

Fiscal Note

State of Alaska
2020 Legislative Session

Bill Version:	CSSB 210(STA)
Fiscal Note Number:	1
(S) Publish Date:	3/20/2020

Identifier: SB210-DOA-DMV-3-7-20
 Title: LICENSE PLATES: SPECIALTY ORGANIZATIONS
 Sponsor: COSTELLO
 Requester: Senate State Affairs

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)

	FY2021 Appropriation Requested	Included in Governor's FY2021 Request	Out-Year Cost Estimates				
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
OPERATING EXPENDITURES	FY 2021	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Personal Services	***		***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	***	0.0	***	***	***	***	***

Fund Source (Operating Only)

None							
Total	***	0.0	***	***	***	***	***

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None	***		***	***	***	***	***
Total	***	0.0	***	***	***	***	***

Estimated SUPPLEMENTAL (FY2020) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2021) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - 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? **Yes**
 If yes, by what date are the regulations to be adopted, amended or repealed?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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Division:	Motor Vehicles	Date:	03/07/2020
Approved By:	Brad Ewing, Administrative Services Director	Date:	03/07/20
Agency:	Office of Management and Budget		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2020 LEGISLATIVE SESSION**Analysis**

The proposed legislation requires the Division of Motor Vehicles (DMV) to adopt regulations to allow for the issuance of special request specialty organization license plates sponsored by charitable and government organizations within Alaska. It requires the DMV to create a common design for the plates, which the organization can customize with their logo and a short phrase. The DMV's regulations will require the creation of a form, an application fee to be paid by the organization, as well as the cost of the plate development to be paid by the organization.

The proposed legislation will result in an increase in revenue. The estimated change in operating expenditures and revenue is undetermined at this time due to unknown factors that cannot be determined until legislation is passed, regulations are drafted, the basic design is created, and an amended contract is signed with the plate vendor.

Additional Operating Expenditures

There will be an additional cost of **\$4,200 per new plate design** to have a new fee code created. A fee code is required to separately account for each specialty organization plate. This is based on the rate of \$105 per hour for 40 programming hours.

There will be an additional cost per plate issued. As a comparator, current personalized plates of various styles have a total cost of **\$18.56 per plate** (\$11.66 per plate + \$6.90 for shipping). This is an estimation, as the actual cost will have to be determined by the vendor and will depend on the final design.

Additional Revenue Generated

There will be revenue generated through the collection of an application fee, paid by the organization sponsoring the new plate design to DMV. As this fee will be set in regulation, the revenue generated per new plate design is unknown at this time.

There will be revenue generated through the collection of the plate fee of **\$100 per plate**. Demand for particular organization plates and the total revenue generated per plate sold is unknown, the DMV therefore, submits an indeterminate fiscal note.