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FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO: SB 84

Revision Date: _____ Dept. Affected: Public Safety
 Title: "An Act relating to fees for identification cards." BRU: Motor Vehicles
 Component: Drivers Services
 Sponsor: Senator Kelly
 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
TOTAL OPERATING	215.7	191.0	191.0	191.0	191.0	191.0

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						
TOTAL	215.7	191.0	191.0	191.0	191.0	191.0

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: *[Signature]* Date: 2/16/93
 Agency: Richard L. Burton, Dept. of Public Safety

PREPARED TO PRINT

For

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.

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 \$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 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	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.	
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	<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>	
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

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.

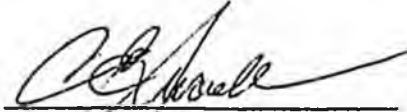
The Division anticipates some adverse public reaction to the revocation of a driver's license for a non-driving offense.

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



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.

SPONSOR STATEMENT

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.

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 *TK*
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 ANALYSIS

LETTERS SUPPORTING SB 84

Bristol Bay Area Health Corporation

Alcohol Beverage Control Board (Dept. of Revenue)

Pioneer Bar & Liquor Store, Inc.

Alaska Cabaret, Hotel, Restaurant and Retail Association

Anchorage Restaurant Beverage Association

Alaska Professional Bartending School

Department of Public Safety

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,

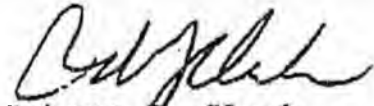
We appreciate this opportunity to respond to your introduction of SB 83 and SB 84. The Bristol Bay Area Health Corporation has supported these bills in the past and will continue to advocate passage in the form of this letter of support.

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

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

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.

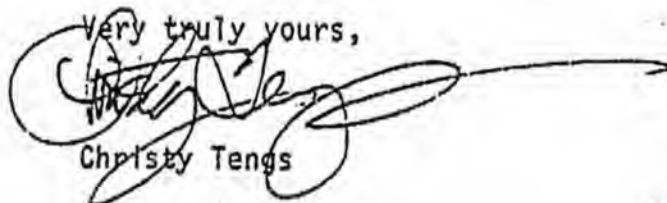
In July of 1990, a young man (6 months short of 21) used a fake I.D. to purchase from our liquor store. A few hours later he totalled his Toyota pick-up and died in the crash. It didn't matter to his parents that he broke the law 9 times that night. It also didn't matter that he had shown 8 of our employees 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



*Alaska Cabaret, Hotel,
Restaurant & Retailers Association*

*P.O. Box 104830 • Anchorage, Alaska 99510
501 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