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Rep. Brian Porter, Chairman

# House Judiciary Committee

Date: April 19, 1993

Place: Capitol Room 120

HB 187 Interception of Private Communications  
 HB 132 Extend Resource Extraction Permit/Lease  
 SB 149 Revision of Banking Code  
 SB 112 Uniform Commercial Code Revisions

Subject of Meeting: SB 84 Revoke Driver's License  
 if False ID Used; SB 86 Fund Transfers Under the UCC

Please Print Name	Representing	Business/Personal Mailing Address	Zip	(H) Phone	(W) Phone	Do you Want to Testify?	Which Subject/Which Bill?
LT. CHRIS STOCKARD	PUBLIC SAFETY	450 Whittier St Juneau				(Y) N	HB 187 - FOR QUESTIONS ONLY ✓
Juanita Hensley	DPS/DMV	Box 1112-00	99811		4335	(Y) N	SB 84 ✓
Bill Kelder	Sen. Kerttula	Room 427, Capitol Bldg Juneau 99801-1127			4834	(Y) N	SB 86 & SB 112 ✓
JOSH FINR	SEN. KELLY				3819	(Y) N	SB 84 ✓
JOSH FINR	SEN. KELLY				3819	(Y) N	SB 149 ✓
BUD JAEGER	ALASKA INSURANCE AGENTS	301 SEWARD ST. JUNEAU	99801		586-2414	(Y) N	SB 149 ✓
Ben Williams	Rep. Tom Brice	STATE CAPITOL	99801		73466	(Y) N	CSHB 132 (ND)
Margot Knuth	law - Crim	Box 110300	99811		X4049	(Y) N	HB 187
JEFF BUSH	Commerce - Banking + Securities	175 S. Franklin, Ste. 318, Juneau	99801		463-4150	(Y) N	SB 149 ✓
						Y N	
						Y N	
						Y N	

# HOUSE COMMITTEE REPORT

(7)

Date Referred: April 2, 1993

FURTHER REFERRALS:

Finance

Date of Committee Action: 4-19-93

The JUDICIARY Committee considered:

SB 84 am

SENATE BILL NO. 84 am

REVOKE DRIVER'S LICENSE IF USE FALSE I.D.

"An Act relating to fees for identification cards and certain motor vehicle licenses and permits; to licenses issued to drivers and to revocation of a license to drive; and providing for an effective date."

- RECOMMENDATIONS: [ ] the same title  
 be replaced with \_\_\_\_\_ [ ] a new title  
 have attached amendments(s)  
 do pass  
 do not pass  
 no recommendations  
 individual recommendations  
 additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_

APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_

fiscal impact \_\_\_\_\_

fiscal note(s) DEPT. OF PUBLIC SAF.  
 (#2-3-12-93)

zero fiscal note \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>[Signature]</i>	✓	<i>Cliff Davidson</i>		✓	
<i>[Signature]</i>	✓				
<i>Brian Porter</i>	✓				
<i>Gail Phillips</i>	✓				

*Brian Porter*  
 \_\_\_\_\_  
 CHAIRMAN'S SIGNATURE

**BILL NO:** SB 84

**DATE:** April 19, 1993

**TITLE:** "An Act relating to fees for identification cards..."

**CONTACT:** C.E. Swackhammer  
Deputy Commissioner  
465-4322

SB 84 amends current law by requiring a holographic symbol be placed on driver's license and identification cards to prevent illegal alteration or duplication. This bill also adds a new section to Alaska's motor vehicle driver's license law to require an administrative revocation of the driver's license of any person under the age of 21 who uses a driver's license as fraudulent or false identification in an attempt to gain entry or purchase alcohol from a liquor establishment.

The Division of Motor Vehicles processes approximately 200,000 driver's license and ID card transactions yearly. The present cost to produce a license is \$1.05 per card. To place a hologram on the license will increase the cost from \$1.05 to \$1.30, thus increasing the cost of producing a license and increasing the contractual cost for DMV an additional 50.0 a year.

The Division anticipates some adverse public reaction to the revocation of a driver's license for a non-driving offense.

In 1992, the Alcohol Beverage Control Board reported that approximately 500 to 700 license a year are confiscated and referred to their agency by liquor establishments when a person under 21 is attempting to purchase alcohol. Approximately 1,500 licenses and IDs a year are surrendered to the department or confiscated by law enforcement officers. At the time of confiscation, the person was attempting to use an altered license, or attempting to use another's license or ID to gain entry into a liquor establishment in an attempt to purchase alcohol. The 1,500 licenses and IDs includes the 500 to 700 that are surrendered to the ABC Board.

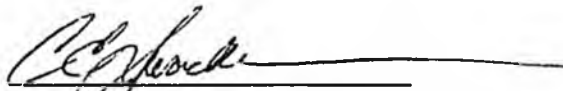
Identifying a person who is under 21 years of age on the driver's license will bring Alaska one step closer to qualifying for approximately 200.0 in federal highway safety alcohol incentive grants.

To offset the costs associated with the revocation of an additional 1,500 driver's licenses a year, the fees for identification cards, driver's licenses, and instruction permits have also been raised slightly.

Consumption of alcoholic beverages by minors in Alaska is a serious problem. The Department of Public Safety supports this bill as an attempt to more effectively enforce current restrictions upon minors' access to liquor establishments.

Department of Public Safety  
Position Paper - SB 84  
Page 2

The Department of Public Safety does not support the fiscal note prepared by Senate Finance Committee. We feel the fiscal note prepared by the Department accurately reflects the impact to the department.

A handwritten signature in cursive script, appearing to read "Richard L. Burton", is written over a horizontal line.

Richard L. Burton  
Commissioner

# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO: SB 84 am

Revision Date: 4/19/93 Dept. Affected: Public Safety  
 Title: "An Act relating to fees for identification cards." BRU: Motor Vehicles  
 Component: Drivers Services  
 Sponsor: Senator Kelly  
 Requestor: House Judiciary COMPONENT SERIAL NO. 500

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	132.8	132.8	132.8	132.8	132.8	132.8
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	56.7	56.7	56.7	56.7	56.7	56.7
SUPPLIES	1.5	1.5	1.5	1.5	1.5	1.5
EQUIPMENT	24.7	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>215.7</b>	<b>191.0</b>	<b>191.0</b>	<b>191.0</b>	<b>191.0</b>	<b>191.0</b>

CAPITAL						
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REVENUE FUND SOURCE: 1005	993.1	993.1	993.1	993.1	993.1	993.1
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	215.7	191.0	191.0	191.0	191.0	191.0
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>215.7</b>	<b>191.0</b>	<b>191.0</b>	<b>191.0</b>	<b>191.0</b>	<b>191.0</b>

POSITIONS:

FULL-TIME	3	3	3	3	3	3
PART-TIME						
TEMPORARY						

Estimate of current year (FY 93) impact: \$ \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

See attached analysis.

Prepared By: Juanita Hensley Phone: 465-4361  
 Division: Motor Vehicles Date: 4/19/93  
 Approved by Commissioner: Richard J. Burton Date: 4/19/93  
 Agency: Richard J. Burton, Dept. of Public Safety

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Analysis:

SB 84am will require the Division of Motor Vehicles to place a holographic symbol on every driver's license in a further attempt to prevent alteration or duplication of a driver's license. This bill also requires the revocation of the driver's license in an attempt to gain entry to purchase alcohol. The Division of Motor Vehicles processes approximately 200,000 driver's license transactions yearly. The present cost to produce a license is \$1.05 per card. To place a hologram on the license and identify those drivers under the age of 21 will increase the contractual cost from \$1.05 to \$1.30, thus increasing the overall contractual cost to DMV an additional 50.0 year.

In 1992, the Alcohol Beverage Control Board reported that approximately 500 to 700 licenses are confiscated and referred to their agency by liquor establishments when a person under 21 is attempting to purchase alcohol. The department receives approximately 1,500 licenses each year that are surrendered or confiscated by law enforcement. The 1,500 licenses includes the 500 to 700 that are surrendered to the ABC Board.

The Division of Motor Vehicle estimates there will be an additional 1,500 driver license revocations a year. In order to handle the 1,500 additional license revocations a year, and provide due process for the person, one full-time Driver Improvement Specialist/Hearing Officer, and two full-time Document Processor IIs will be required. The duties of these positions are detailed in the attached request for new positions. The personal services cost for a Driver Improvement Specialist is 53.0; the personal services cost for the Document Processor II positions is 69.0; an additional 10.8 is needed for overtime expenses associated with reinstatement of revoked driver's licenses. The total for personal services is 132.8. The overtime pay is requested in lieu of a Motor Vehicle Representative III position, as the workload required to reinstate the offenders' driver's licenses will be borne by all of the Motor Vehicle Field offices throughout the state.

To revoke 1,500 additional driver's licenses a year takes over 30 processing steps per revoked license. It is estimated that 25% of all persons referred to DMV for a license revocation will request an administrative hearing. Each hearing takes approximately 20 minutes to one hour to conduct. All of the 30 processing steps varies in the time it takes to complete each step. Complete accuracy is essential, as an error of entry onto a record could result in civil liability to the State. It takes approximately 20 minutes per applicant to reinstate a revoked driver's license; the person must make a new application for the driver's license or permit, take all of the required tests, and if the person is under the age of 18 a parent or guardian must give consent for the driver's license or permit, file SR-22 (Certificate of Insurance) and pay the reinstatement fee. All of these steps total approximately 400 hours of additional workload for the Motor Vehicle Field office personnel.

Analysis (Cont'd.):

Under existing law, each person whose license has been revoked must pay a \$100 fee when applying for reinstatement of his or her driver's license. Assuming that 90 percent of the minors who are eligible for reinstatement will comply with the reinstatement requirements, approximately 135.0 will be generated annually as program receipts.

This bill increases the fees for a driver's license, and permits. The fee increases are as follows:

- (1) driver's license from \$10.00 to \$15.00
- (2) instruction permit from \$3.00 to \$5.00
- (3) duplicate license or permit from \$3.00 to \$10.00
- (4) school bus endorsement permit from \$3.00 to \$5.00
- (5) identification card from \$5.00 to \$10.00

This increase will generate overall, approximately 1.8 million dollars to the general fund. This increase is approximately 680.0 thousand more than the division presently receives in license fees and an additional 135.0 thousand in reinstatement fees for an overall total of 815.0 annually.

Detail

FY94

100	PERSONAL SERVICES		
	1 Driver Improvement Spec	53.0	
	2 Document Processor II	69.0	132.8
	Overtime MVR III Field Office	10.8	
200	CONTRACTUAL		
	Hologram inlaid driver		
	license pouch	50.0	
	Postage and tolls	2.5	
	Telephone line fees	.5	56.7
	Conference call and		
	long distance fees	3.7	
400	SUPPLIES		
	Routine Office Supplies	1.5	1.5
500	EQUIPMENT		
	3 Workstations		
	3 5-Drawer File Cabinets	24.7	24.7
	TOTAL		215.7

Position Title Document Processor II		Number of Positions 2	Range/Step 8-B	Bargaining Unit GGU
Time Status PFT	Staff Months 12 each	Location Juneau	Election District	
Type of Expenditure		Justification		
1	2	3	<p>These positions would handle the necessary paperwork and computer entry onto the minor's record. Among other duties, the positions will send out letters advising the person of the dates of the license revocation, prepare files for hearing officer after the person has requested a hearing, file, close files out, sanitize for microfilm, microfilm, enter microfilm documents for microfilm retrieval, enter license revocation data. It is estimated that these positions will handle approximately 1,500 license revocation files a year.</p>	
Salary*	45.6			
Benefits*	23.4			
Premium Pay (Included in Above)				
Other				
Total Personal Services		69.0		
Travel		0		
Contractual		4.5		
Commodities		1.0		
Equipment		16.5		
Other		0		
Total Cost		91.0		
Funding Source For Total Cost				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004			
Program Receipts/GF	1005			
I-A Receipts	1007			
CIP Receipts	1061			
Other				
* Personal Services Salary and Benefits Costs are from PACS calculations.				

REQUEST FOR  
NEW POSITION

AGENCY Department of Public Safety  
 BRU Motor Vehicles  
 COMPONENT Driver Services

FY 94

Page 4 of 5  
 Revised Date

Position Title Driver Improvement Specialist		Number of Positions 1	Range/Step 16-A	Bargaining Unit GGU
Time Status PFT	Staff Months 12	Location Anchorage	Election District	
Type of Expenditure		Justification		
1	2	3	This position will conduct administrative hearings involving the revocation of a minor's driver's license and/or privilege to drive. It will prepare the file, send notice to parties advising of the date and time of the hearing, conduct the hearing, prepare the file for appeal, enter license action onto the minor's driving record, and handle all correspondence associated with this program.	
Salary*	37.0			
Benefits*	16.0			
Premium Pay (Included in Above)				
Other				
Total Personal Services		53.0		
Travel		0		
Contractual		2.2		
Commodities		.5		
Equipment		8.2		
Other (Overtime)		10.8		
Total Cost		74.7		
Funding Source For Total Cost				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004			
Program Receipts/GF	1005			
I-A Receipts	1007			
CIP Receipts	1061			
Other				
* Personal Services Salary and Benefits Costs are from PACS calculations.				

REQUEST FOR  
NEW POSITION

AGENCY Department of Public Safety

BRU Motor Vehicles

COMPONENT Driver Services

FY 94

Page 5 of 5

Revised Date

# FISCAL NOTE

No. 3

Bill Version: SB 84

(S) Publish Date: 3-22-93

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

Revision Date: 3/19/93  
 Title: Relating to fees for ID cards  
 Sponsor: Kelly  
 Requestor: Senate Finance Committee

Dept. Affected: Public Safety  
 BRU: Motor Vehicles  
 Component: Driver Services  
 COMPONENT SERIAL NO. 500

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	63.8	63.8				
TRAVEL	0	0				
CONTRACTUAL	56.7	56.7				
SUPPLIES	1.5	1.5				
EQUIPMENT	24.7	0				
LAND & STRUCTURES	0	0				
GRANTS, CLAIMS	0	0				
MISCELLANEOUS	0	0				
<b>TOTAL OPERATING</b>	<b>146.7</b>	<b>122.0</b>				
<b>CAPITAL</b>						
<b>REVENUE FUND SOURCE:</b>	<b>725.0</b>	<b>725.0</b>				

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF: Program Receipts	146.7	122.0				
1006 GF: MHTIA						
Other						
<b>TOTAL</b>	<b>146.7</b>	<b>122.0</b>				

POSITIONS:

FULL-TIME	1	1				
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ \_\_\_\_\_

ANALYSIS:

(Attach a separate page if necessary)

See attached explanation of revisions to fiscal note

Prepared by: Max Gifford, Admin. Assist.  
 Division: Legislature (Sen. Kelly)  
 Approved by: Sen. Grace Shauls, Co-Chair, SFC  
 Agency: Legislature, Senate Finance

Phone: 465-3822  
 Date: 3/19/93  
 Date: \_\_\_\_\_

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Explanation of Fiscal Note Revision

SB-84 Revised 3/19/93

The new fiscal note reflects revenue and operating calculations based on an additional 500 driver license revocations a year, rather than the 1500 estimated annual revocations in the previous fiscal note.

Personnel Services is reduced to reflect only one new position, a Driver Improvement Specialist at a cost of \$53.0.

The remaining FY94 operating expenditures remain the same. The position count is reduced to one Full-Time position.

Lowering the number of annual additional license revocations to 500 reduces program receipts to \$45.0 based on a fee of \$100 for the approximately 450 license reinstatements. The figure is based on the Department's assumption that 90% of those eligible for reinstatement will comply.

# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

No. 2  
Bill Version: 3B 84  
(S) Publish Date: 3-2-93

Revision Date: \_\_\_\_\_ Dept. Affected: Public Safety  
Title: "An Act relating to fees for identification cards" BRU: Motor Vehicles  
Sponsor: Senator Kelly Component: Drivers Services  
Requestor: Senator Kelly COMPONENT SERIAL NO. 500

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	132.8	132.8	132.8	132.8	132.8	132.8
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	56.7	56.7	56.7	56.7	56.7	56.7
SUPPLIES	1.5	1.5	1.5	1.5	1.5	1.5
EQUIPMENT	24.7	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>215.7</b>	<b>191.0</b>	<b>191.0</b>	<b>191.0</b>	<b>191.0</b>	<b>191.0</b>

CAPITAL						
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REVENUE FUND SOURCE: 1005	815.0	815.0	815.0	815.0	815.0	815.0
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	215.7	191.0	191.0	191.0	191.0	191.0
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>215.7</b>	<b>191.0</b>	<b>191.0</b>	<b>191.0</b>	<b>191.0</b>	<b>191.0</b>

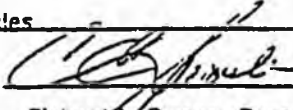
POSITIONS:

FULL-TIME	3	3	3	3	3	3
PART-TIME						
TEMPORARY						

Estimate of current year (FY 93) impact: \$ \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

See attached analysis.

Prepared By: Juanita Hensley Phone: 465-4361  
Division: Motor Vehicles Date: 2/16/93  
Approved by Commissioner:  Date: 2/16/93  
Agency: Richard J. Burton, Dept. of Public Safety

PREPARER TO PREPARE

For

DEPARTMENT OF PUBLIC SAFETY  
FISCAL NOTE

LEGISLATIVE OFFICE

ive Office

Analysis:

SB 84 will require the Division of Motor Vehicles to place a holographic symbol on every driver's license in a further attempt to prevent alteration or duplication of a driver's license. This bill also requires the revocation of the driver's license in an attempt to gain entry to purchase alcohol. The Division of Motor Vehicles processes approximately 200,000 driver's license transactions yearly. The present cost to produce a license is \$1.05 per card. To place a hologram on the license and identify those drivers under the age of 21 will increase the contractual cost from \$1.05 to \$1.30, thus increasing the overall contractual cost to DMV an additional 50.0 year.

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The Division of Motor Vehicle estimates there will be an additional 1,500 driver license revocations a year. In order to handle the 1,500 additional license revocations a year, and provide due process for the person, one full-time Driver Improvement Specialist/Hearing Officer, and two full-time Document Processor IIs will be required. The duties of these positions are detailed in the attached request for new positions. The personal services cost for a Driver Improvement Specialist is 53.0; the personal services cost for the Document Processor II positions is 69.0; an additional 10.8 is needed for overtime expenses associated with reinstatement of revoked driver's licenses. The total for personal services is 132.8. The overtime pay is requested in lieu of a Motor Vehicle Representative III position, as the workload required to reinstate the offenders' driver's licenses will be borne by all of the Motor Vehicle Field offices throughout the state.

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Analysis (Cont'd.):

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This bill increases the fees for a driver's license, and permits. The fee increases are as follows:

- (1) driver's license from \$10.00 to \$15.00
- (2) instruction permit from \$3.00 to \$5.00
- (3) duplicate license or permit from \$3.00 to \$5.00
- (4) school bus endorsement permit from \$3.00 to \$5.00
- (5) identification card from \$5.00 to \$10.00

This increase will generate overall, approximately 1.8 million dollars to the general fund. This increase is approximately 680.0 thousand more than the division presently receives in license fees and an additional 135.0 thousand in reinstatement fees for an overall total of 815.0 annually.

Detail

FY94

100	PERSONAL SERVICES		
	1 Driver Improvement Spec	53.0	
	2 Document Processor II	69.0	132.8
	Overtime MVR III Field Office	10.8	
200	CONTRACTUAL		
	Hologram inlaid driver license pouch	50.0	
	Postage and tolls	2.5	
	Telephone line fees	.5	56.7
	Conference call and long distance fees	3.7	
400	SUPPLIES		
	Routine Office Supplies	1.5	1.5
500	EQUIPMENT		
	3 Workstations		
	3 5-Drawer File Cabinets	24.7	24.7
	TOTAL		215.7

Position Title Document Processor II		Number of Positions ?	Range/Step 8-8	Bargaining Unit GGU
Time Status PFT	Staff Months 12 each	Location Juneau	Election District	
Type of Expenditure		Justification		
1	2	3	<p>These positions would handle the necessary paperwork and computer entry onto the minor's record. Among other duties, the positions will send out letters advising the person of the dates of the license revocation, prepare files for hearing officer after the person has requested a hearing, file, close files out, sanitize for microfilm, microfilm, enter microfilm documents for microfilm retrieval, enter license revocation data. It is estimated that these positions will handle approximately 1,500 license revocation files year.</p>	
Salary*	45.6			
Benefits*	23.4			
Premium Pay (Included in Above)				
Other				
Total Personal Services		89.0		
Travel		0		
Contractual		4.5		
Commodities		1.0		
Equipment		16.5		
Other		0		
Total Cost		91.0		
Funding Source For Total Cost				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004			
Program Receipts/GF	1005			
I-A Receipts	1007			
CIP Receipts	1061			
Other				
* Personal Services Salary and Benefits Costs are from PACS calculations.				

REQUEST FOR  
NEW POSITION

AGENCY Department of Public Safety

BRU Motor Vehicles

COMPONENT Driver Services

FY 94

Page 4 of 5

Revised Date

Position Title <b>Driver Improvement Specialist</b>		Number of Positions <b>1</b>	Range/Step <b>18-A</b>	Bargaining Unit <b>GGU</b>	
Time Status <b>PFT</b>	Staff Months <b>12</b>	Location <b>Anchorage</b>	Election District		
Type of Expenditure		Justification			
Amount		<p>This position will conduct administrative hearings involving the revocation of a minor's driver's license and/or privilege to drive. It will prepare the file, send notice to parties advising of the date and time of the hearing, conduct the hearing, prepare the file for appeal, enter license action onto the minor's driving record, and handle all correspondence associated with this program.</p>			
1	2				3
Salary*	37.0				
Benefits*	18.0				
Premium Pay (Included in Above)					
Other					
<b>Total Personal Services</b>					<b>53.0</b>
Travel					0
Contractual					2.2
Commodities					.6
Equipment					8.2
Other (Overtime)					10.8
<b>Total Cost</b>					<b>74.7</b>
Funding Source For Total Cost					
Federal Receipts	1002				
G.F. Match	1003				
General Fund	1004				
Program Receipts/GF	1005				
I-A Receipts	1007				
CIP Receipts	1081				
Other					
* Personal Services Salary and Benefits Costs are from PACS calculations.					

**REQUEST FOR  
NEW POSITION**

AGENCY Department of Public Safety  
 BRU Motor Vehicles  
 COMPONENT Driver Services

**FY 94**

Page **5** of **5**  
 Revised Date \_\_\_\_\_



# Alaska State Legislature

SENATOR TIM KELLY

Official Business

## MEMORANDUM

State Capitol  
Juneau, AK 99801-1182

**TO:** Representative Brian Porter, Chair  
House Judiciary Committee

**FROM:** Senator Tim Kelly *TJK*

**DATE:** April 8, 1993

**RE:** ~~Hearing Request for SB 84~~ - Revocation of a minor's driving privileges for use of a fraudulent drivers license to purchase alcohol.

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I respectfully request you consider scheduling a hearing for SB 84 at the House Judiciary Committee's earliest convenience. This bill passed the Senate on April 1 under reconsideration with a vote of 19 yeas and 1 nea.

SB 84 would address minors' use of fraudulent drivers' licenses to purchase alcohol by 1) Placing a hologram over vital information on the license to prevent tampering; 2) Clearly indicating the individual is under 21 by placing the phrase "Under 21" on the license; and 3) Revoking driving privileges for any individual caught using a fraudulent license to purchase alcohol (60 days for the first offense and 12 months for the second and subsequent offenses).

It is identical to legislation which passed the House last year (HB 444), was waived out of the Senate Judiciary Committee, and scheduled before the Senate Finance Committee in the closing hours of the 17th Legislature. Unfortunately, the clock ran out before the Finance Committee could send the bill on to the Rules Committee to be sent to the floor for a vote.

This legislation was supported by the Department of Public Safety, the Department of Health & Social Services, the Municipality of Anchorage's Health & Human Services Commission, Mothers Against Drunk Driving, the Bristol Bay Area Health Corporation, the Daily News, the Alcohol Beverage Control Board, the Alaska Cabaret, Hotel, Restaurant & Retailers Association, and the Anchorage Restaurant & Beverage Association.

My position paper and analysis, as well as additional back-up are attached.

Thank you in advance for your consideration.

Attachments



Official Business

# Alaska State Legislature

**SENATOR TIM KELLY**

State Capitol  
Juneau, AK 99801-1182

## **SPONSOR STATEMENT FOR SB 84:**

### **Use of A Fraudulent Driver's License by a Minor to Purchase Alcohol**

Alcohol abuse is a severe problem in Alaska, impacting individuals, families, and communities throughout our State. In fact, Alaska ranks 4th in the nation for per capita alcohol consumption. This legislation -- which attempts to address alcohol consumption by minors -- passed the House last session and died in the closing minutes of the session in the Senate Finance Committee.

Nationally, while drug use among teenagers is down, teenage alcohol consumption is increasing. In Alaska, alcohol is associated with a majority of vehicular deaths of teenagers. In 1990, the most recent year for which statistics are available, there were 180 accidents caused by alcohol impaired minors. These accidents resulted in 6 deaths.

The result of a 1988 report done by the University of Alaska, Anchorage, indicate that 75% of all Alaskan youth in grades 7-12 have tried alcoholic beverages, and alcohol and drug use was a contributing or causal factor in the crimes of 48% of all youth who were detained or placed on probation in Alaska. Another 1990 study indicates that 45% of males and 33% of females of driving age in grades 10-12 have driven after drinking.

Many of these underage drinkers are getting their alcohol through the use of fraudulent drivers' licenses. Between January 1989 and February 1992, nearly 6,000 fake IDs had been turned over to the Alcohol Beverage Control Board (A.B.C. Board), most of which were fraudulent drivers' licenses. I believe it is a safe assumption this number represents only a fraction of the fake IDs in circulation.

While Alaska statute already prohibits the use of a fraudulent driver's license and bans the sale of alcohol to minors, the law clearly has not been effective. Most minors don't even have any idea what the penalties are for using a fraudulent ID to purchase alcohol. Consider that of the more than 6,000 IDs confiscated in the three year period from 1989 to 1992, only 87 cases have been prosecuted. The average sentence of those convicted has been 20 hours of community service and a \$100 fine.

Clearly, Alaska's underage drinkers don't consider the law a real deterrent.

SB 84 was originally crafted to address this problem with cooperation from Mothers' Against Drunk Driving (MADD), the alcohol industry, the Department of Motor Vehicles (DMV), and the A.B.C. Board.

It was felt that the only way to effectively impress upon teenagers and 20-year-olds the grave consequences of using fraudulent drivers' licenses to go out drinking was to take away their car keys. Nothing will get their attention faster.

SB 84 would require the DMV to revoke a person's driving privileges for 60 days when a peace officer determines that person has used a driver's license as fraudulent ID to purchase alcohol. For a second offense, revocation would be for one year. This would be an administrative action, so revocation would not have to be adjudicated through the court system. Teenagers and 20-year-olds would see that the penalty is substantial and administered immediately.

(In order to ensure due process rights are protected, persons losing their license would have 7 days after receiving notice that their privilege to drive was to be revoked to request an administrative review. During this 7 days their notice of the DMV's intent to revoke would serve as a temporary license.)

Moreover, SB 84 would require that holograms be put on drivers' licenses and State IDs issued by the Department of Public Safety, as well as the phrase "UNDER 21" for qualified applicants.

Lastly, SB 84 would enact minor fee increases for a State ID and other drivers' licenses and permits to help pay for these preventative and deterrent measures.

If enacted, SB 84 should provide an effective deterrent for minors considering using fraudulent drivers' licenses to purchase alcohol, and go a long way towards alleviating some of the problems associated with alcohol abuse and use by minors.

**BILL NO:** SB 84

**DATE:** February 16, 1993

**TITLE:** "An Act relating to fees for identification cards..."

**CONTACT:** C.E. Swackhammer  
Deputy Commissioner  
465-4322

SB 84 amends current law by requiring a holographic symbol be placed on driver's license and identification cards to prevent illegal alteration or duplication. This bill also adds a new section to Alaska's motor vehicle driver's license of any person under the age of 21 who uses a driver's license as fraudulent or false identification in an attempt to gain entry or purchase alcohol from a liquor establishment.

The Division of Motor Vehicles processes approximately 200,000 driver's license and ID card transactions yearly. The present cost to produce a license is \$1.05 per card. To place a hologram on the license will increase the cost from \$1.05 to \$1.30, thus increasing the cost of producing a license and increasing the contractual cost for DMV an additional 50.0 a year.

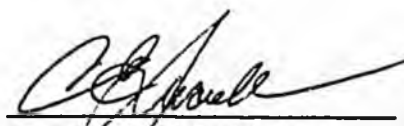
The Division anticipates some adverse public reaction to the revocation of a driver's license for a non-driving offense.

In 1992, the Alcohol Beverage Control Board reported that approximately 500 to 700 license a year are confiscated and referred to their agency by liquor establishments when a person under 21 is attempting to purchase alcohol. Approximately 1,500 licenses and IDs a year are surrendered to the department or confiscated by law enforcement officers. At the time of confiscation, the person was attempting to use an altered license, or attempting to use another's license or ID to gain entry into a liquor establishment in an attempt to purchase alcohol. The 1,500 licenses and IDs includes the 500 to 700 that are surrendered to the ABC Board.

This bill does not address information and education of the public or the costs associated with this type of program.

Identifying a person who is under 21 years of age on the driver's license will bring Alaska one step closer to qualifying for approximately 200.0 in federal highway safety alcohol incentive grants.

The Department feels the fee for a duplicate driver's license should be increased to \$10.00 instead of \$5.00. It takes more employee time to issue a duplicate than it takes for a renewal. When a person comes into a DMV office for a duplicate license or ID, it usually indicates they have lost their license and all identification, thus the additional time comes from having to verify the person's identity.

  
Richard L. Burton  
Commissioner

DEPT. OF PUBLIC SAFETY  
POSITION PAPER & FISCAL NOTE

# DIVISION OF LEGAL SERVICES

## LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

### MEMORANDUM

February 3, 1993

**SUBJECT:** Sectional Summary of SB 84

**TO:** Senator Tim Kelly

**FROM:** Michael F. Ford *M.F.*  
Legislative Counsel

You have requested a sectional summary of the above described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Increases the fee for an identification card to \$10.

Section 2. Requires that driver's licenses carry a holographic symbol and if the applicant is under age 21, the words "UNDER 21".

Section 3.

Sec. 28.15.187 - Provides for administrative revocation of the driver's license of a person who has used the license for the purchase of alcoholic beverages. Establishes a notice procedure and mandatory periods of license revocation.

Sec. 28.15.189 - Establishes a hearing procedure for a person whose driver's license is revoked under AS 28.15.189. Provides for appeal to superior court of the administrative determination.

Section 4. Provides for higher fees for certain drivers' licenses and permits.

Section 5. Effective date.

MFF:lmb  
93-025.lmb

SECTIONAL

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

ALCOHOLIC BEVERAGE CONTROL BOARD

WALTER J. HICKEL, GOVERNOR

550 W. 7TH AVE  
ANCHORAGE, ALASKA 99501-6698

February 4, 1993

The Honorable Tim Kelly  
Alaska State Senate  
State Capitol  
Juneau, AK 99801-1182

RE: SB 84

Dear Senator Kelly:

This letter intends to express the Alcoholic Beverage Control Board's support for Section 1 of SB 84 concerning drivers' licenses. As indicated in Investigator Bill Roche's memo of February 5, 1992, liquor licensees have been plagued by and exposed to myriad incidents of altered or fraudulent identification presented by underage persons for purchase of alcoholic beverages or entry to licensed premises. According to the board's information, an identification card or drivers license that displays a holographic symbol cannot be altered. The board believes that any measure, such as requiring a holographic symbol, that can deter or reduce alcohol abuse by underage persons is a benefit to licensees and the public.

The board does not have a position on Section 3 of the bill.

If you have any questions, please do not hesitate to call.

Sincerely,



Patrick L. Sharrock  
Director, ABC Board  
(907) 277-8638

ENC: MEMORANDUM DATED 2/5/92

93-020

LETTERS OF SUPPORT

# BRISTOL BAY AREA HEALTH CORPORATION

P.O. BOX 130 • DILLINGHAM, ALASKA 99576

(907) 842-5201 or (907) 842-5202

February 3, 1993

Senator Tim Kelly  
Senate Labor & Commerce  
State Capitol  
Juneau, AK 99801-1182

Dear Senator Kelly,

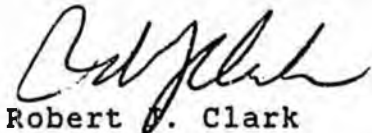
We appreciate this opportunity to respond to your introduction of SB 83 and SB 84. The Bristol Bay Area Health Corporation has supported these bills in the past and will continue to advocate passage in the form of this letter of support.

We renumerate our concerns regarding alcohol abuse as our main social problem in our region and we encourage any efforts to resuscitate interest to curb underage drinking and educate alcohol servers. The alcohol servers course has the potential to change the alcohol establishments policies and procedures, increase marketing to generate increased profits, educate servers on the alcohol beverage laws, provide servers with tools and techniques that can be used with patrons, and additional education efforts can be focused on the consequences of prenatal drinking that can cause birth defects.

Once again, thank you for introducing these key pieces of legislation and the best of luck in their passage.

Sincerely,

BRISTOL BAY AREA HEALTH CORPORATION



Robert D. Clark  
Chief Executive Officer

RCJ/ve

cc: Senator George Jacko  
Senator Georgianna Lincoln  
Representative Lyman Hoffman  
Representative Irene Nicholia  
Representative Carl Moses  
file



*Alaska Cabaret, Hotel,  
Restaurant & Retailers Association*

*P.O. Box 104839 • Anchorage, Alaska 99510  
401 K Street • (907) 272-8133 • Fax: (907) 277-8640*

February 16, 1993

Senator Tim Kelly  
State Capitol  
Juneau, AK 99801-1182

Dear Senator Kelly,

On behalf of the statewide membership of the Alaska Cabaret, Hotel, Restaurant and Retail Association, I would like to express appreciation for your introduction and sponsorship of Senate Bill 84. We believe that this legislation will have significant impact in curbing the problem of underage drinking.

Underage drinking is a major social problem in our communities as well as a problem frequently encountered in our business. It is in our self-interest to support this legislation but even more importantly, we endorse it as a measure to protect all Alaskans from the sometimes tragic consequences of underage drinking.

This bill takes a common sense approach, first by making it much more difficult to alter an Alaska drivers license (a common method used by underage persons) and then by imposing meaningful and reasonable penalties on underage persons apprehended attempting to purchase alcohol.

We strongly endorse and support the passage of Senate Bill 84 and thank you for sponsoring such valuable legislation.

Yours truly,

  
Stan Filler  
President



401 K Street Anchorage, Alaska P.O. Box 104839 Anchorage, Alaska 99510  
(907) 272-8133 Fax: (907) 277-8640

**WHEREAS**, Senator Tim Kelly has sponsored Senate Bill 84, "An Act relating to fees for identification cards and certain motor vehicle licenses and permits; to licenses issued to drivers and to revocation of a license to drive; and providing for an effective date."; and,

**WHEREAS**, this bill provides for meaningful and reasonable penalties to be imposed on underage persons using false identification to purchase alcohol; and,

**WHEREAS**, the provisions of this bill will make altering or counterfeiting of the Alaska Driver's License almost impossible through the use of a hologram;

**NOW THEREFORE BE IT RESOLVED**, that the Anchorage Restaurant and Beverage Association strongly supports and endorses passage of this legislation which will have a significant impact in curbing the problem of underage drinking.

Michael C. Neely, President

February 15, 1993

# ALASKA PROFESSIONAL BARTENDING SCHOOL



February 16, 1993

Senator Tim Kelly  
State Capitol  
Juneau, AK 99801-1182

Dear Senator Kelly:

We at Alaska Professional Bartending School strongly endorse and support Senate Bill 84 which we believe will effectively reduce the dilemma of underage drinking.

We feel the penalties involved in this Bill will definitely have the desired impact to diminish underage drinkers from trying to purchase alcohol and it will also alleviate the threat these individuals pose to all of us in the hospitality industry as well as the general public. The added benefit of making alterations and counterfeiting of the Alaska Driver's License more difficult is a definite advantage in the suspension of alcohol abuse by underage persons.

We wish to express our respect for what you are doing and extend our firm endorsement of Senate Bill 84.

Sincerely,

A handwritten signature in cursive script that reads "Stanley M. Austin".

Stanley M. Austin  
President

# Pioneer Bar & Liquor Store, Inc.

CHRISTINE M. TENGS  
President

141-143 Second Ave.  
Post Office Box 190  
Haines, Alaska 99827  
(907) 766-9101 Business  
(907) 766-2474 Office  
(907) 766-3374 FAX

February 16, 1993

Senator Tim Kelly  
State Capitol  
Juneau, AK 99801-1182

Dear Senator Kelly:

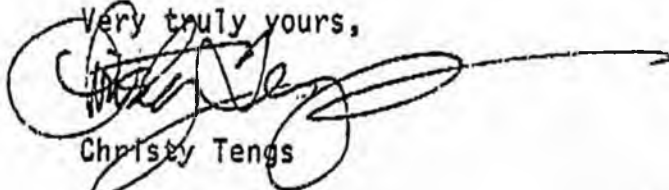
I would like to go on record as strongly supporting Senate Bill 84, which would require Alaska Drivers' Licenses to bear a holographic symbol (making them harder to alter) and would provide penalties for use of false identification.

In July of 1990, a young man (6 months short of 21) used a fake I.D. to purchase from our liquor store. A few hours later he totalled his Toyota pick-up and died in the crash. It didn't matter to his parents that he broke the law 9 times that night. It also didn't matter that he had shown 8 of our employees I.D. that met the requirements of Title 4. Nor did it matter that he had previously purchased alcohol in the presence of his parents. They filed a civil liability suit against us and the Alaskan Liquor Store where he also bought that night.

In January of 1992, we settled the suit for \$37,500. We agreed to this amount because it was less than half of what it would have cost to go to trial, even with the most favorable results. The total cost of over \$120,000 we spent defending ourselves pales next to the emotional toll it took on not just my family and the family of the clerk on duty that night, but on the whole town.

During the course of this lawsuit, I did extensive research on my own in order to save legal fees. I interviewed many of the young man's friends, all of whom were most open and helpful. What I discovered is this: Perfect fake I.D.'s are inexpensive and easy to obtain. Using one is not considered a serious offense, but a rite of passage into adulthood. They haven't a clue that what they're doing has consequences, because up till now, there haven't been any consequences.

I can't thank you enough for introducing this bill. It's time people started taking responsibility for their own actions. If our youth want to pretend they're adults, let them pay an adult price.

Very truly yours,  
  
Christy Tengs



## **The Unisea Inn**

Dutch Harbor, Alaska 99692

*March 5, 1993*

*Senator  
State Capitol  
Juneau, AK 99801-1182*

*Dear Senator,*

*It has come to our attention there are four bills awaiting approval, that will drastically affect our business here, in Alaska. We would like to take a few moments of your time to express our views on these issues.*

*We would like to pledge support for Senate Bill 83, the Alcohol Server Training Bill. This Bill would prove to be assertive and helpful in the fight against alcohol abuse and the efforts to reduce drunk driving accidents. The main emphasis of this Bill is the aspect on training and how trained employees become responsible, better employees, helping us to protect our business and our customers.*

*Senate Bill 84 continues in the direction of solving problems of alcohol abuse by targeting the underage drinker. Senate Bill 84 attacks the problem in its infancy, hoping to alleviate larger alcohol abuse problems later. By instituting stiffer controls, such as a hologram on the driver's license to help discourage counterfeiting, or the taking away of a driver's license from teenagers attempting to buy alcohol, the State of Alaska is taking a firm step forward in helping to solve problems before they get out of hand.*

*Both of the aforementioned Bills are well thought out and sincere in their attempts to help Alaskans gain ground in the arena of alcohol abuse awareness. Senator Tim Kelly has shown he truly cares about the public and we ask that, like us, you will support him in his efforts.*

we understand that the pursuit of standards in the fight of alcohol abuse is important. This is why we oppose House Bill 61. The BAC for Alaska is currently at 0.10%. This is the recognized standard for 45 states. House Bill 61 would decrease the BAC to 0.08%. The intention is good, but the result could prove counterproductive. This Bill will intimidate the responsible alcohol consumer, creating a loss of sales and decreasing jobs my business can offer. By increasing the amount of offenders just by changing a number, the efforts needed to enforce our already tough laws, against DWI's, are diminished. The increase in DWI processing, court cases and corrections systems decreases the time available for regular activities, one of those being the arrest of serious heavy drinkers. We need to make a stand and enforce the good laws we have, instead of changing these laws to reflect a sense of morality only.

Finally, we would like to express our dissatisfaction with House Bill 53. Another increase in alcohol excise taxes is absurd. Federal excise tax rates just increased in 1991, and President Clinton's Administration is again proposing more increases. Alaska now ranks number four in the highest excise taxes for distilled spirits. Increasing the taxes even more will only decrease sales, which decreases jobs. It will not curb alcohol abuse. The previously mentioned Senate Bills, number 83 and 84, are heading in the right direction to help this battle, but tax increases are not the answer. Please help us discourage House Bill 53, since we see it as unproductive to our business and a detriment toward the health of the state.

Thank you,



Doug Bagnell  
General Manager  
UniSea Inn  
Pouch 503  
Dutch Harbor, AK 99692

cc: Tim Kelly



REGAL ALASKAN HOTEL  
ANCHORAGE

February 18, 1993

Senator Tim Kelly  
State Capitol  
Juneau, AK 99801-1182

Dear Senator Kelly,

I support Senate Bill 84 because I believe it will have significant impact in curbing the problem of underage drinking.

This bill provides for meaningful and reasonable penalties to be imposed on underage persons using false identification to purchase alcohol. Most teenagers view a drivers license as something very valuable to them, and the penalty of losing this privilege may be more of a deterrent than the more traditional fines imposed.

The previous of this bill will also make it more difficult to alter or counterfeit the Alaska Driver's License; another major step in halting the abuse of alcohol by underage persons.

My livelihood, and that of my 155 employees, is threatened by incidents of underage drinking.

My life, and that of my family and my employees, is threatened by underage drinkers on the highways and streets of Alaska, and I support Senate Bill 84 which will lessen this danger for all of us.

Sincerely,

Max J. Lowe, CHA  
General Manager  
Regal Alaskan Hotel

A REGAL INTERNATIONAL HOTEL