

**ALASKA STATE LEGISLATURE**  
**HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE**

April 13, 2021

8:02 a.m.

**MEMBERS PRESENT**

Representative Sara Hannan, Co-Chair  
Representative Calvin Schrage, Co-Chair  
Representative Josiah Patkotak, Vice Chair  
Representative Harriet Drummond  
Representative Mike Prax  
Representative Ken McCarty  
Representative Kevin McCabe

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

HOUSE BILL NO. 163

"An Act relating to vehicle title applications."

- HEARD & HELD

HOUSE BILL NO. 137

"An Act requiring the Department of Administration to maintain and operate certain offices that provide services related to motor vehicles; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 163

SHORT TITLE: FORM OF SIGNATURE ON VEHICLE TITLE

SPONSOR(S): REPRESENTATIVE(S) SCHRAGE

04/05/21	(H)	READ THE FIRST TIME - REFERRALS
04/05/21	(H)	CRA, STA
04/13/21	(H)	CRA AT 8:00 AM BARNES 124

BILL: HB 137

SHORT TITLE: MOTOR VEHICLE OFFICES

SPONSOR(S): REPRESENTATIVE(S) FIELDS

03/17/21 (H) READ THE FIRST TIME - REFERRALS  
03/17/21 (H) STA, CRA  
03/30/21 (H) STA AT 3:00 PM GRUENBERG 120  
03/30/21 (H) Heard & Held  
03/30/21 (H) MINUTE(STA)  
04/06/21 (H) STA AT 3:00 PM GRUENBERG 120  
04/06/21 (H) Moved CSHB 137(STA) Out of Committee  
04/06/21 (H) MINUTE(STA)  
04/07/21 (H) STA RPT CS(STA) NT 2DP 2DNP 2NR  
04/07/21 (H) DP: CLAMAN, STORY  
04/07/21 (H) DNP: KAUFMAN, EASTMAN  
04/07/21 (H) NR: TARR, KREISS-TOMKINS  
04/13/21 (H) CRA AT 8:00 AM BARNES 124

**WITNESS REGISTER**

LAUREN MACVAY, President/CEO  
True North Federal Credit Union  
Juneau, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 163.

JEFFREY SCHMITZ, Director  
Division of Motor Vehicles  
Department of Administration  
Anchorage, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 163 and answered questions during the hearing on HB 137.

REPRESENTATIVE ZACK FIELDS  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, presented HB 137 with the aid of a PowerPoint presentation.

SABRINA JAVIER, Fiscal Analyst  
Legislative Finance Division  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 137.

TRISTAN WALSH, Staff  
Representative Zack Fields  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Provided information during the hearing on HB 137 on behalf of Representative Fields, prime sponsor.

PETER ZUYUS, Executive Director  
Seniors of Alaska  
Homer, Alaska

**POSITION STATEMENT:** Testified in support of HB 137.

NONA SAFRA  
Homer, Alaska

**POSITION STATEMENT:** Testified in support of HB 137.

JOE MICHEL, Executive Director  
Alaska Trucking Association  
Anchorage, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 137.

#### **ACTION NARRATIVE**

[8:02:20 AM](#)

**CO-CHAIR SARA HANNAN** called the House Community and Regional Affairs Standing Committee meeting to order at 8:02 a.m. Representatives McCarty, McCabe, Drummond, Schrage, and Hammond were present at the call to order. Representatives Patkotak and Prax arrived as the meeting was in progress.

#### **HB 163-FORM OF SIGNATURE ON VEHICLE TITLE**

[8:03:08 AM](#)

CO-CHAIR HANNAN announced that the first order of business would be HOUSE BILL NO. 163, "An Act relating to vehicle title applications."

[8:03:40 AM](#)

CO-CHAIR SCHRAGE, as prime sponsor, offered the sponsor statement for HB 163, which read as follows [original punctuation provided]:

House Bill 163 eliminates the current requirement for ink signatures on applications for titles and title transfers within the Department of Motor Vehicles. HB 163 gives flexibility to the DMV to begin using electronic signatures. HB 163 does not force the use of electronic signatures. AS 28.10.211(b) states that "applications for title or transfer of title must contain the signature in ink of the owner, or if there is more than one owner, the signature in ink of at

least one of the owners and the name of each owner stated in the conjunctive or in the disjunctive." HB 163 deletes the words "in ink" in both places. Under the Uniform Electronic Transactions Act of 2004 (AS 09.80.010-09.80.195) electronic signatures satisfy the general definition of a signature unless otherwise prohibited. Since the current statute explicitly requires "ink" signatures for title applications, the DMV cannot accept electronic signatures. HB 163 will give the Department the latitude to determine for itself if it wants to accept electronic signatures in the cases of title transfers and title applications. Covid has taught us that electronic signatures can provide extra convenience to Alaskans in remote or rural parts of the state and can provide long-term efficiencies for the DMV.

[8:06:25 AM](#)

LAUREN MACVAY, President/CEO, True North Federal Credit Union, stated that True North Federal Credit Union tries to make doing business easier for its members, and [requiring a signature in ink rather than electronically] is problematic. Electronic capabilities have been a boon, especially during the pandemic. The impediment to online transactions has been in title work. She predicted the change proposed under HB 163 would result in more efficient services with far fewer delays for the credit union's members.

[8:09:57 AM](#)

JEFFREY SCHMITZ, Director, Division of Motor Vehicles, Department of Administration (DOA), stated that HB 163 would remove an impediment faced by the Division of Motor Vehicles (DMV) by no longer requiring signatures in ink on titles. He said the proposed bill would allow the DMV to begin conversations with banks, car dealerships, and other entities that deal with titles to change the way the division addresses titles. He noted there are other states in the Union that have implemented electronic titling and signatures. All the states have "caveats to how it currently works," he remarked. For example, [the use of electronic titles] is only for new vehicles. In Arizona, the [paperless] transaction can be done person to person. Texas has a good model, he said. Mr. Schmitz stated that HB 163 would allow Alaskans to "throw their hat in the ring, to see how this would work and vet this." He indicated there would be work needed to define all the places in

statute that describe [signature certification]. He expressed excitement about this being the beginning of a change and the opportunity to assess what this will cost and how long it would take to implement.

[8:13:44 AM](#)

REPRESENTATIVE MCCABE noted there are other instances when people must go in person to the DMV, and he questioned what would happen if all transactions were changed to electronic processes.

MR. SCHMITZ responded that that is possible, but cautioned not to make safety too much of a convenience for patrons. He said there are certain reasons for requiring drivers to come in, for example to get take their driver's test. Nevertheless, he acknowledged that many of the systems within the DMV are moving toward electronic measures, and he said there is no reason not to look for additional efficiencies while making safety a priority. In response to a follow-up question, he said he could provide the committee with a list of other transactions that could be electronic [if statute relating to them were changed]. He relayed that earlier in the year, the DMV was involved with its "law officers" to determine where in statute changes were needed, and he remarked that mostly it is wherever the word "certificate" appears. He said "minor word-crafting" would be necessary to allow patrons to interact with the DMV electronically.

[8:17:24 AM](#)

CO-CHAIR SCHRAGE characterized HB 163 as a step in the right direction toward providing flexibility to the DMV, businesses, and consumers. He said he would look for opportunities to [expand opportunities for online transactions] and would like to see the list [of transactions with DMV that require patrons to appear in person].

[8:17:48 AM](#)

REPRESENTATIVE PRAX asked Mr. Schmitz if he knew why some other states allowing limited electronic transactions were "hesitant to just let everything happen on line with an electronic signature."

MR. SCHMITZ answered that he does not know the specific restrictions of platforms being built in other states. He

talked about having interoperability between all states. He suggested budgets may be limited in other states or they may be trying a pilot program to ensure the system works properly. He said the idea of going electronic has been discussed since the 1990s, but it is not until the last few years that states have been able to implement the standards involved. He mentioned there is a national working group, with which Alaska is involved, that is establishing standards for electronic title ("e-title") solutions.

REPRESENTATIVE PRAX suggested that the concerns are administrative rather than concern for the security of titles.

MR. SCHMITZ responded yes. He added that he believes these are first steps in "a phased approach."

[8:21:33 AM](#)

REPRESENTATIVE MCCARTY asked what the DMV would do to ensure that the person signing electronically is who he/she claims to be.

CO-CHAIR SCHRAGE pointed out that currently a person can sign electronically for a loan but not for the title. He pointed out that even a signature written by someone in person could be forged. He said HB 163 would bring the signature from physical to digital.

MR. SCHMITZ indicated those questions are yet to be answered, but said the perception is that a consumer to consumer portal would be built. He mentioned Venmo, where money is exchanged electronically, and he said there are many models available by which transparency can be ensured during electronic transactions. He said there would certainly be a vetting process.

REPRESENTATIVE MCCARTY shared that he is selling property and is required to provide a notarized signature in ink. He again expressed concern that Alaskans are protected from those who would attempt fraud.

[8:26:42 AM](#)

MS. MACVAY, in response to a request from the bill sponsor, talked about the means by which True North Federal Credit Union keeps its members' accounts secure when utilizing digital transaction methods. She mentioned identity verification

questions and comparison of driver's license photos with optically captured images. She said artificial intelligence (AI) technology is involving rapidly. She imparted that the law that would allow an electronic notary went into effect January 1, 2021, and the infrastructure to support that law is being worked on to "catch up."

[8:28:12 AM](#)

REPRESENTATIVE MCCABE asked Mr. Schmitz, "How many 'PCNs' do you think it'll save in the future?"

MR. SCHMITZ answered that is difficult to say, since the division is just beginning to determine how this will work and how it will save the department money. He said not having a clerk at the front counter processing paperwork will "save time." He mentioned backroom auditing to ensure the system is working. He said the division would know more after looking at the business flow and process and receiving feedback from all of its stakeholders. He indicated that there could be cost-savings long term for the state because there will be fewer hardcopies of documents made.

[8:30:39 AM](#)

REPRESENTATIVE DRUMMOND said, "Be careful what you wish for." She talked about the Municipality of Anchorage spending about a year to prepare for vote by mail ballots and said there were about 62,000 ballots submitted by mail. She emphasized the work involved and offered her understand that the amount of fraud was miniscule. She shared that she is refinancing her mortgage and has been told most all of the transactions will be done electronically. She said she is glad to see the state moving forward in increasing convenience to Alaska consumers.

[8:32:42 AM](#)

CO-CHAIR HANNAN asked whether the registration of vehicles must be done in person.

MR. SCHMITZ answered no, it can be done electronically.

CO-CHAIR HANNAN mused that she had never financed a car; her purchases have all been title transfers in parking lot, handing over "a stack of twenties." She mentioned getting registration and insurance can be done on line and said the title "is a

limiting gate." She reflected that there would be a solution "not too far off."

8:34:02 AM

CO-CHAIR HANNAN opened public testimony on HB 163. After ascertaining that there was no one who wished to testify, she closed public testimony.

CO-CHAIR HANNAN announced that HB 163 was held over.

8:35:32 AM

The committee took an at-ease from 8:35 a.m. to 8:36 a.m.

### HB 137-MOTOR VEHICLE OFFICES

8:36:43 AM

CO-CHAIR HANNAN announced that the final order of business would be HOUSE BILL NO. 137, "An Act requiring the Department of Administration to maintain and operate certain offices that provide services related to motor vehicles; and providing for an effective date." [Before the committee was CSHB 137(STA).]

8:36:52 AM

REPRESENTATIVE ZACK FIELDS, Alaska State Legislature, as prime sponsor, presented HB 137, with the aid of a PowerPoint presentation [hard copy included in the committee packet]. He first talked about information shown on slides 2-4. He said CSHB 137(STA) would require the Department of Administration (DOA) to keep existing offices of the Division of Motor Vehicles (DMV) open in communities of 850 people or more. He indicated that although he supports the idea of the DMV exploring new areas that may benefit from a new DMV office, that is beyond the scope of the proposed legislation. He opined that DMV offices provide a critical public service that allows commercial transportation throughout the state by providing commercial driver's licenses (CDLs).

REPRESENTATIVE FIELDS noted that [as shown on slide 5], there are privatized offices contracted to provide some but not all of the services available through a DMV office, but he said he wants to ensure all services remain available in the communities where they are currently offered, not only in larger communities. He said this is an issue of equity. He named

services that can be provided only via the DMV: issuance of driver's licenses; renewal of driver's licenses for seniors over the age of 69; and issuance of CDLs. While, in theory, there are other tests that can be done by privatized or other providers, it can be less efficient and cost-effective for Alaska consumers than getting those services through a DMV office.

[8:40:10 AM](#)

REPRESENTATIVE FIELDS pointed to slide 6, which illustrates the long distances people in various communities would have to drive if their DMV offices were closed. As shown on slides 7 and 8, he discussed the challenges of driving certain routes in Alaska, such as the mountain pass to get out of Valdez, which can be treacherous during winter. As covered on slide 9, he said not everyone has access to Internet in Alaska. Slide 10 shows side-by-side comparisons of the cost of services at a DMV office versus via a private provider, illustrating that it is more economical to purchase these services from the DMV. Representative Fields opined it is unfair to take away the ability of Alaskans to go to a DMV office, thus doubling the cost of services.

[8:43:28 AM](#)

REPRESENTATIVE FIELDS, as shown on slide 11, stated that the DMV pays for itself through its fees.

[8:44:50 AM](#)

REPRESENTATIVE PATKOTAK asked why the DMV field service locations in downtown Anchorage and in Nome were shown on slide 11 as not available ("N/A") [in terms of revenue].

REPRESENTATIVE FIELDS deferred to Ms. Javier of the Legislative Finance Division.

[8:45:37 AM](#)

SABRINA JAVIER, Fiscal Analyst, Legislative Finance Division, explained that that was just information that "would not pull up" when she ran an ad hoc report for the bill sponsor.

[8:46:08 AM](#)

REPRESENTATIVE MCCABE indicated he had found different results on the numbers when including the "PCNs." He offered an example. He said it appeared as though the statistics provided by the bill sponsor show the DMV as "wildly profitable" while according to what he sees - "not so much."

REPRESENTATIVE FIELDS deferred to Ms. Javier since she had created the chart on slide 11.

[8:47:39 AM](#)

CO-CHAIR HANNAN told Ms. Javier that the committee would like to know what fiscal year the data is from, and she noted that Representative McCabe had pulled PCN data from that data.

[8:47:52 AM](#)

MS. JAVIER responded that when Representative McCabe's staff had requested this data, she had pulled the personal services data from the numbers. She offered her understanding that what Representative McCabe had received were "just the amounts for personal services" and "not the entire picture."

REPRESENTATIVE MCCABE observed [the three columns of the chart on slide 11] were: "revenue," "expenditures and encumbrances," and "difference." He indicated that when he had asked for a personal services category, it resulted in a significant difference in profit or return. He offered his understanding that the expenditures in the Delta office equated to five people making \$20,000 or less a year, and he said he thinks something is wrong with the numbers.

CO-CHAIR HANNAN pointed out that Representative McCabe was asking questions based on data he had received but which was not in the committee's possession.

MS. JAVIER, in response to Co-Chair Hannan, recollected the data she had procured for the bill sponsor was from fiscal year 2016 (FY 16) through FY 20. She clarified that these numbers are not concrete, and she could get more concrete numbers from the department. She clarified for Representative McCabe that the numbers she had given him were only for personal services and were not compared with the cost of revenues.

[8:52:51 AM](#)

REPRESENTATIVE HANNAN suggested having information on the record. She asked whether the category of expenditures and encumbrances, on the slide provided by Representative Fields, would include personal services.

[8:54:22 AM](#)

The committee took a brief at-ease at 8:54 a.m.

[8:54:59 AM](#)

CO-CHAIR HANNAN announced that further clarification would be sought regarding the data Representative McCabe possessed, and then it would be presented to the entire committee.

[8:55:11 AM](#)

REPRESENTATIVE FIELDS returned to the PowerPoint and touched on the topic on slide 12, which read as follows [original punctuation provided]:

Shifting cost burdens deepen divides:

- Rural Alaska faces higher costs in healthcare, gasoline, & fewer options for utilities such as Internet.

- Driving 100+ miles (each way) for service is an additional tax.

- Private DMV partners have no regulations or controls over pricing for mandatory services. The Department has method to control costs, fees, or additional charges.

- For communities where a private partner were to be the only option, residents must either pay up front or through additional costs such as driving 70-100 miles for key services.

- Internet is not always an option for everyone or every service.

REPRESENTATIVE FIELDS, in conclusion of his presentation, drew attention to the information on slide 13, which read as follows [original punctuation provided]:

"In our poll, Seniors of Alaska found overwhelming support amongst our members to support HB 137 and retain affordable, safe options for Seniors in their local communities. 96.5% overall favored keeping their local DMV, and some locales had 100% of members supported this critical public service for seniors."

-Seniors of Alaska

[8:56:03 AM](#)

REPRESENTATIVE PRAX asked Representative Fields to confirm whether HB 137 would require all communities with populations larger than 850 to have a DMV office.

REPRESENTATIVE FIELDS clarified it would be that those communities of 850 or more, which currently have a DMV office, retain those offices. He said the structure of the bill is focused on equity.

REPRESENTATIVE PRAX noted that in terms of equity, there are communities with that population threshold that do not have a DMV office.

REPRESENTATIVE FIELDS said he supports the addition of DMV locations and would be willing to work with Representative Prax and consider an amendment to achieve this in a rational way.

[8:58:08 AM](#)

REPRESENTATIVE MCCABE observed that Yakutat, Glenn Allen, and Anderson, Alaska have DMV offices currently and populations of fewer than 850. He asked if the proposed legislation would result in those offices being closed.

REPRESENTATIVE FIELDS answered that HB 137 does not direct the department to close DMV offices at locations that are under any certain population threshold, and the administration has not proposed closing those DMV offices. He said the committee could decide to lower the threshold to 300; all that matters is that the threshold is consistent, he purported. He explained he had chosen the number 850 to keep the DMV offices open that were under threat of closure.

REPRESENTATIVE MCCABE offered his understanding that the outgoing commissioner had recommended not closing down the DMV offices. He said he received a call from a constituent, who

runs a facility in Palmer, Alaska, that issues CDLs, who is concerned the proposed legislation would prevent him/her from doing that. He said vehicle transfers and permanent registrations do not need to be done at the DMV. Out of about a dozen reasons to go to a DMV office, he offered his understanding that only about 5 of them require the DMV office visit. He said the bill seems to be anti-private business, and he said it seems to him a bad idea to tie the hands of the administration in how it must do business.

[9:01:38 AM](#)

REPRESENTATIVE FIELDS responded that he does not believe HB 137 would hurt "UMVs." He noted in his district there is a DMV and multiple UMVs, which are more convenient for some people. He said he supports people having the choice. In response to Co-Chair Hannan, he said while he does not know what the initials in "UMV" stand for, it is a private partner that contracts with the DMV to provide certain services. He suggested his staff might know what each letter represents. He explained he had listed that which only the UMV provide, in terms of services.

[9:02:58 AM](#)

TRISTAN WALSH, Staff, Representative Zack Fields, Alaska State Legislature, explained that UMV is just a name for the largest contractor with the DMV; there are other contractors.

REPRESENTATIVE FIELDS noted that Representative McCabe had questioned the necessity of this legislation given the legislature had addressed this issue in its budget process. He said there have been other issues where there is an administrative proposal, a legislative response, and things get "ironed out in one of several ways." He gave examples. He said with the exit of the last commissioner and the current administrative stance on the DMV issue, he feels HB 137 should continue to be advanced to protect public services.

[9:05:34 AM](#)

REPRESENTATIVE MCCABE asked whether one of the reasons for HB 137 is to protect jobs.

REPRESENTATIVE FIELDS replied that he had mentioned jobs in terms of people driving to and from work as it relates to locations of DMV offices.

REPRESENTATIVE MCCABE recollected hearing a pharmacist testify before the previous committee of referral that he was more qualified to give an eye test than was someone at the DMV.

REPRESENTATIVE FIELDS pointed out that if a DMV is eliminated from a community that does not offer another means to obtain an eye test, then the person may have to find a different way to get the test, and that alternative may be more expensive.

[9:07:50 AM](#)

MR. WALSH added that the Department of Labor & Workforce Development (DLWD) had estimated the cost of an eye test [from an medical doctor] was approximately \$230.

REPRESENTATIVE FIELDS reiterated the advantages of getting services from the DMV.

[9:08:25 AM](#)

CO-CHAIR SCHRAGE said he supports the intent of the bill to retain access to DMV services for seniors, Alaskans in rural communities, and others but expressed concern about the fiscal note. He read [the first sentence of the fiscal analysis from the fiscal note with identifier HB 137-DOA-DMV-4-8-21, included in the committee packet], which read as follows:

This bill removes the ability to close a State operated Division of Motor Vehicles (DMV) office in communities that have 850 or more citizens irrespective of need, economic conditions, demand for services, facility considerations, cost to the state, staffing provisions, technological advances, changes to the industry, or other unforeseen conditions.

CO-CHAIR SCHRAGE said he worries the proposed legislation would put restraints on DOA irrespective of changes that might occur in the next five to ten years. He asked the bill sponsor to comment.

REPRESENTATIVE FIELDS responded that he thinks the fiscal note is unusual. He explained that HB 137 would maintain existing services of the DMV; therefore, the fiscal note should be zero. He offered his understanding that the administration looked at not closing facilities as resulting in an increase in costs. He stated, "It's just not the way we've ever done fiscal notes before." He said another issue is to ask to what extent the

legislature should weigh in on public services and to what extent it should "leave it to the agency." He said his general approach is to leave things to the agency unless it proposes something with which the legislature does not agree. He said he does not agree that it is reasonable to close any of the DMVs the administration proposed for closure; therefore, he looked for a way to preserve public services without micromanaging the department. He acknowledged that change would happen in the future but encouraged legislating now while recognizing issues will need to be addressed again in the future.

[9:11:59 AM](#)

REPRESENTATIVE PRAX specified that "the people" pay for the DMV. He asked if the DMV fees are intended to cover just the cost of issuing "the license or the certificates or whatever."

REPRESENTATIVE FIELDS remarked that numbers show the DMV "more than pays for itself over the years"; therefore, it would be reasonable to question whether fees could be lowered. However, he deferred to the department to answer whether it is the mission of the department to cover costs or return money to the state.

REPRESENTATIVE PRAX suggested the increase in electronic transactions "would reduce the demand for a physical presence at the office." He reasoned that in that case, the services offered could take place in any state agency office. He said [HB 137] seems overly constricting.

REPRESENTATIVE FIELDS noted that the proposed bill would allow flexibility to make transactions through other offices or local government.

[9:14:56 AM](#)

REPRESENTATIVE DRUMMOND derived from the aforementioned fiscal note that the DMV currently contributes to the state's general fund (GF), and passage of HB 137 would result in "a decrease of DMV's contribution to the general fund." She asked if ordinarily the fiscal note gets "argued out" by the House Finance Committee [when it is the last committee of referral].

REPRESENTATIVE FIELDS responded yes.

[9:16:09 AM](#)

CO-CHAIR HANNAN announced the committee would hear invited testimony.

[9:16:19 AM](#)

PETER ZUYUS, Executive Director, Seniors of Alaska, testified in support of HB 137. He said Seniors of Alaska has expressed its concern about the negative effects that closure of DMV office locations will have on the following populations: seniors, disabled, rural, lower income, and Native Alaskans. He noted that a House Finance subcommittee voted unanimously to restore budgets cuts proposed by DOA that would have cut the following DMV office locations: Homer, Delta Junction, Valdez, Eagle River, Tok, and Haines. He pointed out that although restored in the FY 22 budget, these locations still could be closed at will by the department. He said HB 137 would remove the ability for arbitrary closure and restore legislative approval for any rural state DMV office closure. He expressed that the rural DMV office is a core service, and the proposed legislation would keep that service intact.

MR. ZUYUS highlighted that HB 137 does not mention private partnership awards; it gives legislative authority to oversee any potential closure; closure of a rural DMV could occur with legislative approval. He said private partnerships increase costs of services. He warned that closure of rural DMVs could leave the state vulnerable to multi-million dollar federal lawsuit action for violation of the federal Elder Justice Act of 2010. He said the former commissioner of DOA had testified that the proposed closures were selected because rural residents would cause the least backlash and the communities were lucrative for private partnership. He said there was no mention of the negative economic impact to those communities that closures would create. He noted there have been three DOA commissioners in the last three years, which has not provided stability for rural communities that count on their local DMV for state services. He said HB 137 would remove arbitrary decisions made by unelected state workers - decisions that could affect rural Alaska communities; it is a nonpartisan bill that would help all Alaska communities.

[9:20:14 AM](#)

MR. ZUYUS, in response to Representative McCabe, offered information about Seniors of Alaska. He said it is a 501(c)(4) organization with a viewership of 7,000.

[9:22:50 AM](#)

NONA SAFRA, testified in support of HB 137. She noted that although she has a role as advocate for seniors and those with disabilities, her testimony today is as an Alaska elder. She said closure of DMVs in rural Alaska would leave many who are mandated to appear at DMVs in person paying unregulated arbitrary "convenience fees" at privatized offices [contracted through the DMV] over and above the regulated state fees. She said the commissioner's authority to close DMVs at will does not best represent Alaskans as it is based on quantitative, not qualitative, data.

MS. SAFRA shared her experience as a caregiver for elders who require a Real ID to travel to the Lower 48 for medical care, either driving hundreds of miles in bad conditions to get to the closest DMV or suffering the financial burden of paying higher fees at a contracted UMV. In terms of technology being a solution, she noted that many of the 238,000 Alaskans in rural areas have broadband issues, lack Internet connectivity, and may not have the computers, e-mail addresses, or credit cards necessary to complete on-line transactions and create electronic signatures. Ms. Safra asked legislators to represent all constituents by passing HB 137 to ensure access for all to meet state mandated DMV requirements.

[9:27:12 AM](#)

JOE MICHEL, Executive Director, Alaska Trucking Association, thanked the bill sponsor for clarifying under CSHB 137(STA) the relationship that private partners have with the DMV. He explained that he was wearing two hats: one was as a private partner with the DMV and as a representative of the commercial operators that would be affected by DMV closures. He said the Alaska Trucking Association (ATA) is concerned about the ability of its rural operators to comply with the regulations that federal agencies put on the industry, and that that ability would be affected by the DMV closures. He offered to answer questions from the committee.

[9:28:46 AM](#)

REPRESENTATIVE MCCABE asked Mr. Michel to expound the federal regulations for which he uses the DMV to comply.

MR. MICHEL answered the requirements of registration, which are more complex for commercial drivers.

REPRESENTATIVE MCCABE said he has registered a commercial vehicle and does not recall having to go physically to a DMV office.

MR. MICHEL indicated that DMV transactions are done at ATA, and there are two additional pieces of paper that are submitted to the DMV. He mentioned "getting plates that fall off of vehicles" being more easily done by going into a DMV office rather than waiting 6-8 weeks to receive them in the mail. He expressed the main concern is that avenues be left open for the trucking industry to be able to comply with the regulations. He concluded, "Now that the bill clarifies the private partnership versus the DMVs, we're happy that ... there's as many options available for our industry to comply with the regulations that are placed on us."

[9:32:34 AM](#)

CO-CHAIR HANNAN opened public testimony on HB 137. After ascertaining that there was no one who wished to testify, she closed public testimony.

[9:33:12 AM](#)

REPRESENTATIVE PRAX requested that the director of the DMV describe the services related to commercial vehicles that are provided by the DMV offices and the measure of inconvenience that would result from the smaller offices being closed.

JEFFREY SCHMITZ, Director, Division of Motor Vehicles, Department of Administration, said he could provide a list for the committee.

[9:34:02 AM](#)

CO-CHAIR HANNAN asked what services are available through the variety of private contracted partners. She said she had heard that some cannot provide CDLs while others can.

MR. SCHMITZ said he could include that information in the forthcoming list.

CO-CHAIR HANNAN asked whether the DMV is expecting an uptick in REAL ID applications.

MR. SCHMITZ replied that the short answer is yes, particularly because it is within six months of the October 1 deadline. He noted that 200,000 Alaskans have already obtained their REAL IDs.

[9:37:48 AM](#)

REPRESENTATIVE PRAX asked whether the DMV is the only authorized issuer of REAL IDs.

MR. SCHMITZ answered that all of the DMV's third-party providers can issue REAL IDs.

[9:39:02 AM](#)

REPRESENTATIVE MCCARTY asked a series of questions related to the REAL ID and the federal passport.

MR. SCHMITZ, in response to Representative McCarty, said the REAL ID is a federal mandate, the deadline for which is currently October 1, 2021, although having been delayed a few times already, it could be delayed again. He said the U.S. Post Office, while offering U.S. passports, cannot issue REAL IDs. He confirmed that if a DMV were shut down, a U.S. Post Office could provide a federally compliant passport, which would allow its official carrier to board a plane, for example, although it is not a REAL ID.

REPRESENTATIVE FIELDS clarified for Representative McCarty that not all U.S. Post Offices issue passports. He said the DMV has mapped out where all the passport-issuing U.S. Post Office facilities are in Alaska, as well as where all the DMV offices are located. He said this information could be provided to the committee.

[9:41:59 AM](#)

CO-CHAIR HANNAN remarked that while both the REAL ID and U.S. passport are federally compliant, it may be easier for someone who does not already have a driver's license to obtain a passport than to get a REAL ID.

[9:43:14 AM](#)

MR. SCHMITZ distinguished the difference between a REAL ID driver's license and identification card - both federally compliant under the REAL ID Act.

9:43:44 AM

CO-CHAIR HANNAN thanked the sponsor and testifiers.

[HB 137 was held over.]

9:44:47 AM

**ADJOURNMENT**

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 9:45 a.m.