

HB

344

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 344(STA)
(H) Publish Date: 2/22/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
Title An Act increasing fees for driver BRU Motor Vehicles
licenses, instruction permits.... Component _____
Sponsor House Rules
Requester House (STA) Component No. 2348

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual	500.0	0.0	0.0	0.0	0.0	0.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	500.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1005)	900.0	900.0	900.0	900.0	900.0	900.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	500.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	500.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITION :

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The intent language contained in this bill instructs DMV to implement a digital license system in accordance with established national standards. There are three components needed to implement such a system. These are development of an IT system to support issuance, storage, and transmission of the digital images, equipment to produce the licenses in DMV field offices, and annual operational budget costs to purchase supplies for producing the digital licenses.

DMV already has capital funding for the equipment to produce the licenses. The annual operating costs are approximately the same as DMV currently has funded in the operating budget for the (continued on page 2)

Prepared by: Charles R. Hosack Phone 269-5559
Division Motor Vehicles Date/Time 2/20/02
Approved by: Jim Duncan, Commissioner Date 2/20/2002
Agency Department of Administration

ANALYSIS CONTINUATION

operation and supplies for the current photographic license system. The only needed funding is the onetime cost for IT system development and related costs. DMV estimates these costs to be \$500.0. This estimate is based on information from companies involved in license projects in other states and from the recent experience of other states who have developed digital license systems.

REVENUE

This bill increases the fees for the original issue, renewal, and duplicates of driver licenses, and ID cards by \$5. The fee for instruction permits is increased by \$10. The last increase in these fees was over 10 years ago. The licenses and ID cards are valid for 5 years so cost of the license or ID card increases by \$1 per year. The Instruction Permit is valid for 2 years so the cost increase is \$5.00 per year. Commercial driver licenses including school bus permits are not included in the increase.

DMV does approximately 180,000 of these transactions per year. The annual increase in revenue is \$900,000. There are no operating costs involved with changing the fees.



ALASKA HOSPITALITY ALLIANCE

Representing Alaska's Finest
Accommodations • Restaurants • Beverage Operations & Hospitality Suppliers



Alaska Restaurant & Beverage Association

April 2, 2002

Representative Pete Kott
State Capitol
Juneau, AK 99801-1182
Fax: (907) 465-2819

Re: House Bill 344 - Digitized Drivers License

Dear Representative Kott:

The Alaska Hospitality Alliance, including the Alaska Hotel & Lodging Association and the Alaska Restaurant & Beverage Association, is in support of House Bill 344 which brings Alaska up to national standards already in place for digital driver licenses.

Karen R. Rogina
Karen R. Rogina
Executive Vice President

UNITED IN A COMMON GOAL TO MAKE ALASKA THE MOST HOSPITABLE PLACE ON EARTH!

ALASKA STATE LEGISLATURE

REPRESENTATIVE
PETE KOTT
10928 Eagle River Rd Ste. 141
Eagle River, Alaska 99577
(907) 694-8944
FAX (907) 694-8945



While in Juneau
State Capitol
Juneau, Alaska
99801-1182
(907) 465-3777
FAX (907) 465-2819

House of Representatives
House District 24

Sponsor Statement HB 344

HB 344 raises the fees for non-commercial drivers licenses, and ID cards by \$5.00. Instruction permits will increase by \$10 dollars. While these revenues go into the General Fund, DMV requires additional funding to implement the first ever overhaul of the license format. The archaic laminated Polaroid license will be converted to a **digital** system bringing Alaska up to national standards in terms of security and fraud prevention for its personal identification system.

The one-time start-up cost of digital driver license and ID card would be \$500,000. Once the digitized system is in place, licensees could convert as they expire and are renewed, or people may want to convert to the new format earlier. The new fee structure would remain in place following the conversion, as it would conform to fee structures in other states. Of note, this is DMV's first rate increase since 1993. The fee increase means that the Alaskan driver will pay an additional \$1 per year as a consequence.

	Old Fee	New Fee
Original and renewing driver's license:	\$15	\$20
Instruction permits	\$5	\$15
Duplicate licenses and permits:	\$10	\$15
Identification cards	\$15	\$20

Why digitize?

Alaska is one of the last four states to convert to digital licenses. By moving beyond 1950's era technology, Alaska steps up efforts to insure the integrity of its individual identification system. In the wake of September 11, there is a demand to "harden" all driver license systems rather than create a national ID card. One of the existing national standards already in place is the digital driver license. Other standards include uniform standards for the appearance, photo file format and readable media among state driver licenses.

Alaska's sweeping driver license format change will be benefit law enforcement as well as industries that sell restricted products such as alcohol and tobacco.

DIGITAL DRIVER LICENSE Fee and Volume Information

- Driver License is valid for 5 years; the current cost is \$3 per year (\$15 fee for a 5-year license).
- ID card is valid for 5 years; the current cost is \$2 per year (\$10 fee for a 5-year ID card).
- The proposed fee increase of \$5 equates to a \$1 per year increase for a driver license or ID card.
- Fees were last raised in 1991.
- DMV issues approximately 150,000 - 180,000 original driver licenses, permits, ID cards, duplicates or renewals per year.
- Revenue generated is estimated to be \$750,000 - \$900,000 per year.
- One-time start-up cost of digital driver license and ID card would be \$500,000
- License and ID cards would convert to digital as they expire and are renewed although DMV anticipates that some individuals would choose to convert earlier, thus potentially boosting revenue numbers.

Tennessee

Driver License
1111114

Class D Expires 12-12-2000
Endorsements *** Issued 12-12-1996
Restrictions ***
Birthdate 12-12-1920 Sex M Ht 4'03" Eyes BR
Soc Sec No 222-33-4444




IMA TENNESSEE SAMPLE
1150 FOSTER AVE
FT NASHBOROUGH, TN 38201

Ima Tennessee Sample

CALIFORNIA

DRIVER LICENSE
I2672599 CLASS: C
SAMPLE

EXPIRES 10-07-96



MONA LIZA SMITH
55 DE VINCE LANE
RENAISSANCE CA 01211

SEX: F HAIR: BLK EYES: BRN
HT: 5-02 WT: 120 DOB: 10-07-60


Mona Liza Smith

09/15/92 504 071 FD/96 1021

IOWA COMMERCIAL DRIVER LICENSE

DRIVER LICENSE NO. 123456789

Class (See Reverse)	Restrictions (See Reverse)	Endorsements (See Reverse)
G	CDF	P
DOB: 11-26-65	12-05-96	Issued: 11-15-94
Height: 6-00	Weight: 170	Sex: M Eyes: BLU
Audit: 12345678		




BRIAN MCMENIMEN
9930 SHADOWLAND ROAD
CORNING, IA 50841

TEXAS

DEPARTMENT OF PUBLIC SAFETY
UNDER 21 DRIVER LICENSE


UNDER 21 DRIVER LICENSE
SAMPLE, IMA
3120 OLD MAIN STREET
ANYTOWN TX 12345-0010

CLASS: CM DL: 12345678
DOB: 01-02-80 EXPIRES: 01-02-04
REST: C
END:



HT: 6-00
EYES: BRN
SEX: F

UNISYS Columbus, Ohio April 26-27-28 ITC'95
DL# D1001013 Class A Expires 04/26/1999




Charles R. Hosack
9340 Emerald Street
Anchorage, AK 99515-1207

Sex M Height 6-01 Weight 220
Hair GRY Eyes BLU DOB 04-03-1948

Charles R. Hosack

Issued 04-26-1995 Restrictions Valid YES



(b) The department may defer the expiration of the driver's license of a person who is outside the state under terms and conditions that the department shall prescribe by regulation.

(c) A driver's license may be renewed by mail if the licensee complies with (a) of this section, except that a license may not be renewed by mail if

(1) the most recent renewal of the applicant's license was by mail; or

(2) the applicant is 69 years of age or older on the expiration date of the driver's license being renewed. (§ 19 ch 178 SLA 1978; am §§ 1, 2 ch 32 SLA 1988; am § 6 ch 6 FSSLA 1996)

Effect of amendments. — The 1996 amendment, effective July 4, 1996, in subsection (c), deleted former paragraphs (1)-(3), relating to inability to renew a license by mail based on criminal or traffic conviction or previous suspension, revocation, or denial; and

redesignated former paragraphs (4) and (5) as present paragraphs (1) and (2).

Collateral references. — 7A Am. Jur. 2d, Automobiles and Highway Traffic, §§ 102, 103. 60 C.J.S., Motor Vehicles, § 156.

Sec. 28.15.110. Restrictions. [Repealed, § 19 ch 178 SLA 1978.]

Sec. 28.15.111. Licenses issued to drivers; anatomical gift and living will document. (a) Upon successful completion of the application and all required examinations, and upon payment of the required fee, the department shall issue to every qualified applicant a driver's license indicating the type or general class of vehicles that the licensee may drive. The license must display (1) a distinguishing number assigned to the license; (2) the licensee's full name, address, date of birth, brief physical description, and color photograph; (3) either a facsimile of the signature of the licensee or a space upon which the licensee must write the licensee's usual signature with pen and ink; (4) a holographic symbol intended to prevent illegal alteration or duplication; and (5) for a qualified applicant who is under age 21, the words "UNDER 21". A license is not valid until signed by the licensee. If facilities are not available for the taking of the photograph required under this section, the department shall endorse on the license, the words "valid without photograph."

(b) The department shall provide, at the time that an operator's license is issued, a form for a document by which the owner of a license may make an anatomical gift under AS 13.50 or a living will under AS 18.12. The document (1) may not be larger than an operator's license, (2) must contain sufficient space for the signature of two witnesses or a person who is qualified to take acknowledgments under AS 09.63.010, (3) must use the forms and designs developed under AS 18.12.037, and (4) must provide a means by which the owner may cancel the gift or the living will. If the document is executed by the applicant, it shall be sealed in plastic and attached to the license. A symbol developed under AS 18.12.037 indicating the existence of the anatomical gift or living will document must be displayed in the lower right-hand corner on the face of the driver's license. (§ 19 ch 178 SLA 1978; am § 2 ch 50 SLA 1993; am § 21 ch 80 SLA 1997)

Effect of amendments. — The 1993 amendment, effective July 1, 1993, in subsection (a), added paragraphs (4) and (5) and made a related stylistic change.

The 1997 amendment, effective September 11, 1997, rewrote subsection (b).

Sec. 28.15.120. Expiration. [Repealed, § 19 ch 178 SLA 1978.]

Sec. 28.15.121. Restricted driver's license. (a) The department, upon issuing a driver's license, may for good cause impose restrictions suitable to the licensee's driving ability with respect to special mechanical control devices required on a motor vehicle that the licensee drives. The department may impose other restrictions applicable to the licensee that it determines to be appropriate to assure the safe operation of a motor vehicle by the licensee.

Public Safety Employees Association, Inc.
"Representing Alaska's Finest"

February 25, 2001

Representative Pete Kott
State Capitol
Juneau, AK 99801-1182

Re: HB 344

Dear Representative Kott,

I would like PSEA put on record as giving strong support for House Bill 344. We at PSEA believe that HB344 brings about a much needed change in how the state handles its system of issuing personal identification cards and driver's licenses.

As a representative of Alaska's law enforcement officers, it is imperative that we come into the 21st century and take advantage of the digital equipment that is becoming the standard for law enforcement agencies in other parts of the country. HB 344 would give our state's law enforcement officers a boost in the process of identifying persons when the individual's identity is in question. Under this bill, falsification of state identification will be extremely difficult.

Moreover, the use of digital transfers of information is one of the most efficient ways to get accurate information fast and after the September 11 attacks, we are very much in need of expediency if we are to protect the citizenry of our great state. We feel that law enforcement should be on the cutting edge of technology and digitizing driver licenses and ID cards is a very progressive step.

PSEA hopes that the legislature will act swiftly on this matter and pass HB 344.

Sincerely,



Keith Perrin
Business Manager

Submitted by: Assembly members:
TESCHE, TRAINI
Prepared by: Department of Assembly
For reading: February 5, 2002

ANCHORAGE, ALASKA
AR NO. 2002 - 47

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY SUPPORTING
THE STATE DIVISION OF MOTOR VEHICLES IN ITS EFFORT TO CHANGE THE
FORMAT OF ITS DRIVERS' LICENSES, INSTRUCTION PERMITS AND STATE
IDENTIFICATION CARDS FROM A PHOTOGRAPHIC TO DIGITAL SYSTEM.**

WHEREAS, the Assembly has been informed that the Division of Motor Vehicles of the State of Alaska is endeavoring to change the format of its drivers' licenses, instruction permits, and State Identification cards from a photographic system to a digital system; and

WHEREAS, the Assembly believes that such a digital system of licensing and identification would reduce the incidence of minors and underage individuals making the purchases of age-restricted products; and

WHEREAS, the Assembly has been informed that virtually every other State in the United States has already converted to a digital driver's license and identification system; and

WHEREAS, the Assembly has also been informed that funding from the Legislature is all that is required for the Department of Motor Vehicles to implement the new system; and

WHEREAS, an increase of \$5.00 in the original and duplicate driver's license, instruction permit, and identification card fees will provide sufficient funding for the Division to implement a digital system.

NOW, THEREFORE, the Anchorage Municipal Assembly resolves:

The Assembly supports increasing the driver's license, instruction permit and identification card fees and the appropriation from the Alaska Legislature of sufficient funds to complete the conversion of drivers' licenses, instruction permits, and State identification cards to digital format.

PASSED and APPROVED by the Anchorage Assembly this 5th day of February, 2002.

/s/

Dick Traini
Chair

ATTEST:

/s/

Greg Moyer
Municipal Clerk

RESOLUTION

THIS RESOLUTION is adopted by the Anchorage Responsible Beverage Retailers Association this 12th day of December, 2001.

WHEREAS, the Members of the Association are engaged in the sale of age restricted products; and

WHEREAS, the Association has been informed that the Division of Motor Vehicles is endeavoring to change the format of its drivers licenses and its state identification cards from a photographic system to a digital system; and

WHEREAS, the Association believes that such a digital system of drivers licensing and identification would reduce the incidence of minors and underage individuals making purchases of age restricted products; and

WHEREAS, one of the primarily goals of the Association and its individual members is to prevent the sales of age restricted products to underage individuals; and

WHEREAS, the Association has been informed that virtually every other State in the United States has already converted to a digital drivers license and identification system; and

WHEREAS, the Association has been informed that funding from the Legislature is all that is required for the Department of Motor Vehicles to implement the new system; and

WHEREAS, the Association has been further informed that an increase of \$5.00 in the original and duplicate drivers license, instruction permit and identification card fees will provide sufficient funding for the division to implement a digital system,


NOW THEREFORE, the Anchorage Responsible Beverage Retailers Association

RESOLVES as follows:

The Association supports increasing the drivers license, instruction permit and identification card fees and the appropriation by the Alaska Legislature of sufficient funds to complete the conversion of the drivers license, instruction permits and state identification cards to digital format.

DATED at Anchorage, Alaska this 12th day of December, 2001.

Anchorage Responsible Beverage Retailers Association

By: 
Its: President

 Its:
Secretary