

**HB**

**344**

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT  
MAY 01 2002  
SENATE FINANCE  
COMMITTEE

DATE: 4/24/02

FURTHER:

DATE TURNED  
IN TO OFFICE:

1 May 2002

Finance Committee considered CS FOR HOUSE BILL NO. 344(STA)

HB 344 INCREASE DRIVER'S LICENSE/PERMIT FEES

"An Act increasing fees for driver's licenses, instruction permits, and identification cards; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # \_\_\_\_\_

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
Admin.	2/20/02	500.0		#1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
<i>Coyle</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>			✓	
COCHAIR: <i>[Signature]</i>	✓			

MAY 01 2002

SENATE SERVICE  
COMMITTEE

# 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 Component No. 2348  
Requester House (STA)

**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						
<b>TOTAL OPERATING</b>	<b>500.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES (1005)</b>	<b>900.0</b>	<b>900.0</b>	<b>900.0</b>	<b>900.0</b>	<b>900.0</b>	<b>900.0</b>
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**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
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)						
<b>TOTAL</b>	<b>500.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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:

**POSITIONS**

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

**Fiscal Note - #1  
STATE OF ALASKA  
2002 LEGISLATIVE SESSION**

**BILL NO. CSHB 344(STA)**

**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 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. The increased

	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.

# Alaska State Legislature

## House of Representatives

RULES COMMITTEE, CHAIR  
COMMITTEE ON COMMITTEES  
LABOR & COMMERCE COMMITTEE  
MILITARY & VETERANS AFFAIRS  
LEGISLATIVE COUNCIL



INTERIM  
10928 EAGLE RIVER RD., SUITE 141  
EAGLE RIVER, AK 99577

SESSION  
ALASKA STATE CAPITOL  
JUNEAU, AK 99801

### DIGITAL DRIVER LICENSE

Alaska's driver license is

- a Polaroid instant-photo film;
- a form with physical description and contact information;
- a plastic security pouch, heat-sealed, in which both of the above are encased.

The technology was developed in the 1950's and remains essentially unchanged. It is a manual process and duplicate documents cannot be manufactured without a new photo being taken. It does not contain any electronically readable media to verify that the face of the license has not been altered – a favorite practice of those under 21 and criminals. Alaska is one of only four remaining states using a photograph rather than a digital license process. Comparing the benefits of the two types of licenses is like comparing typewriters to computers.

The driver license and birth certificate are "breeder" documents: once in hand they can be parlayed into other documents: checking accounts, passport, voter registration, credit cards, firearms permits, etc. and a new or false identity is set up. Additionally, they are the two most common documents of fraudulent identification and use for cashing bad checks and perpetrating other types of bank fraud – a \$7 billion annual loss. One must keep in mind that the information contained in driver licenses and identification cards is directed at two specific purposes: law enforcement and reliable individual identification for purposes of commerce.

DMV offices regularly experience attempts at license fraud and alteration

#### Security, Fraud Prevention, Data Transmission

First, a digital license is significantly more difficult to alter than a photo license. Because it is computer generated, the format can be varied to stay ahead of counterfeiters and



**Representative Pete Kott**

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EAGLE RIVER OFFICE (907) 694-8944 FAX (907) 694-8945 E-MAIL: representative\_pete\_kott@legis.state.ak.us



others desirous of altering a license. The information is layered into a blank "chip" and can incorporate more security features (blacklight, "ghost" image, micro-line printing, etc.) than a photo license. The printer is not available to small-scale forgers whereas a photo license can be duplicated by most home computer printers or large multi-function copying machines.

Second, instead of taking a photograph of a person, a camera records a fine-quality digital image of the individual and their signature. This is used for the license and is also stored on a server. The image can be disseminated electronically with minimum human intervention; likewise, it can be called up on the division's computers to verify identity when an individual claims to have lost their license and need a duplicate. Under the current photo-license process, the division has no image of the individual on file.

The biggest benefactors would be local, state and national law enforcement agencies that would retrieve images. Anchorage Police Department has a project underway to place mobile terminals in patrol cards by 2004. An officer could retrieve an image at a traffic stop or arrest scene and make instant identification of the individual. Also, inquiry could be made terminal-to-terminal and bypass using the dispatcher, thus freeing that individual for other tasks.

The images could also be transmitted among states as the driver moves from state to state. States now communicate driving record information and AAMVA (American Association of Motor Vehicle Administrators) has been designated by the federal government as the clearinghouse for this program (DRVRs) much as it is the national clearinghouse for the Commercial Driver License Information System and the Problem Driver Pointer System shared by all states. The DRVRs program is to include the ability to transmit images among states. Transmission of images is supported at the national level to decrease identity theft and to reduce the threat of terrorists obtaining fake driver licenses.

#### Electronic/Machine Readable Media

The digital license can incorporate a 2-D bar code that is difficult to alter. This media contains the same information that is printed on the front of the license. In the unlikely event that a person could alter the printing on the front of the license, it would be difficult, if not impossible, to alter the electronic media. The media can be used by commercial sellers of restricted products (alcohol and tobacco) to verify age and ensure that the license is valid and has not been altered. Scanning devices to read the media are commercially available and are in use in some states.

#### Law Enforcement Support

Statewide, law enforcement strongly supports replacement of Alaska's photo license system with a digital license system. Not only would they have access to an on-line photo database but should Alaska move into the capture of biometric data, this can be an add-on to a digital license process.

### **Best Technology Practices**

Polaroid has the only patent in the U.S. for instant film and this market has declined with the advent of digital cameras. Polaroid has filed for Chapter 11 bankruptcy and sold its Identification Division with all of the driver license contracts. It is unlikely that the new company will support the market for the instant photo processes. All Canadian provinces and 47 states have digital license processes.

### **Industry Support**

The restricted products sales industry (alcohol and tobacco) that have a legal requirement to verify age fully support the digital license. A major advantage is the ability to use the machine readable media to verify information. Additionally, an "Under 21" license could be printed in vertical format with the actual date a person turns 21 prominently printed on the license. This negates the practice of subtracting to verify age. The Alaska Responsible Beverage Retailers Association (ARBA) has adopted a resolution of support for the digital license concept and for raising driver license and ID card fees to cover the cost of implementing the program. The Cabaret, Hotel and Restaurant Association (CHAR) will take up the same resolution of support soon.

### **National Standards**

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 already existing national standards for driver licenses is the digital license. Other standards include uniform standards for the appearance, photo file format and readable media among state driver licenses.


### **Customer Service**

A government issued photo ID is required to board any airline. This is a problem when an Alaskan is out of state and loses a driver license or ID card. At present DMV can send them a certified copy of the driver license manually produced; this has received mixed acceptance among airlines. DMV cannot reproduce the photo on a finished license when the person is not present to have a picture retaken. With a digital license, an exact duplicate of the original license can be produced from the store image of the licensee and sent to the individual.

*Tennessee*

Driver License  
1111114

Class D  
Endorsements  
Restrictions  
Birthdate 12-12-1920 Sex M Ht 47  
Lic Rec No 222-33-4444



IMA TENNESSEE SAMPLE  
1150 FOSTER AVE  
FT NASHBOROUGH, TN 38201

*Ima Tennessee Sample*

**CALIFORNIA**

DRIVER LICENSE  
12672599 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: 10-07-63

*Mona Liza Smith*

09/15/92 504 1171 FD/MS 1021

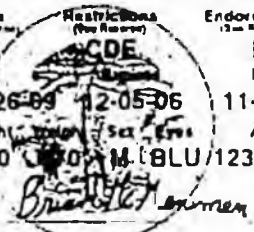
**IOWA COMMERCIAL DRIVER LICENSE**

DRIVER LICENSE NO. 123456789

Class	Restrictions	Endorsements
G	CDE	P

DOB Issued  
11-26-89 12-05-96 11-15-94

Height Weight Sex Eyes Audit  
6-00 150 M BLU 12345678



BRIAN MCMENIMEN  
9930 SHADOWLAND ROAD  
CORNING, IA 50841

*Brian McMenimen*

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



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

Sex M Height 5-07 Weight 200  
Hair GRY Eyes BLU DOB 04-03-1949


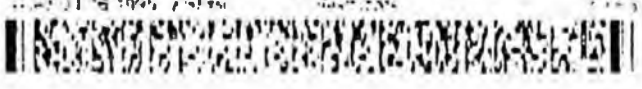
*Charles R. Hosack*

**TEXAS**

DEPARTMENT OF PUBLIC SAFETY  
DRIVER LICENSE

UNIDEN 11-15-94  
SAMPLE DAA  
3110 OLD MAN STREET  
ANTHONY TX 75424-0218  
CLASS: CA DL 12345678  
DOB: 11-15-94 EXPIRES  
REST: C  
E/O: 010

HT: 6-00  
EYES: BRN  
SEX: M



George P. Wuerch  
Mayor

# ANCHORAGE POLICE DEPARTMENT

4501 South Bragaw Street • Anchorage, Alaska 99507-1599

Telephone (907) 786-8500

<http://www.ci.anchorage.ak.us>



Walt Monegan  
Chief

FAXED APRIL 5, 2002. Fax No. 907-465-2819

April 5, 2002

Representative Pete Kott  
Alaska State Legislature  
State Capitol, Room 204  
Juneau, AK 99801

Attn: Linda Sylvester

Re: Legislation regarding driver's licenses and expanded fees

Dear Representative Kott:

As a police officer, I strongly support the legislation regarding upgrading the quality and capabilities of Alaska Driver's License.

I understand that this will increase the costs, but from the law enforcement perspective, the costs are small compared to the time and subsequent costs to all those in public safety who must work with identifications such as driver's licenses.

Please consider this letter as support for your bill.

Sincerely,

Walt Monegan  
Chief of Police

WM/ta

*Alaska Cabaret, Hotel,  
Restaurant & Retailers Association*



1111 East 80th Ave., Suite 3 • Anchorage, Alaska 99518  
(907) 273-8133 • Fax: (907) 273-8640  
Toll Free In Alaska: (800) 378-2427

House Rules Committee  
Chairman Representative Pete Kott  
State Capitol, Room 204  
Juneau, AK 99801-1182

April 9, 2002

Dear Representative Kott,

The Alaska Cabaret, Hotel, Restaurant and Retailer's Association (CHARR) Board of Directors support the intent of House Bill 344 for funding of the Alaska Digital Drivers License.

CHARR sees this as a positive step towards eliminating the serious problem caused by the use of fraudulent IDs in our establishments.

CHARR, however, opposes the expansion of encoded information on these drivers licenses that would necessitate extra liability on the part of our members and infringe upon the civil rights of our patrons. Additionally, CHARR opposed the mandated use of an ID scanner to read these digitized licenses; this should be left to the discretion of the licensee.

CHARR supports your efforts in solving this on-going problem affecting our industry.

Please let us know of any additional assistance we can provide for you.

Kac'e McDowell  
Executive Director, AK CHARR



## Identifying a better driver's license

BY Dibya Sarkar and Diane Frank  
Dec. 12, 2001

Printing? Use this  
version.  
Email this to a friend.

Although it doesn't back the idea of a driver's license becoming a national identification card, a nonprofit association representing motor vehicle department officials wants to enhance the credibility of the license as an ID document.

Instead of a national ID card, driver's licenses are really personal identification cards that are accepted and used on a national level, said Linda Lewis, president and chief executive officer of the American Association of Motor Vehicle Administrators, which represents officials from the United States and Canada.

The problem is trusting that the person with a license is actually who it says on the card. And the way to do that is to hold up the state's obligation on the issuing end, Lewis said at a Dec. 11 luncheon sponsored by the Council for Excellence in Government in Washington, D.C.

An AAMVA ([www.aamva.org](http://www.aamva.org)) task force will report to its board of directors in January its findings and recommendations about reducing driver's license fraud and improving verification, said Jay Maxwell, president and chief operating officer of AAMVAnet Inc., an affiliate of the association that helps government agencies share motor vehicle information electronically. In February, it will outline the board's decisions with transportation, information technology and law enforcement officials from across North America.

The task force will unveil long- and short-term strategies to improve the initial issuance of a driver's license, residency and citizenship verification, security of the physical document and the IT infrastructure used in the ID process, Maxwell said at the National Electronic Commerce Coordinating Council's annual conference in Las Vegas Dec. 10.

He said the group foresees the use of a unique identifier so that a driver can use one license in the United States and Canada.



"Congress mulls ID cards" [Federal Computer Week, Dec. 3, 2001]

"Congress hears national ID opinions" [Federal Computer Week, Nov. 19, 2001]

"DOD preps smart card roll out" [Federal Computer Week, Oct. 30, 2001]

Advertisement

Federal Computer Week

POINT MAN

**TYEAR**

Lewis said one of the issues to consider is how state systems could link with federal systems at such agencies as the Social Security Administration and the Immigration and Naturalization Service to verify information. If such a link existed with INS, for example, it would close a loophole that exists because driver's licenses do not automatically expire when an immigration visa expires, she said.

The group also is investigating using smart card technology to reduce fraud and improve verification of the card's owner. That could mean the person, the driver's license ID and the person's driving record would be "inextricably linked," Maxwell said.

But he said motor vehicle departments are not convinced they want to do that. The key will be finding a way to manage the information on the card if the license is revoked or a person moves from one state to another, he added.

Improvements to the driver's license document could help reduce underage drinking, identity theft, the number of bad drivers using multiple licenses and the issuance of such documents to terrorists.

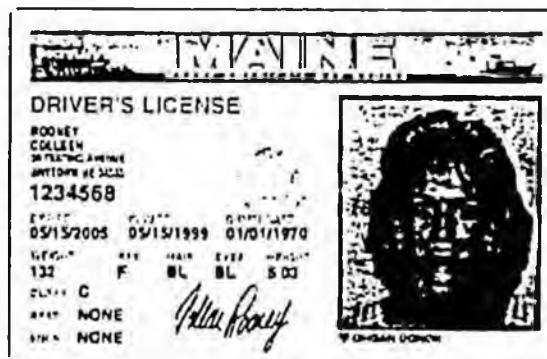


# Department of the Secretary of State

## Digital Driver's License



<p><u><a href="#">View the Flash Presentation</a></u></p>	<p><b>Message to Maine Motorists from Secretary of State Dan. A. Gwadosky</b></p>
<p><u><a href="#">Sample License</a></u></p>	<p>I am pleased to introduce Maine's new digital driver's license. We have begun implementing this new license design at many of our branch offices and will continue to do so over the next several months.</p>
<p><u><a href="#">What is a Digital License?</a></u></p>	<p>This license will have a new look and will open the door to new customer benefits. The citizens of Maine will have the advantage of receiving a driver's license with superior quality pictures, state-of-the-art security features and a new attractive design in a high quality, tamper-proof card.</p>
<p><u><a href="#">Customer Benefits</a></u></p>	<p>With Maine's staggered renewal cycle and over 800,000 licensed drivers, it will take 6 years to completely replace all Maine driver's licenses.</p>
<p><u><a href="#">Security Features</a></u></p>	<p>Because driver's licenses are used for everything from cashing a check to showing proof of age, it is important to have a license that is easy to read, durable and secure. We are confident that this new license will serve Maine's citizens well.</p>
<p><u><a href="#">Image Protection</a></u></p>	





### What is a Digital License?

The digital license is produced with computer technology that allows for your image to be captured digitally and displayed on the license. This same process will be used to issue state identification cards.

The digital system does not use a photographic process or film to take your picture. Instead, a video camera and a computer are used to take your picture and produce the license. Since the system is computer based, it has the ability to store your picture and signature on magnetic disk.

The stored images will provide added convenience and security to the licensing process. Replacements for lost licenses can be processed without having to visit a motor vehicle branch office to retake a picture.

Additionally, since your image is electronically stored, the ability to fraudulently obtain a driver's license or state I.D. card is reduced dramatically.

Maine will be joining many other states that currently use a digital process for issuing driver's licenses and state I.D. cards. This technology has been tried and tested to ensure that you receive a quality product.

### Customer Benefits

The new Maine driver's license offers a number of exciting benefits.

#### Choice of Photos

The new digital technology allows for a choice of two photos. Your image is captured twice by the digital technology providing you with the opportunity to view, side by side, 2 different photographs on the computer screen. You may select whichever of the 2 photos meets your satisfaction.

#### Convenient Duplicates

A lost license can easily be replaced since your digital photograph is stored electronically. You no longer need to return to a motor vehicle branch office to request a duplicate license. Simply request a duplicate license (including the required fee) and one will be mailed to you.

#### Bar Coding

The information on the front of your license will be stored in the bar code on the reverse side. This will allow for a more accurate exchange of information whenever

you conduct a transaction with us in the future.

#### Organ Donor Indicator

If you wish to be an organ donor your intention may be clearly indicated on the front of your license. No more decals that peel off, wear out or fall off. A small red heart and the "organ donor" statement are a printed part of your license.

#### Security Features

State of the art security features make it nearly impossible for anyone to alter or copy your license. The digital license provides for a number of security features including a small ghost photo image and an embedded hologram.

Additionally, your license will be mailed directly to you within 10 days. This new process will help prevent individuals from fraudulently obtaining a driver's license.

#### Your Image is Protected

Maine law protects your digital image. Your digital image is considered confidential and cannot be distributed to sales and marketing companies or to the general public.

#### Driver Privacy Protection

In order to ensure your privacy, the personal information on your motor vehicle records will no longer be provided to sales and marketing organizations, or the general public without your authorization. To find out how you can authorize the release of your personal information, please ask for a [Driver Privacy Protection Brochure](#).

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HB 344

**Tennessee**  
**Driver License**  
 1111114  
 Class D Expires 12-31-2000  
 Endorsements ... Issued 02-28-96  
 Restrictions ...  
 Birthdate 12-12-1920 Sex M HI 4'03" Eyes BR  
 Soc Sec No 222-33-4444




IMA TENNESSEE SAMPLE  
 1150 FOSTER AVE  
 FT NASHBOROUGH, TN 38201

*Ima Tr Sample*

**UNIVERSITY CALIFORNIA UNIK**  
**DRIVER LICENSE**  
 12672599 CLASS: C  
 EXPIRES 10-07-96

**SAMPLE**



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

**17 IOWA COMMERCIAL DRIVER LICENSE**  
**DRIVER LICENSE NO. 123456789**

Class (See Manual)	Restrictions (See Manual)	Endorsements (See Manual)
G	CDE	P
DOB	Issued	
11-26-69	12-05-06	11-15-94
Height	Weight	Sex
6-00	170	M
Eyes	Audit	
BLU	12345678	

*Brian McMenimen*

BRIAN MCMENIMEN  
 9930 SHADOWLAND ROAD  
 CORNING, IA 50841

**TEXAS**


DEPARTMENT OF PUBLIC SAFETY  
 ENDORSED DRIVER LICENSE  
 UNDER 21 UNTIL 04-02-01  
 SAMPLE IMA  
 2120 OLD MAIN STREET  
 ANYTOWN TX 12345 678

CLASS: CM DL: 12345678  
 DOB: 01-02-60 EXPIRES: 04-02-01  
 REST: C  
 END:

HT: 6-00  
 EYES: BRN  
 SEX: M



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

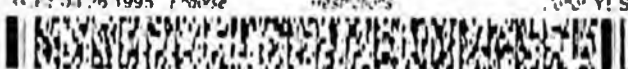


Charles R. Hosack  
 9340 Emerald Street  
 Anchorage, AK 99515-1207

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

*Charles R Hosack*

04/26/95 1995 Endorse ...



## **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 \$900,000 per year.
- One-time start-up cost of digital driver license and ID card would be \$500,000.
- Licenses 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.

# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CS HB 344 (STA)  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): (2/27/02) 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						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CAPITAL EXPENDITURES</b>	500.0	0.0	0.0	0.0	0.0	0.0
<b>CHANGE IN REVENUES ( 1005 )</b>	900.0	900.0	900.0	900.0	900.0	900.0

**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)						
<b>TOTAL</b>	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:

**POSITIONS**

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 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  
 Division: Motor Vehicles  
 Approved by: Jim Duncan, Commissioner  
 Agency: Department of Administration

Phone 269-5559  
 Date/Time 2/20/02  
 Date 2/27/2002

**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 HB 344 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 21<sup>st</sup> 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

## RESOLUTION

THIS RESOLUTION is adopted by the Anchorage Responsible Beverage Retailers Association this 12<sup>th</sup> 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.

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.

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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 5<sup>th</sup> day of February, 2002.

/s/ \_\_\_\_\_  
Dick Traini  
Chair

ATTEST:

/s/ \_\_\_\_\_  
Greg Moyer  
Municipal Clerk

# SENATE COMMITTEE REPORT

DATE: 4/16/02

FURTHER: Finance

DATE TURNED IN TO OFFICE: 4/24/02

State Affairs Committee considered CS FOR HOUSE BILL NO. 344(STA)

*HB 344 INCREASE DRIVER'S LICENSE FEES*

"An Act increasing fees for driver's licenses, instruction permits, and identification cards; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**Senate Bill:**

- same title
- new title

**House Bill:**

- same title
- technical title
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
DAV Admin	2/20	✓		1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	DO NOT PASS	No REC	AMEND
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
Betty Davis			✓	
CHAIR: <i>[Signature]</i>			✓	

HB 344-INCREASE DRIVER'S LICENSE/PERMIT FEES  
SENATE FINANCE COMMITTEE

SIGN-IN

NAME: MARY MARSHBURN Subject/Bill No: HB 344  
Co./Dept./Title: DIRECTOR, DIV MTR VEH Phone: 269-5559  
Address: 3300 B FAIRBANKS ST Zip: 99503  
ANCHORAGE  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
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Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions