

ALASKA STATE LEGISLATURE
SENATE TRANSPORTATION STANDING COMMITTEE

March 15, 2011

1:00 p.m.

MEMBERS PRESENT

Senator Albert Kookesh, Chair
Senator Joe Thomas, Vice Chair
Senator Dennis Egan
Senator Linda Menard
Senator Charlie Huggins

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 93

"An Act relating to special request specialty organization registration plates; and providing for an effective date."

- MOVED SB 93 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 93

SHORT TITLE: SPECIALTY LICENSE PLATES

SPONSOR(S): STATE AFFAIRS

02/21/11	(S)	READ THE FIRST TIME - REFERRALS
02/21/11	(S)	STA, TRA
02/22/11	(S)	STA AT 9:00 AM BUTROVICH 205
02/22/11	(S)	Heard & Held
02/22/11	(S)	MINUTE(STA)
03/01/11	(S)	STA RPT 2DP 2NR
03/01/11	(S)	DP: WIELECHOWSKI, PASKVAN
03/01/11	(S)	NR: GIESSEL, MEYER
03/01/11	(S)	STA AT 9:00 AM BUTROVICH 205
03/01/11	(S)	Moved SB 93 Out of Committee
03/01/11	(S)	MINUTE(STA)
03/15/11	(S)	TRA AT 1:00 PM BUTROVICH 205

WITNESS REGISTER

SENATOR BILL WIELECHOWSKI

Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Sponsor of SB 93.

KARLA HART, Staff
Senator Bill Wielechowski
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Provided information on SB 93.

JEFFERY MITTMAN, Executive Director
ACLU-Alaska
Anchorage, AK

POSITION STATEMENT: Testified that SB 93 will likely pass constitutional review if it remains viewpoint neutral.

STACY OATES, Administrative Officer
Division of Motor Vehicles
Department of Administration
Anchorage, AK

POSITION STATEMENT: Answered questions related to SB 93.

ACTION NARRATIVE

[1:00:32 PM](#)

CHAIR ALBERT KOOKESH called the Senate Transportation Standing Committee meeting to order at 1:00 p.m. Senators Huggins, Egan, Thomas, and Kookesh were present at the call to order.

SB 93-SPECIALTY LICENSE PLATES

[1:03:16 PM](#)

CHAIR KOOKESH announced the consideration of SB 93 relating to specialty license plates.

[1:03:38 PM](#)

SENATOR BILL WIELECHOWSKI, sponsor of SB 93, said he got the idea to streamline the specialty license plate process several years ago. Rather than a legislator filing a new bill each time a constituent requests a specialty plate, the entire process could be turned over to the Division of Motor Vehicles (DMV). A number of specialty license plate bills were introduced this year and as chair of the State Affairs committee he decided this was time and place to address the issue. He approached the DMV and received an enthusiastic response.

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SENATOR MENARD joined the hearing.

SENATOR WIELECHOWSKI confirmed that this does not take away the ability of any legislator to file in the future for a specialty plate. It's just the process that would be different. DMV would adopt regulations to allow it to issue specialty plates and the organization would need to meet certain criteria such as submitting registration fees for a minimum number of plates. About half the states have a system in place where 501(c)(3) nonprofits or similar groups can request a specialty plate from the state DMV. His staff talked to at least one of those states and learned that the process works well.

SENATOR MENARD asked if would require DMV to hire additional staff.

SENATOR WIELECHOWSKI said the fiscal note is zero; the cost of the license plates will offset the costs.

SENATOR MENARD asked how many states have adopted this process.

SENATOR WIELECHOWSKI said he believes 20 other states, but he would defer to his staff.

CHAIR KOOKESH said he'd take committee questions first.

SENATOR EGAN thanked the sponsor and his staff for the common sense sponsor statement.

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SENATOR THOMAS commented that he can't imagine that this won't cost something and he wonders why the state doesn't just say it isn't going to do this anymore. Then people can get whatever attachment they want for their license. These advertisements could be nationally produced.

SENATOR WIELECHOWSKI said he thought of two bills; this one and another that eliminated specialty plates. If the committee feels that's a better route, he said he would be open to the suggestion.

SENATOR EGAN asked about putting a specialty plate on the front and a regular plate on the back as other states do.

SENATOR WIELECHOWSKI said he believes that Alaska law requires a plate on both the front and back and two separate plates would likely cost more.

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SENATOR EGAN said it costs the state more to produce the front and back license and lots of people have only one.

CHAIR KOOKESH pointed out that some plates are fund raisers, cancer for example, and he would be reluctant to get rid of those.

SENATOR WIELECHOWSKI said this bill doesn't address that; if there was a desire, a legislator could still file a bill to have a certain amount go to a particular cause. He noted that Alaska has about 100 specialty plates right now.

CHAIR KOOKESH said he brought it up because of the comment that specialty license plates could be eliminated altogether. Some of these plates bring in money for worthy causes.

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KARLA HART, staff to Senator Wielechowski, said specialty license plates are sweeping the country; Alaska has over 100. Modern technology makes them easy to develop and manufacture.

Specialty plates developed through the Legislature are unique and the costs vary. Legislatively created fundraising plates require the DMV to track and request for re-appropriation, small and varied amounts of money. One bill might have a \$30 plate with excess revenue going to a fundraiser and another might be a \$100 plate with excess revenue going back into the general fund. There is disparity by virtue of the process and how plates have been developed.

Other plates require the DMV to verify that a person qualifies for a particular plate such as presenting evidence that the owner served in combat. This can create a burden on the DMV. There is a better way. About half the states allow administrative approval for license plates and most of those states also allow the Legislature to issue license plates. Pennsylvania appeared to have the most straightforward approach and this legislation is modeled on that law. It gives the DMV authority to develop a procedure for administrative review and award of specialty license plates. DMV would be required to develop a standard template so that all specialty plates are readable and recognizable by law enforcement. Standard regulations, fees and procedures would apply so that an organization that wants a specialty plate will know what it needs to accomplish in order to get the plate. This will be a

cost-savings for the state as the administrative responsibilities of confirming eligibility, collecting and accounting for the funds for the nonprofit, and developing the license plate artwork and design are transferred to the sponsoring organization. These costs aren't huge but they are time-consuming.

DMV processing of plate applications will be streamlined as applications will be submitted in batches by the sponsoring organization. DMV considers this legislation revenue neutral. The \$30 specialty-plate registration fee covers the cost of producing and issuing specialty plates with a cushion to cover inflation for a number of years. If the fees were increased in the future this allows an overall change, not piecemeal as is the case now. This does not preclude the Legislature from issuing further specialty license plates; it does provide a simple and straightforward option for an organization or interest group that has a desire to create a specialty license plate.

MS. HART said she hasn't seen any indication that this resulted in increased staff cost in other states. In large part that's due to batching and that the administrative part is handled by the organization itself, not division staff. With regard to saying no to specialty plates, she said California created specialty plates strictly for money making and not for charity. It appears that program is on hiatus, but in general states are trending to the standardize template. With regard to a plate on only one bumper, it is state law to have a plate on both bumpers, she stated.

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SENATOR THOMAS asked who would decide what is appropriate for a specialty plate if this authority were ceded to the DMV.

MS. HART said DMV has already developed regulations and a procedure for the existing six-letter personalized license plate system. The director indicated that the division has experience screening what might be inappropriate and would be well capable of making determinations on these specialty plates.

SENATOR MENARD asked how much revenue these specialty plates bring.

MS. HART said plate sales vary but there are more military plates than any others. In 2009 about 2,450 Army plates were sold; about 300 University of Alaska Fairbanks (UAF) plates have

been sold; and just fewer than 190 have been sold for the University of Alaska Anchorage (UAA). There are 9 Pearl Harbor survivor plates in the state and 10 prisoner of war (POW) plates.

SENATOR WIELECHOWSKI offered to provide a complete list.

SENATOR MENARD said she did some quick calculations and believes that it's worthwhile if \$9,000 goes to Cancer Awareness or the NRA, but she doesn't want to spend considerable time if only 25 people participate.

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JEFFERY MITTMAN, Executive Director, ACLU-Alaska, said he submitted written testimony on SB 93. Generally, he said, where there is mixed government and individual speech there are First Amendment issues. Were the Legislature to pass legislation that is not viewpoint neutral, it would run into infirmities but SB 93 likely will meet constitutional review, he stated.

[1:28:38 PM](#)

STACY OATES, Administrative Officer, Division of Motor Vehicles, Department of Administration, said she was available for questions.

SENATOR THOMAS said he's trying to figure out how this would generate revenue for a charity or specialty organization.

MS. OATES explained that the organization would collect the \$30 fee for the plate and could add whatever additional amount it wanted. Only the \$30 would be transmitted to the DMV so the organization would get its money up front.

SENATOR MENARD mentioned the license plate bill she introduced and asked if it would cost \$80 if she were to get an NRA plate.

SENATOR WIELECHOWSKI said bills under the current system, like SB 2, actually create more work for DMV. If DMV collects \$50 it would put \$20 into a separate but not dedicated savings account. The Legislature then decides if it wants to appropriate that money to the organization. Under SB 93 the organization would collect the \$50 and transmit \$30 to the DMV for each license plate and keep \$20 dollars. The bill might create efficiencies.

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CHAIR KOOKESH stated his intention to move the bill and asked for a motion.

1:32:21 PM

SENATOR MENARD moved to report SB 93 from committee with individual recommendations and attached fiscal note(s). There being no objection, it was so ordered.

1:32:33 PM

There being no further business to come before the committee, Chair Kookesh adjourned the meeting at 1:32 p.m.