

Fiscal Note

State of Alaska
2023 Legislative Session

Bill Version:	HB 81
Fiscal Note Number:	1
(H) Publish Date:	3/8/2023

Identifier:
Title: VEHICLES/BOATS: TRANSFER ON DEATH
TITLE
Sponsor: RAUSCHER
Requester: (H) Transportation

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)

	FY2024 Appropriation Requested	Included in Governor's FY2024 Request	Out-Year Cost Estimates				
			FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
OPERATING EXPENDITURES	FY 2024	FY 2024					
Personal Services	***	***	***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	***	***	***	***	***	***	***

Fund Source (Operating Only)

None							
Total	***	***	***	***	***	***	***

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***

Estimated SUPPLEMENTAL (FY2023) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2024) 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? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2023 LEGISLATIVE SESSION

Analysis

The House Transportation Committee considered the legislation on March 2nd and 7th, 2023. After considering the bill and the fiscal note from the Department of Administration, the committee decided that the previous fiscal note was insufficient and determined that an indeterminate fiscal note for this bill was more appropriate for the following reasons:

The department referenced "information from a prior reconfiguration" as the basis for establishing a cost of \$75.0 and 600 programming hours to complete the work needed in order to conform to the mandates of the legislation. When that information was requested, it was not provided. Additionally, the committee was concerned that in two previous iterations of the bill the cost was absorbed by the department (2016) and the cost was lower at \$60.0 (2019), but the department could not adequately address overall costs or explain the dramatic increases in cost over the different iterations of the policy.

The committee also believes that there may be an increase in revenue from fees charged by DMV for this new Transfer on Death (TOD) title. The analysis does not mention any additional revenue or explain why there would not be additional revenue for this new title transfer mechanism.

Original analysis from Department of Administration:

The proposed legislation creates a new Transfer on Death (TOD) title for a boat or vehicle for which the Division of Motor Vehicles (DMV) is required or allowed to issue a certificate of title. This allows DMV to issue a designated beneficiary a certificate of title upon death of the owner.

The current DMV titling system will need to be reprogrammed and reconfigured to allow for the addition of the "transfer on death" or "TOD" language mandated by section three of the bill. Using information from a prior reconfiguration of a similar software change, DMV estimates it will take 600 programming hours at a cost of 125.00 per hour, for a total estimated cost of \$75,000 to implement these changes.