

Fiscal Note

State of Alaska
2024 Legislative Session

| | |
|---------------------|---------------|
| Bill Version: | CSHB 277(W&M) |
| Fiscal Note Number: | 2 |
| (H) Publish Date: | 4/17/2024 |

Identifier: HB277-DOA-DMV-04-11-24
 Title: LICENSING RECIPROCITY; FEES
 Sponsor: WAYS & MEANS
 Requester: (H) WAYS & MEANS

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)

| | FY2025 | Included in | Out-Year Cost Estimates | | | | |
|-------------------------------|-------------------------|---------------------------|-------------------------|----------------|----------------|----------------|----------------|
| | Appropriation Requested | Governor's FY2025 Request | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
| OPERATING EXPENDITURES | FY 2025 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
| 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

| | | | | | | | |
|---------------------|----------------|------------|----------------|----------------|----------------|----------------|----------------|
| 1004 Gen Fund (UGF) | (324.9) | | (324.9) | (324.9) | (324.9) | (324.9) | (324.9) |
| Total | (324.9) | 0.0 | (324.9) | (324.9) | (324.9) | (324.9) | (324.9) |

Estimated SUPPLEMENTAL (FY2024) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2025) 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? N/A

Why this fiscal note differs from previous version/comments:

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|----------------------------------|
| Not applicable, initial version. |
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| | | | |
|--------------|------------------------------|--------|---------------|
| Prepared By: | Jeffrey Schmitz, Director | Phone: | (907)269-5574 |
| Division: | Division of Motor Vehicles | Date: | 04/11/2024 |
| Approved By: | Eric DeMoulin, Director | Date: | 04/12/24 |
| Agency: | Department of Administration | | |

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2024 LEGISLATIVE SESSION

Analysis

The proposed legislation will amend AS 28.15.271 by adding new language to limit commercial driver’s license fees collected by the state to the national average. This amendment would establish a limit for the fees collected by the Division of Motor Vehicles (DMV) for commercial driver’s licenses, permits, or endorsements. If passed, the Alaska DMV estimates a total loss in revenue, for both original commercial driver’s licenses and renewal, of \$324,872.00 as we would be required to lower the CDL Original and the CDL Renewal fees from \$120.00 each to at or below the national average. See Figure 1 below.

| Alaska x National Average Estimated Revenue Per Year | | | | | | | |
|--|------------|---------------------------|-----------------------|--------------------------|-----------------------------|-----------------------|-----------------|
| Fee Type | Alaska Fee | Alaska Average | | Revenue at Current Price | Revenue at National Average | Difference in Revenue | |
| | | U.S. National Average Fee | Transactions Per Year | | | | |
| CDL Original | \$ 120.00 | \$ 63.16 | 1740 | \$ 208,800.00 | \$ 109,898.40 | \$ (98,901.60) | |
| CDL Duplicate | \$ 15.00 | \$ 21.44 | 2467.5 | \$ 37,012.50 | \$ 52,903.20 | \$ 15,890.70 | |
| CDL Renewal | \$ 120.00 | \$ 67.32 | 4289.5 | \$ 514,740.00 | \$ 288,769.14 | \$ (225,970.86) | |
| CLP Original | \$ 15.00 | \$ 27.64 | 1929 | \$ 28,935.00 | \$ 53,317.56 | \$ 24,382.56 | |
| CLP Renewal | \$ 5.00 | \$ 23.81 | 419.5 | \$ 2,097.50 | \$ 9,988.30 | \$ 7,890.80 | |
| Skills Test | \$ 25.00 | \$ 57.99 | 49.5 | \$ 1,237.50 | \$ 2,870.51 | \$ 1,633.01 | |
| | | | | | | | \$ (324,872.46) |

Figure 1 includes Alaska’s fee schedule as well as the calculated average fees for all 50 states as they pertain to commercial driver’s licenses, permits, or endorsements. These two fees are compared by calculating the estimated annual revenue. This is based on Alaska’s average number of transactions per year from FY2022 and FY2023. The estimated revenue indicates an annual loss for two Fee Types, CDL Original (\$98,901.60) and CDL Renewal (\$225,970.86), amounting to a total loss in revenue of \$324,872.46.

Assumptions:

*For the purposes of this fiscal note, and the potential financial implications of the bill passage, the following assumptions were used in calculating the out-year estimates:

- Assume the national average for commercial driver’s licenses, permits, or endorsement fees should not see a significant increase or decrease in following years.
- Assume Alaska DMV’s annual transaction volume will remain about the same for commercial licensing and associated fees.

Based on these assumptions, we can infer that the amount of revenue loss will be approximately the same for each year.