

**HB**

**409**

<TARGET><BILL>HB 409</BILL><SUBJECT>HB  
409</SUBJECT><COMM>HSTA30</COMM></TARGET>



ALASKA LEGISLATURE  
*House State Affairs Committee*

Rep. Jonathan Kreiss-Tomkins, Chair

State Capitol, Room 411  
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Rep. Gabrielle LeDoux, Vice Chair

Rep. Chris Birch

Rep. DeLena Johnson

Rep. Gary Knopp

Rep. Chris Tuck

Rep. Adam Wool

Rep. Andy Josephson, Alternate

Rep. Chuck Kopp, Alternate

**HB 409 — DMV ID CARDS & REGISTRATION FEES**

**Sponsor Statement**

Sections of the statutes governing the Division of Motor Vehicles (DMV) have not been updated, leading to inefficiencies in the division and perpetuating indirect expenditure costs.

HB 409 streamlines the DMV statutes. It allows people the option to let DMV update their addresses based on the United States Post Office database, updates the judgement payment plan and proof of financial responsibility requirements, and raises the threshold for various insurance and accident reporting requirements to bring DMV in line with the Department of Transportation. The DMV thresholds have not been adjusted for inflation since 1985.

HB 409 also reduces the costs due to indirect expenditures by bringing the age for senior identification cards in line with senior registration, removing vehicle registration fee exemptions for amateur radio operators and municipalities, and adjusting the registration fee discount for charitable organizations. The bill generates revenue for the division by setting new costs for knowledge and road tests, which should also incentivize higher attendance and passage rates.

HB 409 streamlines existing statutes to help DMV operate more efficiently and productively.



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## **HB 409 — DMV ID CARDS & REGISTRATION FEES**

### **Sectional Analysis**

**Section 1:** This section standardizes the age for senior citizen fee waivers by changing the age for a senior citizen identification card from 60 to 65.

**Section 2:** This section allows a person to authorize the Division of Motor Vehicles (DMV) to update their address based on the United States Postal Service (USPS) database.

**Section 3:** This section removes the vehicle registration fee exemption for amateur radio operators.

**Section 4:** This section raises the vehicle registration fee for municipalities to the standard \$100, and raises the vehicle registration fee for charitable organizations to \$50.

**Section 5:** This section sets the fee for DMV Knowledge Tests at \$5 and raises the fee for DMV Road Tests from \$15 to \$25.

**Section 6:** This section raises the threshold for requiring deposit of security to DMV from \$501 to \$2,000 to align with the standard for the Department of Transportation (DOT).

**Section 7:** This section raises the threshold for requiring a peace officer to provide written notification about the requirements in the Motor Vehicle Safety Responsibility Act from \$501 to \$2,000.

**Section 8:** This section raises the threshold for accepting release from liability executed by a parent or legal guardian on behalf of a minor from \$501 to \$2,000.



**Section 9:** This section raises the threshold for requiring proof of financial responsibility after a traffic offense from \$501 to \$2,000.

**Section 10:** This section raises the threshold for requiring proof of financial responsibility after an accident from \$501 to \$2,000.

**Section 11:** This section requires proof of financial responsibility after a license is suspended for failure to pay a judgement be maintained for three years, rather than the existing lifetime provision. The section also changes the requirement to hold proof of financial responsibility after judgement satisfaction only if the failure to pay was due to driving while uninsured.

**Section 12:** This section allows for a second payment plan in installments for people facing license suspension based on outstanding financial judgements.

**Section 13:** This section raises the threshold for showing proof of motor vehicle liability insurance from \$501 to \$2,000.

**Section 14:** This section removes the requirement to update DMV with address changes if the person has given permission for DMV to update addresses from the USPS database.



# Fiscal Note

State of Alaska  
2018 Legislative Session

|                     |               |
|---------------------|---------------|
| Bill Version:       | CSHB 409(STA) |
| Fiscal Note Number: | 1             |
| (H) Publish Date:   | 4/13/2018     |

Identifier: HB409-DOA-DMV-04-09-18  
 Title: DMV ID CARDS & REGISTRATION FEES  
 Sponsor: STATE AFFAIRS  
 Requester: H STA

Department: Department of Administration  
 Appropriation: Motor Vehicles  
 Allocation: Motor Vehicles  
 OMB Component Number: 2348

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

|                               | FY2019<br>Appropriation<br>Requested | Included in<br>Governor's<br>FY2019<br>Request | Out-Year Cost Estimates |            |            |            |            |            |
|-------------------------------|--------------------------------------|--|-------------------------|------------|------------|------------|------------|------------|
|                               |                                      |  | FY 2019                 | FY 2020    | FY 2021    | FY 2022    | FY 2023    | FY 2024    |
| <b>OPERATING EXPENDITURES</b> |                                      |  |                         |            |            |            |            |            |
| Personal Services             |                                      |  |                         |            |            |            |            |            |
| Travel                        |                                      |  |                         |            |            |            |            |            |
| Services                      |                                      |  |                         |            |            |            |            |            |
| Commodities                   |                                      |  |                         |            |            |            |            |            |
| Capital Outlay                |                                      |  |                         |            |            |            |            |            |
| Grants & Benefits             |                                      |  |                         |            |            |            |            |            |
| Miscellaneous                 |                                      |  |                         |            |            |            |            |            |
| <b>Total Operating</b>        | <b>0.0</b>                           | <b>0.0</b>                                     | <b>0.0</b>              | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

**Fund Source (Operating Only)**

|              |            |            |            |            |            |            |            |            |
|--------------|------------|------------|------------|------------|------------|------------|------------|------------|
| None         |            |            |            |            |            |            |            |            |
| <b>Total</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

**Positions**

|           |  |  |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |  |  |

**Change in Revenues**

|                    |              |            |              |              |              |              |              |              |
|--------------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 1250 UGF Rev (UGF) | 815.3        |            | 815.3        | 815.3        | 815.3        | 815.3        | 815.3        | 815.3        |
| <b>Total</b>       | <b>815.3</b> | <b>0.0</b> | <b>815.3</b> | <b>815.3</b> | <b>815.3</b> | <b>815.3</b> | <b>815.3</b> | <b>815.3</b> |

**Estimated SUPPLEMENTAL (FY2018) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2019) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
 If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version/comments:**

Not applicable; initial version.

|              |                              |        |               |
|--------------|------------------------------|--------|---------------|
| Prepared By: | Marla Thompson, Director     | Phone: | (907)269-5574 |
| Division:    | Motor Vehicles               | Date:  | 04/09/2018    |
| Approved By: | Leslie Ridle, Commissioner   | Date:  | 04/10/18      |
| Agency:      | Department of Administration |        |               |



## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

## Analysis

HB 409 makes several changes to statute that will have a fiscal impact to the Division of Motor Vehicles (DMV):

- changes the age a person may receive a free state identification card from 60 to 65 years of age or older;
- requires amateur radio operators to pay full registration fees for their vehicle;
- increases registration fees from \$10 to \$50 for vehicles owned by a charitable organization;
- increases registration fees from \$10 to \$100 for vehicles owned by a municipality;
- adds a \$5 fee for the driver knowledge test and increases the fee for the driver skill test to \$25

**Estimated increased revenue to DMV**

In FY2017 DMV administered 81,000 driver knowledge tests and 5,500 driver skill tests. DMV anticipates similar numbers for future fiscal years:

Knowledge tests:  $81,000 \times \$5 = \$405,000$

Driver skill test:  $5,500 \times \$10 = \$55,000$

DMV data shows that 5,738 people in age range 56-59 have a state identification (ID) card. DMV has no way to determine if additional people within this age group will decide to obtain an ID card; current ID card holders will continue to pay fees for one additional renewal period before they are eligible for free ID cards. This will generate \$86,070 in revenue, with an average yearly earned revenue over the next four years of \$21,518. This group will reach 65 after the 1st renewal period and will receive the next ID for free.

There are 2,657 vehicles registered to charitable organizations that pay \$10 to register their vehicles. The new \$50 fee will generate an additional \$106,280. ( $\$132,850 - \$26,570$  / current revenue = \$106,280). Due to the 2 year registration cycle the additional yearly revenue for FY2019 and FY2020 will be \$53,140. There are 6,188 vehicles registered to municipalities that pay \$10 to register their vehicles. The new \$100 fee will generate an additional \$556,920. ( $\$618,800 - \$61,880$  / current revenue = \$556,920). Due to the 2 year registration cycle the additional yearly revenue for FY2019 and FY2020 will be \$278,460.

DMV currently has 44 amateur radio operators in our registration files. Under AS 28.10.421(d)(8) they will now be required to pay full registration fees on their vehicles.  $\$100 \times 44 = \$4,400$ . Due to the 2 year registration period this will result in yearly revenue in the amount of \$2,200.

