

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version:	CSHB 409(STA)
Fiscal Note Number:	1
(H) Publish Date:	4/13/2018

Identifier: HB409-DOA-DMV-04-09-18
Title: DMV ID CARDS & REGISTRATION FEES
Sponsor: STATE AFFAIRS
Requester: H STA

Department: Department of Administration
Appropriation: Motor Vehicles
Allocation: Motor Vehicles
OMB Component Number: 2348

Expenditures/Revenues

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

(Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

1250 UGF Rev (UGF)	815.3		815.3	815.3	815.3	815.3	815.3
Total	815.3	0.0	815.3	815.3	815.3	815.3	815.3

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Not applicable; initial version.

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Agency: Department of Administration

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Date: 04/09/2018
Date: 04/10/18

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

Analysis

HB 409 makes several changes to statute that will have a fiscal impact to the Division of Motor Vehicles (DMV):

- changes the age a person may receive a free state identification card from 60 to 65 years of age or older;
- requires amateur radio operators to pay full registration fees for their vehicle;
- increases registration fees from \$10 to \$50 for vehicles owned by a charitable organization;
- increases registration fees from \$10 to \$100 for vehicles owned by a municipality;
- adds a \$5 fee for the driver knowledge test and increases the fee for the driver skill test to \$25

Estimated increased revenue to DMV

In FY2017 DMV administered 81,000 driver knowledge tests and 5,500 driver skill tests. DMV anticipates similar numbers for future fiscal years:

Knowledge tests: $81,000 \times \$5 = \$405,000$

Driver skill test: $5,500 \times \$10 = \$55,000$

DMV data shows that 5,738 people in age range 56-59 have a state identification (ID) card. DMV has no way to determine if additional people within this age group will decide to obtain an ID card; current ID card holders will continue to pay fees for one additional renewal period before they are eligible for free ID cards. This will generate \$86,070 in revenue, with an average yearly earned revenue over the next four years of \$21,518. This group will reach 65 after the 1st renewal period and will receive the next ID for free.

There are 2,657 vehicles registered to charitable organizations that pay \$10 to register their vehicles. The new \$50 fee will generate an additional \$106,280. ($\$132,850 - \$26,570$ / current revenue = \$106,280). Due to the 2 year registration cycle the additional yearly revenue for FY2019 and FY2020 will be \$53,140. There are 6,188 vehicles registered to municipalities that pay \$10 to register their vehicles. The new \$100 fee will generate an additional \$556,920. ($\$618,800 - \$61,880$ / current revenue = \$556,920). Due to the 2 year registration cycle the additional yearly revenue for FY2019 and FY2020 will be \$278,460.

DMV currently has 44 amateur radio operators in our registration files. Under AS 28.10.421(d)(8) they will now be required to pay full registration fees on their vehicles. $\$100 \times 44 = \$4,400$. Due to the 2 year registration period this will result in yearly revenue in the amount of \$2,200.