

HB

3

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: HB003-DOA-DMV-2-23-07
 Bill Version: HB 3
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title: "An Act relating to issuance of identification cards..." RDU: Division of Motor Vehicles
 Component: Motor Vehicles
 Sponsor: Rep. Bob Lynn
 Requester: _____ Component No.: 2348

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	20.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	20.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
1156 Receipt Supported Services	20.0	0.0	0.0	0.0	0.0	0.0
TOTAL	20.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation will add the requirement of 'legal presence' in the US to obtain a driver's license or ID card. Also, international customers, lawfully in the US for a limited time will now have a expiration date of the DL/ID fixed to date of stay.

This legislation is a small part of Alaska compliance with a new federal mandate, the Real ID Act. The cost associated in FY 08 is to make major changes in our database (ALVIN) to accept these new expiration dates and other verification fields. However, other costs outside of this specific legislation may be requested in the future to ensure full compliance with the Act.

Prepared by: Duane Bannock Phone: 269 5008
 Division: Motor Vehicles Date/Time: 2/23/2007 9:00am
 Approved by: Kevii Brooks Date: 2/23/2007
 Agency: Department of Administration

Alaska State Legislature



Chairman
State Affairs Committee

Vice-Chairman
Economic Development, Trade & Tourism
Committee

Member
Judiciary Committee
Joint Armed Services Committee

Finance Subcommittees
Corrections
Labor and Workforce Development
Military and Veterans' Affairs
Public Safety

A Communication From
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Sponsor Statement HB 3

On May 11, 2005 President Bush signed into law the Real ID Act. Provisions of this legislation improved security for drivers' licenses and personal identification cards as well as set uniform standards for state driver's licenses and identification cards. HB 3 is designed to bring Alaska into compliance with the new federal Real ID Act.

Currently the Alaska Division of Motor Vehicles, through Standard Operating Procedures, has required that proper documentation be provided to establish that an applicant is either a U.S. citizen or legally present in the United States for the purposes of issuing an identification card or drivers license. HB 3, puts into statute what DMV is currently requiring procedurally.

Secondly, as required by the REAL ID Act, HB 3 establishes that in order to issue temporary licenses or temporary ID cards, that will be acceptable to the federal government for identification purposes, there must be an expiration date of the identification card or driver license to coincide with the length of stay in the United States. If the period of authorized stay is indefinite, the expiration date of the license is one year from the date of issue.

A federal agency may not accept a driver's license or personal identification card after May 11, 2008, unless the state has been certified by the U.S. Department of Homeland Security in consultation with the U.S. Department of Transportation to meet the requirements of the law.

For a person who is 60 years of age or older, HB 3 would allow for an 8-year (rather than a 5 year) expiration date on ID cards only.

HB 3 is needed to enhance the security of the driver's license and identification card due to increasing problems of identity theft and fraud. Driver's licenses and state issued identification cards have been used as proof of identity more often than proof of one's ability to drive safely. Holding one of these credentials provides access to an ever-increasing number of privileges and services, from obtaining credit to cashing checks, buying or leasing cars and boarding airplanes.

Alaskans deserve the right to be assured motorists driving with Alaska driver's licenses are legally in the United States and we know their identities.

**Issuing Identification Cards and Driver's Licenses
Sectional Analysis for House Bill 3**

"An act relating to issuance of identification cards and to issuance of driver's licenses; and providing for an effective date."

Section 1: Conforming amendment for AS 28.65.310 to allow the validity period of an identification card (ID) to be longer or shorter than the standard 5 year validity period.

Section 2: Amends AS 18.65.310 to require an 8 year validity period for an ID card issued to a person who is 60 years of age or older.

Section 3: Creates new subsections referencing legal presence and validity dates.

AS 18.65.310(h): requires proof that the applicant for an ID card is a citizen or legal resident of the United States.

AS 18.65.310(i): allows an ID card to be issued to a temporary resident of the United States under certain circumstances.

Requires the temporary resident to present the documents in person.

Requires the ID's expiration date to match the expiration date on the United States Government's temporary resident document.

For applicants with indefinite temporary status, the ID must expire one year from date of issue.

ID can be renewed with documentary evidence that the US Government has extended the stay.

The Department may regulate what constitutes valid, documentary evidence for an ID card except it cannot approve matricula consular cards.

Section 4: Amends AS 28.15.031(b) to prohibit the issuance of a driver's license to a person who privilege to drive has been cancelled or disqualified. Creates a new paragraph with subparagraphs referencing legal presence and validity dates.

AS 28.15.031(b)(8)(A) prohibits the issuance of a driver's license to a person who has not presented proof that the person is a citizen or legal resident of the United States.

Exempts a person with an Alaska driver's license from the proof requirements as long as the driver's license has not expired, or been cancelled, suspended, revoked, or disqualified.

Exempts a person with an Alaska driver's license from the proof requirements unless the department is notified by a government agency that the person is not a citizen or a legal resident.

The Department may regulate what constitutes valid, documentary evidence for a driver's license except it cannot approve matricula consular cards.

AS 28.15.031(b)(8)(B) allows a driver's license to be issued to a temporary resident of the United States under certain circumstances.

Requires the applicant to present the documents in person.

Prohibits a license renewal without proof that temporary status has been extended by the United States Government.

Prohibits a name change unless name change also corresponds to the United States Government authorizing documents.

Prohibits the issuance of a duplicate license without proof that the temporary status is still valid and in effect.

The Department may regulate what constitutes valid, documentary evidence for a driver's license except it cannot approve matricula consular cards.

Section 5: Conforming amendment for AS 28.15.101(d) to allow the validity period of a driver's license to be shorter than the standard 5-year validity period.

Section 6: Creates a new subsection in AS 28.15.101 for driver's license validity dates.

AS 28.15.101(d) requires the license's expiration date to match the expiration date on the United States Government's temporary resident document.

For applicants with indefinite temporary status, the license must expire one year from date of issue.

Section 7: Effective date is January 1, 2008.

**Relevant
Statutes for
HB 3**

**“An Act relating to issuance of
identification cards and to
issuance of driver’s licenses; and
providing for an effective date.**

Sec. 18.65.310. Identification cards.

(a) Upon payment of a \$15 fee, the department shall issue a card identical to the motor vehicle operator's license provided for in AS 28.15.111, except that the card shall be of a different color and shall state in bold type letters across the face of it that it is for identification purposes only.

(b) A person may obtain an identification card provided for in (a) of this section by applying to the department on forms and in the manner prescribed by the department.

(c) Any person who knowingly makes a fraudulent written statement or application for an identification card concerning age, race, sex, or other identifying characteristics as required by the department is guilty of a misdemeanor.

(d) It is a misdemeanor for any person to possess, use, produce, or manufacture a fraudulent identification card.

(e) It is a misdemeanor for a person to allow an identification card issued to that person to be used by any other person.

(f) A person who violates (c), (d), or (e) of this section is guilty of a misdemeanor punishable by a fine of \$500 or 60 days in jail, or both.

(g) If the person applying for the identification card provided for in (a) of this section is 60 years of age or older, charge may not be made for issuance of the card.

Sec. 28.15.031. Persons not to be licensed.

(a) The department may not issue a driver's license to a person who is

(1) under the age of 16 years, except that the department may issue a permit under AS 28.15.051 or a restricted license under AS 28.15.121; or

(2) at least 16 years of age but not yet 18 years of age unless the person meets the requirements of AS 28.15.057.

(b) The department may not issue an original or duplicate driver's license to, nor renew or reinstate the driver's license of, a person

(1) whose license is suspended or revoked, except as otherwise provided in this chapter;

(2) who fails to appear in court for the adjudication of a certain vehicle, driver, or traffic offense when the person's appearance is required by statute, regulation, or court rule;

(3) who is an habitual user of alcohol or another drug to such a degree that the person is incapable of safely driving a motor vehicle;

(4) when the department, based upon medical evidence, has determined that because of the person's physical or mental disability the person is not able to drive a motor vehicle safely;

(5) who is unable to understand official traffic control devices as displayed in this state or who does not have a fair knowledge of traffic laws and regulations, as demonstrated by an examination;

(6) who has knowingly made a false statement in the person's application for a license or has committed fraud in connection with the person's application for, or in obtaining or attempting to obtain, a license, or who has not applied under oath on the form provided for the purpose of obtaining or attempting to obtain a license or permit; or

(7) who is required under AS 28.20 to furnish proof of financial responsibility and who has not done so.

Sec. 28.15.040. Instruction permits and temporary licenses. [Repealed, Sec. 19 ch 178 SLA 1978].

Repealed or Renumbered

Sec. 28.15.101. Expiration and renewal of driver's license.

(a) Except as otherwise provided in this chapter, a driver's license expires on the licensee's birthday in the fifth year following issuance of the license. A license may be renewed within one year of its expiration upon proper application, payment of the required fee, and except when a license is renewed under (c) of this section, successful completion of a test of the licensee's eyesight.

(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.

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

Repealed or Renumbered

**Institute rates Alaska DMV as one of most lax in U.S. -
LICENSES: State disputes claim that it deserves an "F" for verifying applicants' identities.**

Anchorage Daily News (AK)
April 22, 2004
Author: RICHARD RICHTMYER
Anchorage Daily News
Staff

Estimated printed pages: 4

Alaska's Division of Motor Vehicles is among the nation's most lax when it comes to verifying the identities of driver's license applicants, according to a new study.

"The findings, frankly, are stunning," said Amitai Etzioni, director of the Institute for Communitarian Policy Studies at George Washington University, which examined the safeguards in place at motor vehicle offices in all 50 states.

The Institute, which promotes a balance between individual rights and social responsibility, looked into the subject because driver's licenses are widely used as the definitive ID, and the Sept. 11, 2001, terrorists got theirs through other lax states, namely Florida and Virginia, Etzioni said.

Those states have since shored up their systems, making states that haven't done so attractive destinations for future terrorists looking to acquire false identification from a valid source, Etzioni said.

"We know that the terrorists always discover where the weakest links are," he said.

Officials at the DMV and the state's Division of Homeland Security called the study's conclusions unfair, arguing that it did not take into account all of the identity-verification measures in place, only a select few that aren't.

The Institute established four steps it said states should take, at a minimum, to ensure effective screening for fraudulent applications and assigned a grade based on how many they used.

The steps were verifying Social Security numbers using an online database system, requiring proof that the applicant is legally in the United States and a resident in the state; linking license expiration dates to visa expiration dates for foreigners, and using biometric information, such as fingerprints or retinal scans, to verify identity.

Alaska is one of only four states that got an "F" for not taking any of those steps, Etzioni said. Wisconsin, Michigan and Oregon also flunked the Institute's test.

DMV director Duane Bannock acknowledged that Alaska's system isn't perfect, but he argued that Alaska doesn't deserve a failing grade and the Institute's study only looked at part of the system.

Although Social Security cards are allowed as one form of acceptable identification, they are not required, and Bannock said it's easy to get a fake number that would check out on a database.

Applicants for an Alaska driver's license are required to present two pieces of identification: a "primary," that proves date of birth, and a "secondary" to prove identity. An applicant furnishing two primary forms of identification is not required to show a secondary form, Bannock said.

Acceptable primary identification documents include an original or certified birth certificate, a court order on another state's driver's license, a copy of a driver's record from another state, and a military ID card, Bannock said.

Social Security cards are on a list of about two dozen acceptable forms of secondary identification, which also includes health insurance cards, photographic employee identification cards and even income tax returns, Bannock said.

Workers who process driver's license applications across the state receive regular training in how to spot fake birth certificates, Social Security cards and other identifying documents, Bannock said.

Alaska's DMV has no immediate plans to put in place a Social Security number verification system, nor is it likely that applicants will be fingerprinted or retinal scanned any time soon, Bannock said.

However, he said the idea of making driver's licenses for foreigners expire when their travel or work visas expire is a good one, and he called the Institute's criticism on that point fair.

"I would expect that's going to be changed here very soon," he said.

Meanwhile, state lawmakers next week are expected to resume debate on a bill that would require proof of citizenship or legal residency as a condition for getting an Alaska driver's license, which has been a hot-button in statehouses across the nation recently.

Alaska's bill, sponsored by Rep. Bob Lynn, R-Anchorage, has languished in Juneau since January 2003. Lynn said he hopes to get it passed out of the State Affairs Committee and onto the House floor before the Legislature adjourns the session in three weeks.

"I don't want Osama bin Laden or any of his friends to be able to get Alaska driver's licenses, and the way it is now, that in fact could happen," Lynn said.

An aide to State Affairs Committee Chairman Bruce Weyhrauch said he has put it on the hearings calendar for next week.

Tom Burgess, deputy director of the state's Division of Homeland Security and Emergency Management, said the Institute's grading system was flawed, and that the state doesn't deserve an "F."

"Things like this do cause us concern, and we'd like to see something done in all these different areas," Burgess said.

"But I don't know that there's a bunch of holes in the system, and I haven't seen any indications that we have a problem," Burgess said. "People have to look at more criteria before they start assigning grades to states. A more thorough analysis is appropriate here."

Daily News reporter Richard Richtmyer can be reached at richtmyer@adn.com or 257-4344.

RANKING

GRAPHIC: A look at the criteria on which state DMVs were graded along with a list of the best and worst state DMVs.

Back Page

LICENSE TO HIDE To read the report on drivers license screening in all 50 states, and how each state ranks, just follow the links.

www.adn.com/links

Caption:
Illustrated by Ron Engstrom

ILLUSTRATION SHOWS

Alaska's DMV fails test

A study shows Alaska often fails to verify the identities of driver license applicants.

Criteria

States were graded on how well they complied with four basic criteria

- 1 Electronic verification of Social Security number
- 2 Requiring proof of legal residency in the nation and state
- 3 Linking license expiration dates to visa expiration dates for foreigners
- 4 Using biometric information such as fingerprints to verify identities

States that failed all criteria

Alaska

Michigan

Oregon

Wisconsin

States that met all criteria

Colorado

Kentucky

West Virginia

Caption:

Photo 1 ADNLinks_042204.jpg

Photo 2 22DMV chart_042204.jpg

Edition: Final
Section: Main

Nancy Manly

To: Londi Ensor

Subject: STA fiscal notes

Attachments: HB006-DOA-APOC-2-1-07.pdf; HB003-DOA-DMV-2-23-07.pdf; HB038-DOA-APOC-1-29-07.pdf; HB038-LAW-CJL-1-31-07.pdf; HB109-DOA-APOC-1-29-07.pdf

Londi: Attached are fiscal notes for bills that have passed out of the House State Affairs Committee.

HB 6 (1 fiscal note)

HB 3 (1 fiscal note)

HB 38 (two fiscal notes)

HB 109 (1 revised note - you have the others)

3/6/2007

Hi Lori: I checked my file and didn't see anything on this.

Nancy

From: Lori Roland
Sent: Wednesday, April 13, 2007 10:17 AM
To: Nancy Manly
Subject: question

Nancy,

Duane Bannock during 3/6 hearing on HB 3, said he passed out a handout, "The simple test for HB 3," and that handout asked questions that would indicate whether or not a person supported HB 3. It sounded like he passed it around the capitol as a sort of poll, and he read the results to the committee. I'm wondering if that test made it into the committee packet, and if so, may I please have a copy.

Lori