified amount of time.

MR. BANNOCK related his view that the two are very distinct and different issues. With regard to the centennial plate, it's authorized for a fixed amount of time, two years. The aforementioned doesn't create a fiscal impact because the centennial plate is only subject to the design of the plate that the DMV already gives away. In Alaska all license plates are governed by state statute, and therefore the statehood celebration portion of this is specific to the design of the already-budgeted funds for standard license plates. Version E also includes the Purple Heart plate, which is already in use today and sells for an additional \$30. Based on the small number of Purple Heart license plates that have been issued and small amount of fee, Mr. Bannock reiterated that he didn't consider it to be substantially consequential. However, it wouldn't be truthful to say that to stop charging for it would produce no effect.

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CHRISTOPHER CONSTANT, Vice Chair, Alaska Statehood Celebration Commission, informed the committee that this is the last opportunity to move this idea through prior to the statehood

celebration. Mr. Constant pointed out that HB 184 might be a safer and more logical place for this proposed CS. He said that he would hate to see SB 49 stalled due to fiscal concerns regarding the free special registration plates for Medal of Honor recipients. He suggested that adding more aspects to the bill slows down its process.

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MR. LETCH related that Senator Stevens' initial interest is in the Statehood Celebration Commission's license plate. Mr. Letch further related that Senator Stevens has no "heartache whatsoever" with regard to the additional recipients of no-cost license plates.

[1:56:10 PM](#)

MR. BANNOCK said that the department fully supports the original bill as well as Version E.

[1:56:29 PM](#)

CHAIR JOHANSEN closed public testimony. Chair Johansen opined that he would like to move Version E from committee. If Version E does become problematic, he said he would support pulling out the provision relating to Medal of Honor recipients.

[1:57:52 PM](#)

REPRESENTATIVE DOOGAN inquired as to the reasoning behind including Medal of Honor recipients and not other award recipients, such as Silver Star recipients.

MR. RUARO explained that the Medal of Honor was viewed as the highest level of award. He acknowledged that others are probably deserving as well, but this bill doesn't go any further than to address Medal of Honor recipients.

[1:59:06 PM](#)

REPRESENTATIVE FAIRCLOUGH opined that she didn't understand how there aren't any graphic design costs associated with printing three plates.

MR. BANNOCK informed the committee that several years ago [the division] renegotiated its contract with its plate contractor. Those negotiations include that the division doesn't purchase

all of its plates by the palate as was once the case. The largest cost for a new license plate, is the design of the plate. Version E specifies that the Department of Administration develops the design of the plate, it's less than \$300 to make it into a license plate at which point any number of plates can be ordered and the per unit piece remains the same.

[2:00:55 PM](#)

REPRESENTATIVE FAIRCLOUGH then asked how many plates would be ordered if there is a prospect of only three people wanting these plates.

MR. BANNOCK specified that none will be ordered until requested by a customer. He related that the division has consolidated its personalized and specialty plate ordering into a system in which the division only makes the order when the customer has made the request. While it's true that if there are only 3 license plates, the pure cost would be \$100 a plate. However, the division is going to absorb that cost for the initial setup and the actual cost of the license plate is about \$10 per set. Mr. Bannock clarified that he is speaking to the Medal of Honor license plate.

[2:02:48 PM](#)

REPRESENTATIVE NEUMAN informed the committee that there has been an extensive amount of work on the design of this plate.

[2:04:17 PM](#)

REPRESENTATIVE NEUMAN moved that the committee report a not yet numbered House Concurrent Resolution, labeled 25-LS0721\A [later numbered HCR 4], from committee. There being no objection, it was so ordered.

[2:04:46 PM](#)

REPRESENTATIVE NEUMAN moved to report HCS CSSB 49, Version 25-LS0388\E, Luckhaupt, 3/5/07, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HCS CSSB 49(TRA) was reported from the House Transportation Standing Committee.

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 2:05 p.m.