

ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 8672

9483 HOUSE TRANSPORTATION

120

HB

98

FISCAL NOTE

STATE OF ALASKA 1997 LEGISLATIVE SESSION

BILL NO: _____

No. 4
 Bill Version: HB 98
 (H) Publish Date: 1/31/97

Revision Date: _____ Dept. Affected: Public Safety
 Title: An Act relating to the issuance....driver's BRU: Motor Vehicles
license, and youth assessment for minors. Component: Administration
 Sponsor: Rules
 Requestor: Governor COMPONENT SERIAL NO. _____

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	5.0					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	5.0					

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES () Revenue Code	1086.3	1086.3	1086.3	1086.3	1086.3	1086.3
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	5.0					
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	5.0					

Estimate of current year (FY 97) impact: \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

The revenue projected is derived from the increase of reinstatement fees for first time offenders. It is estimated there are approximately 7,242 individuals who had their driver's license revoked or suspended for the first time during calendar 1996. This bill will increase the reinstatement fee for those individual's from \$100.00 to \$250.00. The increase of the additional \$150.00 per reinstatement of a driver's license will generate approximately \$1,086,300.00 in new revenues. Cost are associated with software maintenance and reprogramming the computer system to reflect the change and increase of reinstatement fee.

Prepared By: Juanita M. Hensley Phone: 465-2650
 Division: Motor Vehicles Date: 1/6/97
 Approved by Commissioner: Ronald L. Otto Date: 1/9/97
 Agency: Ronald L. Otto, Dept. of Public Safety

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 3
Bill Version: HR 98
(H) Publish Date: 1/31/97

Revision Date: _____
Title: Relating to issuance, suspension, limitation
revocation, and reinstatement of driver's license...
Sponsor: Rules by Request
Requestor: Governor

Dept. Affected: Health and Social Services
BRU: Alcohol and Drug Abuse Services
Component: ADA Admin
COMPONENT SERIAL NO. 302
See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES	92.0	95.0	98.0	101.0	104.0	107.0
TRAVEL	4.0	4.0	4.0	4.0	4.0	4.0
CONTRACTUAL	2.0	2.0	2.0	2.0	2.0	2.0
SUPPLIES	2.0	2.0	2.0	2.0	2.0	2.0
EQUIPMENT	5.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS						
TOTAL OPERATING	105.0	103.0	106.0	109.0	112.0	115.0

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES						
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FUND SOURCE

1002 Federal Receipts						
1003 GF Match						
1004 GF	105.0	103.0	106.0	109.0	112.0	115.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	105.0	103.0	106.0	109.0	112.0	115.0

POSITIONS:

FULL-TIME	2	2	2	2	2	2
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

See Next Page

Prepared by: Loren A. Jones
Division: Alcoholism and Drug Abuse
Approved by Commissioner: *Karen Perdue*
Agency: Department of Health & Social Services

Phone: 465-2071
Date: 01/08/97

Date: 1/31/97

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ANALYSIS (cont.):

This bill would transfer to the Division of Alcoholism and Drug Abuse the responsibility for the approval of alcohol information courses (Alcohol Information Schools (AIS)) for all persons needing such a course as a result of alcohol related crimes, primarily minor consuming, minor in possession and driving while intoxicated. Currently all such AIS classes also contain a driver improvement section and are targeted primarily at adults.

The current curriculum being used has not been reviewed and updated in many years. There are no outcomes or expectations for the AIS (other than to not have repeated the criminal behavior) or for the impact on the individual. It is time that this was updated and specific outcomes and expectations be established.

With the passage of the "Use It and Lose It" law there has been a dramatic increase in the number of minors losing their drivers license and being required to complete an AIS or treatment in order to have their license re-instated. This new law has shown a significant gap in our ability to respond appropriately and to assure that the education received is of value and will result in positive outcomes for the youth.

A number of these youth, like adults, may need more than an AIS to address their needs. In reviewing the number of minors losing their driver's license the number of second or more offenders is about equal to the first time loss. This would indicate that the law, in and of itself is not stopping repeat offenses. An age appropriate AIS will impact this but for some additional services may be needed.

The Division also feels that to provide appropriate AIS a different curriculum and teaching method is need for minors. The Division will locate and/or develop an appropriate model for adult and youth Alcohol/Drug Information School (AIS). These courses would be age appropriate and meet the needs of DMV for driving related issues. There will be a different response for the 18-20 year olds than for those under age 18. One major difference will be information on inhalants for the under 18 age group.

The Division of Alcoholism and Drug Abuse would establish a set of policy guidelines and outcomes for communities to use in developing a local approach to establishing the appropriate entry program for these minors. This would include policies on defining appropriate assessment, referral, defining compliance and completion of appropriate services, and evaluation standards for the program. Thus those who need only AIS would be sent in the correct direction and those who need additional services would also get those.

These policies would include the role of partnership with schools for alternative to suspension programs, for working with courts, working with youth probation, and with local treatment agencies. We would need to address differences for rural villages. We would need to address development of a community based prevention and intervention services.

The Division would require two new positions consisting of 1 probation officer and 1 clerical staff for program & policy development, quality assurance of the AIS classes and staff support. This staff would write the P&P, Regulations and monitor compliance of the AIS providers and the local agencies providing the services.

The Division would propose that an additional \$500,000 be allocated for both assessment projects and to increase the capacity of the youth outpatient services. It is anticipated that each community would need about \$100,000 to fully implement a new service that would include assessment, education, outpatient services, and aftercare. These funds would be issued under AS 47.37.045, the Community Action Against Substance Abuse program.

All Requests for Proposals for substance abuse services should require proposers to specifically discuss prevention strategies either available in the program or in the community. These strategies need to reflect a community-based, risk reduction model and incorporate "best practice" models as supported by the research. There needs to be a targeted prevention effort in rural areas of Alaska dealing with inhalant abuse. This would help also get a prevention message out about alcohol and drugs as inhalants tend to be used by youth at an age prior to first use of alcohol or drugs.

The revenue generated from the increase in the fee charged to reinstate revoked drivers licenses would provide the increase in funds to pay for this new service. The Department of Public Safety has a fiscal note showing revenues of \$1,086,300 with the passage of this legislation.

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 2
Bill Version: HB 98
(H) Publish Date: 1/31/97

Revision Date: _____
Title: Relating to issuance, suspension, limitation
revocation, and reinstatement of driver's license...
Sponsor: Rules by Request
Requestor: Governor

Dept. Affected: Health and Social Services
BRU: Alcohol and Drug Abuse Services
Component: CAASA
CGMPONENT SERIAL NO. 1413
See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
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	0.0	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						
GRANTS, CLAIMS	500.0	500.0	500.0	500.0	500.0	500.0
MISCELLANEOUS						
TOTAL OPERATING	500.0	500.0	500.0	500.0	500.0	500.0

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES						
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FUND SOURCE

1002 Federal Receipts						
1003 GF Match						
1004 GF	500.0	500.0	500.0	500.0	500.0	500.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	500.0	500.0	500.0	500.0	500.0	500.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

See Next Page

Prepared by: Loren A. Jones
Division: Alcoholism and Drug Abuse
Approved by: [Signature] Commissioner: Karen Perdue, Commissioner
Agency: Department of Health & Social Services

Phone: 465-2071
Date: 01/08/97
Date: 1/21/97

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ANALYSIS (cont.):

This bill would transfer to the Division of Alcoholism and Drug Abuse the responsibility for the approval of alcohol information courses (Alcohol Information Schools (AIS)) for all persons needing such a course as a result of alcohol related crimes, primarily minor consuming, minor in possession and driving while intoxicated. Currently all such AIS classes also contain a driver improvement section and are targeted primarily at adults.

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With the passage of the "Use It and Lose It" law there has been a dramatic increase in the number of minors losing their drivers license and being required to complete an AIS or treatment in order to have their license re-instated. This new law has shown a significant gap in our ability to respond appropriately and to assure that the education received is of value and will result in positive outcomes for the youth.

A number of these youth, like adults, may need more than an AIS to address their needs. In reviewing the number of minors losing their driver's license the number of second or more offenders is about equal to the first time loss. This would indicate that the law, in and of itself is not stopping repeat offenses. An age appropriate AIS will impact this but for some additional services may be needed.

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The revenue generated from the increase in the fee charged to reinstate revoked drivers licenses would provide the increase in funds to pay for this new service. The Department of Public Safety has a fiscal note showing revenues of \$1,086,300 with the passage of this legislation.

FISCAL NOTE

No. 1
 Bill Version: HB 98
 (H) Publish Date: 1/31/97

STATE OF ALASKA
 1997 LEGISLATIVE SESSION

Revision Date: _____
 Title: "An Act relating to the issuance, suspension, limitation, revocation, and reinstatement of drivers' licenses...":
 Sponsor: Rules Committee
 Requestor: Governor

Department Affected: Administration
 BRU: Public Defender Agency
 Component: Public Defender Agency
 COMPONENT SERIAL NO. 1631

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	***	***	***	***	***	***
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	***	***	***	***	***	***

CAPITAL EXPENDITURES	***	***	***	***	***	***
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CHANGE IN REVENUES ()	***	***	***	***	***	***
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FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts	***	***	***	***	***	***
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	***	***	***	***	***	***

Estimate of any current year (FY 97) cost: \$ -0-

POSITIONS:

FULL-TIME	***	***	***	***	***	***
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

Creating a mechanism to monitor compliance of education and treatment requirements for minors may result in additional probation revocation proceedings. Too speculative to quantify.

Prepared by: Barbara K. Brink, Acting Director
 Division: Public Defender Agency

Phone: (907) 264-4414
 Date: _____

Approved by Commissioner: Mark Boyer
 Agency: Department of Administration

Date: 1/8/97

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Sectional Analysis for HB 98 (Juvenile Alcohol Screening)

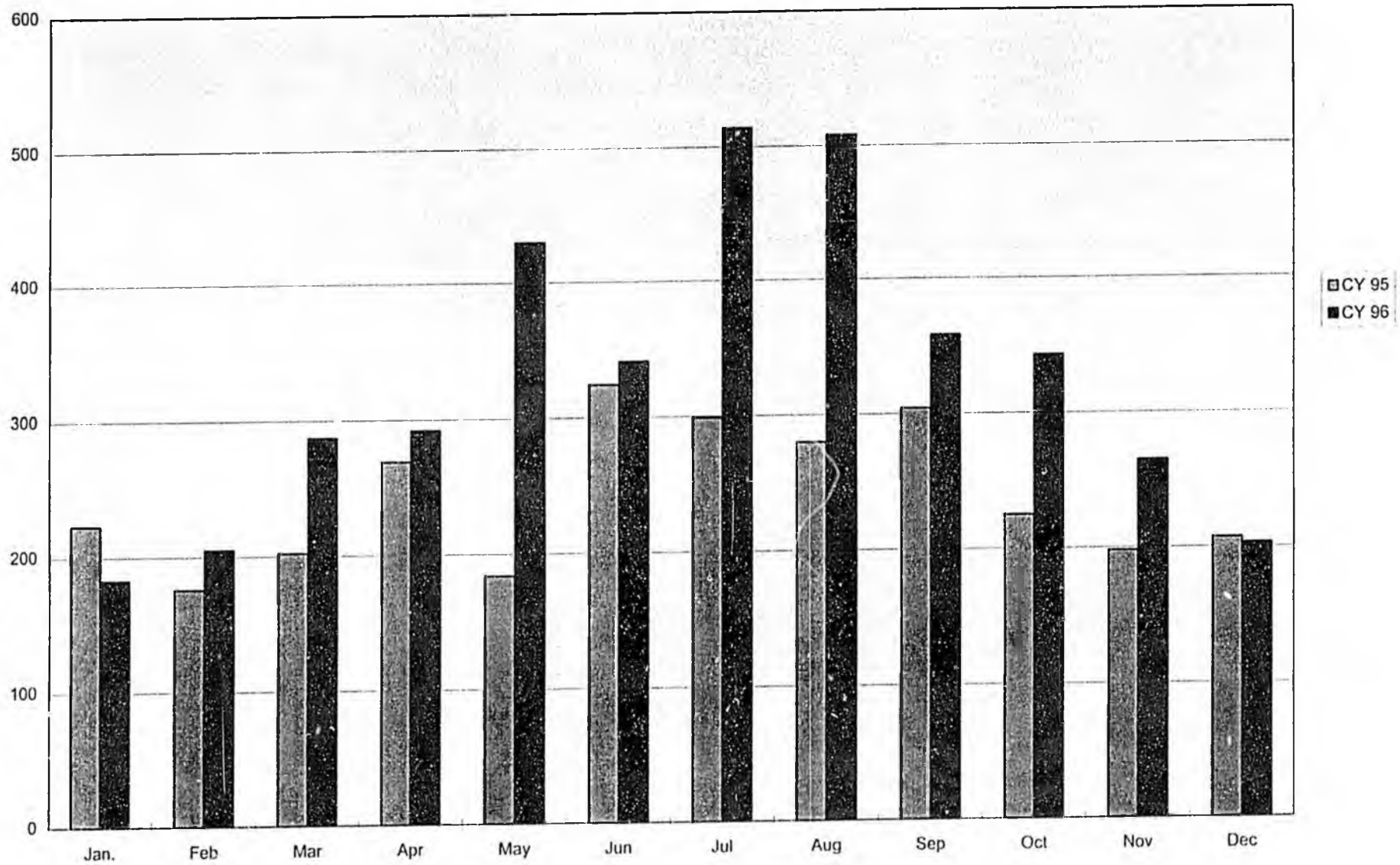
This bill ensures that minors whose driver's licenses have been revoked for alcohol-related offenses are being properly screened and monitored for compliance with education and treatment programs before their licenses are reinstated.

Sections 1-2 and 4-6 amend statutes to require that the alcoholism education or rehabilitation treatment program used by minors whose licenses have been revoked for alcohol or drug offenses be approved by the Department of Health and Social Services.

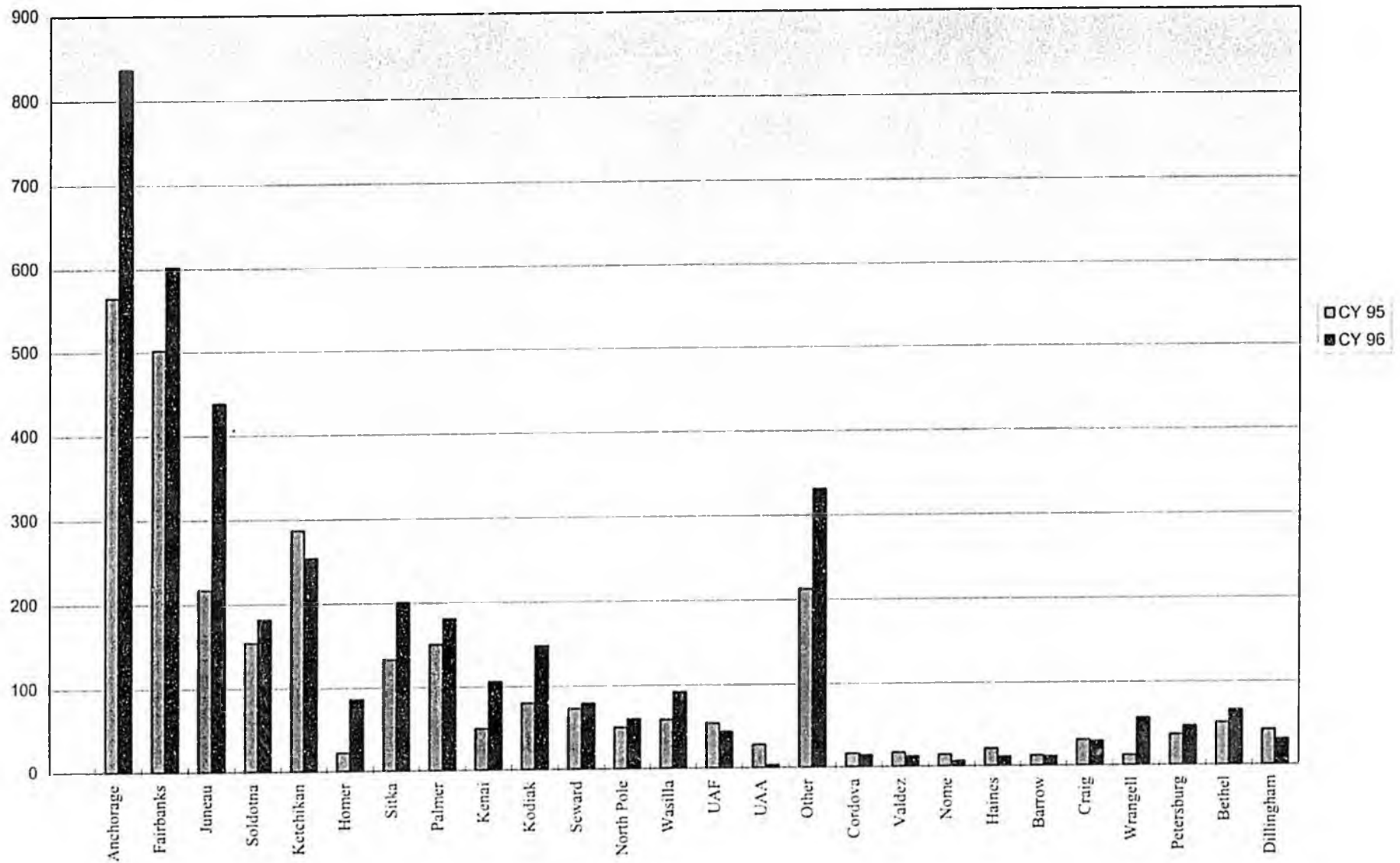
Section 3 increases from \$100 to \$250 the reinstatement fee to be paid by persons whose driver's license have been revoked for alcohol or drug-related offenses.

Section 7 authorizes the Department of Health and Social Services to provide community grants for youth assessment and referral programs to screen and monitor compliance for minors required to participate in alcohol or drug education or treatment programs before their drivers' licenses may be reinstated.

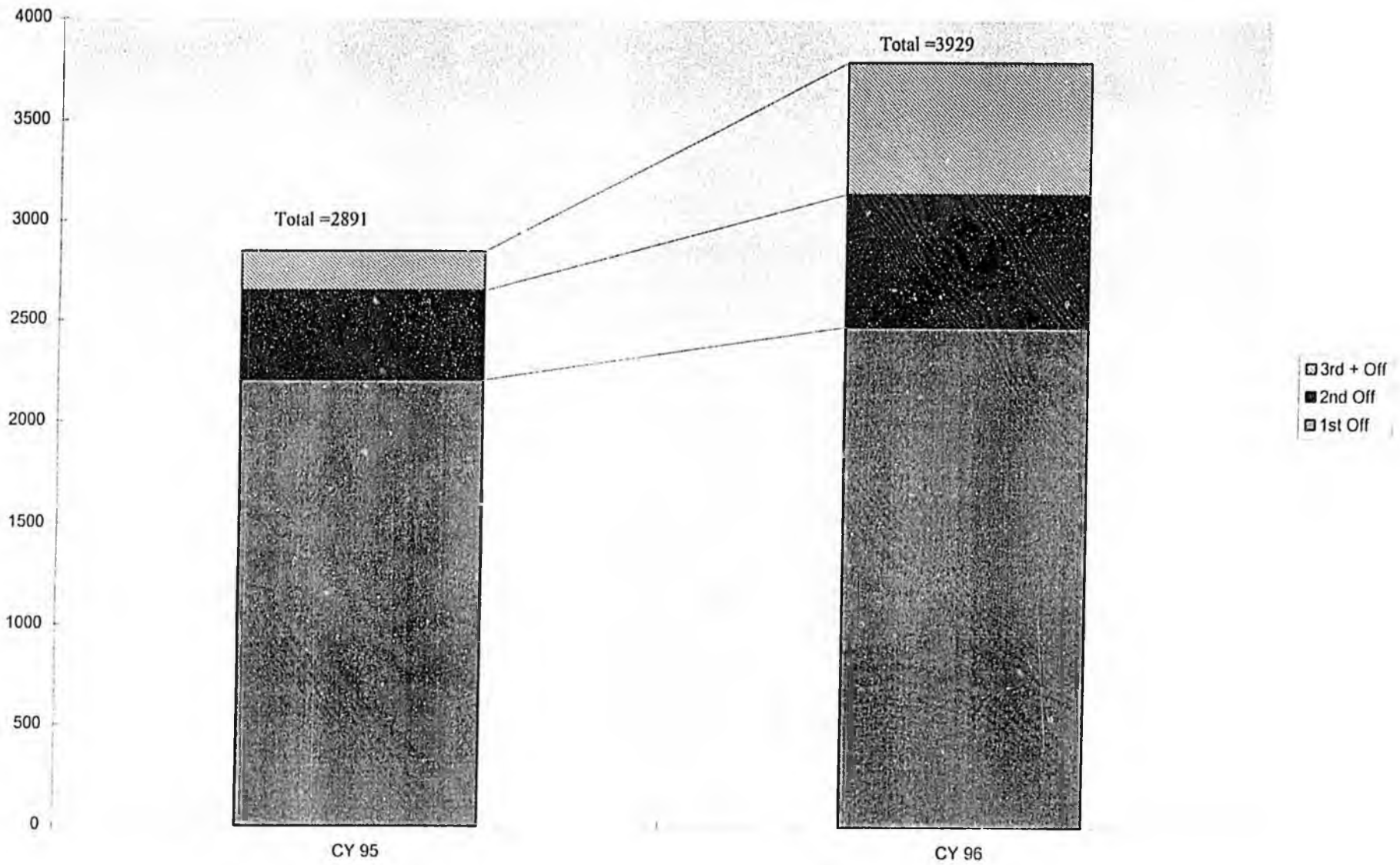
Number Youth Who Lost Drivers License Due to "Use It and Lose It" Law by Month for CY 1995 and CY 1996



Number of Youth Who Lost Drivers License Due to "Use It and Lose It" Law by Community for CY 1995 and CY 1996



Comparison of the Number of Repeat Offenses in CY 95 and CY 96



TONY KNOWLES
GOVERNOR



HB 98
P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 30, 1997

The Honorable Gail Phillips
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker *Gail* Phillips:

Alcohol abuse among minors is one of the most serious and disturbing problems facing this state. It is crucial that we discourage young Alaskans from making the wrong choices about alcohol. This bill helps achieve that goal by enhancing our current laws regarding treatment for underage drinkers. It is part of my package of legislation based on recommendations of the Governor's Conference on Youth and Justice.

This bill ensures that minors whose driver's licenses have been revoked for alcohol-related offenses are properly screened and monitored for compliance with education and treatment programs before their licenses are reinstated. It does so by extending toward minors a treatment program which has proved successful for adult offenders -- the alcohol safety action program, or ASAP.

The state oversees the ASAP which screens offenders, determines what education or treatment is appropriate for them and then monitors their compliance with the recommendations. If the offender fails to comply, further court proceedings are initiated.

My proposal for zero tolerance for underage drinking and driving was passed last year and is now in effect in addition to our "use it, lose it" law. Under the zero tolerance law, a minor's driver's license is revoked if the minor drives a vehicle after consuming any quantity of alcohol. The "use it, lose it" law revokes a minor's driver's license if the minor possesses or consumes unlawful drugs or alcohol, regardless of whether the minor was driving a vehicle at the time. Both laws require the minor complete an education or treatment program before the license may be reinstated. However, there is currently no program for minors similar to the ASAP.

The Honorable Gail Phillips
January 30, 1997
Page 2

To fill this gap, this legislation proposes a program for minors that would be housed in the Department of Health and Social Services. The program would be funded with the fees charged for reinstating any driver's license that has been revoked. This bill increases that fee for first-time offenders from \$100 to \$250 -- creating another deterrent to underage drinking and drinking and driving for anyone, at any age. The increased fee is expected to generate more than \$1 million which will easily cover the \$605,000 cost of the youth treatment program.

This bill to address the problem of underage drinking is an integral component of my package on the youth justice system and an attempt to take an aggressive approach toward ending a growing crisis in our state.

Sincerely,



Tony Knowles
Governor

HB

175

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. HB 175

Revision Date: _____
 Title: Private Motor Vehicle licensing/testing....
 Sponsor: Representative Vezey
 Requestor: H. TRAN

Department Affected: Administration
 BRU: Motor Vehicles
 Component: Field Services
 COMPONENT SERIAL NO. 0502

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

This bill gives the Division the authority to utilize contract agents to provide services. The Division already has in place a number of contract agents to provide service. The \$0 amount in this fiscal note is based on the assumption that the Division will maintain the existing contract and agreements.

The Division will continue to explore the feasibility of adding additional contract agents or additional agreements with agents where justified by the workload or where cost efficiencies can be shown. It is recognized that in the future years there may be start up costs associated with the training and administrative requirements for new agents. These costs will be addressed as budget increments in the years agents are established.

Prepared by: Juanita M. Hensley
 Division: Motor Vehicles

Phone: 465-2650
 Date: 4/21/97

Approved by Commissioner: Mark Boyer
 Agency: Department of Administration

Date: 4/22/97

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Fax 907-456-8245

Representative Al Vezey

SPONSOR STATEMENT

HB 175

"An Act relating to issuance of motor vehicle registrations and titles, and to licenses and permits to operate a motor vehicle."

Although the Department of Motor Vehicle has made some progress towards privatizing DMV, there is more that can be done to eliminate long lines, excessive waiting, and public dissatisfaction.

Additional service to the public, at no cost to the taxpayers, could be provided by those in the private sector. Car dealers, fleet operators, and others, would have incentives to attract customers to their place of business.

The legislature is faced with controlling government spending. Hiring more state employees and building more public office buildings does not make sense when the private sector is willing to provide these services at no cost to the taxpayer.

Many states now use third parties for testing the driving skills of operators of commercial vehicles, vehicle titling, and driver's license examinations.

LEGAL SERVICES

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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

April 22, 1997

SUBJECT: Sectional Summary of HB 175.

TO: Representative Al Vezey
Attn: Joseph

FROM: Michael F. Ford 
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. Adds a new chapter requiring the Department of Administration to establish a third-party motor vehicle registration, titling, and testing program.

Sec. 28.12.010 - Establishes the authority given to third-party agents and requires that agents be individuals.

Sec. 28.12.020 - Provides a certification process for third-party agents.

Sec. 28.12.030 - Imposes requirements for an individual in order to be certified as a third-party agent.

Sec. 28.12.040 - Imposes requirements for an individual in order to be certified as a third-party registrar.

Sec. 28.12.050 - Imposes requirements for an individual in order to be certified as a third-party examiner.

Sec. 28.12.060 - Requires that a third-party agent or examiner comply with certain professional conduct requirements.

Sec. 28.12.070 - Requires that a third-party agent, registrar, or examiner provide notice to the department when certain events occur.

Sec. 28.12.080 - Imposes certain driving skills testing requirements.

Sec. 28.12.090 - Provides for termination of a third-party agent, registrar, or examiner if certain grounds exist.

Sec. 28.12.100 - Allows a third-party agent, registrar, or examiner to collect statutory fees, and allows the third-party agent, registrar, or examiner to set their own fee.

Representative Al Vozey

April 22, 1997

Page 2

Sec. 28.12.110 - Provides that the department may reject an application approved by a third-party agent, registrar, or examiner, if the application fails to meet the requirements of law.

Sec. 28.12.120 - Establishes the provisions of a contract for a third-party agent, registrar, and examiner.

Sec. 28.12.130 - Allows the department to conduct onsite inspections and audits of a third-party agent, registrar, and examiner. Provides for minimum contents of an examination or audit. Requires a written report of the examination or audit.

Sec. 28.12.140 - Imposes restrictions on advertising by a third-party agent, registrar, or examiner.

Sec. 28.12.150 - Imposes insurance requirements on a third-party agent or examiner.

Sec. 28.12.160 - Provides that a third-party agent, registrar, or examiner is not civilly liable for functions relating to registration, titling, and licensing.

Section 2. Requires the Department to implement the provisions of this Act by July 1 of the year following the effective date of the Act.

MFF:glc
97-262.glc



Alaska State Legislature

Please enter into the record my testimony to the Transportation Committee
committee name
committee on HB 175 dated April 22, 1997.
bill/subject

To allow third party agents to perform functions of the DMV currently performed by Motor Vehicle Representatives. These functions would include but possibly not limited to: Issuing, transferring, renewing registrations, titles and driver's licenses.

Also to limit third party agents to individuals, parties who are not professionally related to vehicle dealerships. I am highly concerned about the ease with which possible criminal intent could arise. I do believe this may be the reason some states do not allow dealerships to perform these functions.

Third party agents to contract with the State of Alaska, to operate an office that will provide quality customer service, remain on-line in real time with the DMV, collect fees, taxes, etc. for the State of Alaska to be deposited daily in a supervised account, and perform the functions named above. In lieu of a salary the filing fees would be retained by the third party agent. This would reduce state spending by eliminating the need to open future DMV offices to satisfy the needs of our growing population.

Signed: Cheryl D. Young (Cheryl D. Young)
Testifier

Representing (Optional)
649 East Eklutna Palmer AK
Address

746-1980 (home)
Phone No.

745-0555 (work)
(8am - 4pm)

Privatization Survey

Summary of Results

April, 1997

Prepared by:

**AAMVA's
Privatization Working Group**

Privatization Survey Summary

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Summary of Privatization Survey Results

Forty-nine jurisdictions responded to all or party of the survey developed by the Privatization Working Group. Responding jurisdictions include: Alabama, Alaska, Alberta, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Manitoba, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Brunswick, New Jersey, Newfoundland, North Carolina, North Dakota, Nova Scotia, Ohio, Oklahoma, Pennsylvania, Quebec, Rhode Island, Saskatchewan, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming. A summary of survey responses follows.

Drivers License Issuance

Jurisdictions were asked if they have outsourced all or part of their driver licensing functions, including new, renewal, duplicate and transfer licenses. Eighteen jurisdictions outsource all or part of their drivers license issuance functions.

News - Thirteen jurisdictions outsource issuance of "new" drivers licenses: Alaska, Alberta, Arizona, Florida, Idaho, Iowa, Michigan, Minnesota, Missouri, New Jersey, Ohio, Saskatchewan and West Virginia. Maryland is making plans to outsource new DL issuance.

Renewals - Connecticut, Maine, Oklahoma, Quebec, Pennsylvania and the 13 jurisdictions listed above outsource renewal drivers license issuance. Vermont is making plans to outsource DL renewals.

Duplicates - Fifteen jurisdictions including Alaska, Alberta, Arizona, Florida, Idaho, Iowa, Michigan, Minnesota, Missouri, New Jersey, Ohio, Oklahoma, Pennsylvania, Saskatchewan, West Virginia outsource the issuance of duplicate licenses. Maryland is making plans to privatize issuance of duplicate licenses.

Transfers - Eleven jurisdictions privatize issuance of transfer licenses. They include; Alaska, Alberta, Arizona, Florida, Iowa, Michigan, Missouri, New Jersey, Ohio, West Virginia and Saskatchewan.

Skills Testing

Jurisdictions were asked to report what part of their skills testing program is outsourced and 23 reported having such a program.

Non-CMV Testing - Ten privatize non-CMV testing; Alberta, Arizona, Florida, Idaho, Indiana, Iowa, Montana, Pennsylvania, Utah and Vermont.

CMV Testing - Twenty-one have third party CMV testing programs. They are: Alabama, Alberta, Arizona, Arkansas, Florida, Idaho, Indiana, Iowa, Kansas, Louisiana, Michigan, Minnesota, Missouri, Montana, Nebraska, Ohio, Pennsylvania, Saskatchewan, South Dakota, Utah and Virginia. Rhode Island has a third party program for school buses only. South Carolina is making plans to develop a third party CMV testing program.

Motorcycle Testing - Thirteen jurisdictions have third party testing programs for motorcycles. They include: Alabama, Alberta, Arizona, Florida, Idaho, Iowa, Minnesota, Montana, Nebraska, New Jersey, Pennsylvania, Saskatchewan and Utah.

Written Testing

Jurisdictions were asked what part of their written testing programs are outsourced.

Non-CDL - Nine jurisdictions currently privatize non-CDL knowledge testing. They include: Alaska, Alberta, Arizona, Florida, Idaho, Iowa, Missouri, Montana, Saskatchewan and Texas. Maryland is making plans to outsource non-CDL written testing.

Motorcycle - Alaska, Alberta, Arizona, Florida, Idaho, Iowa and Nebraska privatize motorcycle knowledge testing.

Vision Screening

Nine jurisdictions, including Alaska, Alberta, Arizona, Florida, Idaho, Iowa, Maine, Minnesota and Montana outsource vision testing.

Registration Functions

Jurisdictions were asked what part of their registration functions including new, renewal and duplicate applications, are outsourced. Twenty-six jurisdictions privatize all or part of their registration functions.

News - The following outsource new registrations: Alabama, Alaska, Alberta, Arizona, Connecticut, Delaware, Idaho, Iowa, Louisiana, Maryland, Michigan, Minnesota, Missouri, Montana, New Jersey, Ohio, Quebec, Saskatchewan, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington and West Virginia. New Brunswick is making plans to outsource new registrations.

Renewals - Twenty-five jurisdictions privatize renewal registrations. They include, Alabama, Alaska, Alberta, Arizona, Connecticut, Idaho, Iowa, Maryland, Minnesota, Montana, New Brunswick, New Jersey, Ohio, Pennsylvania, Quebec, Rhode Island, Saskatchewan, South Carolina, South Dakota, Texas, Vermont, Virginia, Washington, West Virginia and Wisconsin. Illinois is piloting privatizing renewals and New Brunswick is making plans to outsource renewals.

Duplicates - Eighteen jurisdictions privatize the issuance of duplicates; Alabama, Alaska, Alberta, Arizona, Connecticut, Idaho, Iowa, Minnesota, Montana, New Brunswick, New Jersey, Pennsylvania, Quebec, Saskatchewan, South Dakota, Texas, Washington and West Virginia. New Brunswick is making plans to outsource issuance of duplicate licenses.

Insurance Verification

Alberta, Arizona, Connecticut, Minnesota, New Jersey, Ohio and Texas outsource insurance verification. New Brunswick is making plans to outsource this function.

Emissions Testing

Thirteen jurisdictions outsource emissions testing. They are: Alabama, Arizona, Connecticut, Iowa, Minnesota, New Jersey, Ohio, Pennsylvania, Tennessee, Texas, Virginia, Washington and West Virginia.

Title Issuance

Eight jurisdictions privatize title verification functions. They include; Arizona, Delaware, Maryland, Minnesota, New Jersey, Pennsylvania, Tennessee and Utah. Wisconsin began a pilot in December, 1996.

Safety Inspections and Theft

Six jurisdictions outsource safety functions; Arizona, Arkansas, Connecticut, New Brunswick, New Jersey and Saskatchewan.

Two jurisdictions, Arizona and Washington, privatize theft functions.

Motor Carrier Functions

Jurisdictions were asked which, if any, of their motor carrier functions, including IRP, IFTA, Single State Registration System, oversize, safety and heavy duty are privatized.

IRP - Delaware, Rhode Island and Virginia privatize IRP functions. Arizona is piloting a privatization program and Wisconsin is making plans to outsource IRP functions.

IFTA - Delaware, New Jersey, South Carolina, Virginia, West Virginia and Wisconsin outsource IFTA. Arizona is currently piloting a third party IFTA program.

Single State Registration System - No jurisdiction reported that they outsource SRSS.

Oversize - Tennessee outsources oversize functions. Arizona is currently piloting outsourcing of their oversize program.

Safety and Heavy Duty - New Brunswick privatizes their motor carrier safety and heavy duty functions. Arizona is currently piloting their heavy duty program.

General Functions

Jurisdictions were asked to report on any general functions they privatize.

Telephone Functions - Arizona, Pennsylvania, Saskatchewan and Vermont outsource part or all of their telephone functions

Correspondence - Arizona and Idaho outsource correspondence functions. Mississippi is making plans to do so.

Driver Improvement - Eleven jurisdictions report outsourcing of their driver improvement program. They are: Arizona, Connecticut, Iowa, Kentucky, Maryland, Minnesota, New Brunswick, Nova Scotia, Ohio, Rhode Island and West Virginia.

Defensive Driving - Twelve jurisdictions including Connecticut, Delaware, Idaho, Minnesota, New Jersey, Nova Scotia, Ohio, Rhode Island, Saskatchewan, Utah, Virginia and West Virginia privatize their defensive driving programs.

Accident Records - Three jurisdictions, Alberta, Tennessee and Virginia outsource accident records.

Computer Service

Jurisdictions were asked about privatizing of computer services.

Computer Design - Alberta, Texas and Wyoming contract with third party providers for computer design.

Computer Maintenance - Alberta, Pennsylvania, Texas, Virginia, West Virginia and Wyoming privatize computer maintenance.

Key Entry - Ten jurisdictions outsource key entry functions. They are: Alberta, Connecticut, Idaho, Illinois, Oklahoma, Pennsylvania, Quebec, Tennessee, Texas and Virginia.

Legislation and/or Rule and Regulation

Jurisdictions were asked whether they needed legislation or rule and regulation to privatize, or whether they can simply implement a privatization program. A number of jurisdictions checked more than one box on the survey.

Legislation - Alabama, Alberta, Arizona, Arkansas, California, Connecticut, Delaware, Florida, Idaho, Iowa, Kentucky, Louisiana, Maine, Maryland, Michigan, Missouri, Montana, Nebraska, New Jersey, Ohio, Oklahoma, Pennsylvania, Saskatchewan, South Carolina, Texas, Utah, Vermont, Wisconsin and Wyoming.

Rule and Regulation - Alabama, Alberta, Arizona, California, Connecticut, Florida, Maine, Mississippi, Missouri, Montana, New Brunswick, New Jersey, Oklahoma, Saskatchewan, Texas, Utah and Vermont.

Did / Can Do At Anytime Without Outside Agency Approval - Alaska, Arizona, Kansas, Idaho, Kentucky, Maryland, Texas, Virginia and West Virginia.

Other - Arizona, California, Connecticut, Idaho, Kentucky, Maine, Minnesota, Nebraska, Newfoundland, North Dakota, Nova Scotia, Rhode Island, Saskatchewan, Tennessee, Utah and Wisconsin.

Effectiveness of Privatization Programs

Thirty five jurisdictions report that their outsourcing programs are working well. Three jurisdictions indicate that their programs are not working well. Two have mixed feelings about their programs.

Pennsylvania reports that customers like the on-line messenger program because they have immediate access to driver and vehicle services. Outsourcing of their customer call center resulted in a 20% increase in calls handled. Issuers in Saskatchewan provide valuable contact and visibility in small communities. Texas reports that outsourcing data entry, microfilming, plates and stickers are working well. Title issuance is too new to assess at this time. Utah reports that current programs are adequate, but another approach which would require legislation could be structured more efficiently. Alabama reports that outsourcing of data entry required a change in work flow to insure against loss of documents which was a problem. New Brunswick said inspections have worked well when supervision was good. They feel their computer is too new and commented that expertise in the DMV is still needed to manage the program and ensure quality efficient service.

Connecticut reports mixed results. Driving school re-training is not working well because they cannot track students or evaluate the success of the program. An insurance compliance program was discontinued due to problems. Inventory control of secured documents is labor intensive. Iowa reports a lack of authoritative control over

local government offices administering the drivers license program. Quality, consistency, uniformity and integrity of the DL system has suffered through outsourcing at an increased cost.

New Jersey is concerned that the private agents are primarily interested in profit and are having trouble with quality control and the acceptance of fraudulent documents that result in the issuance of bad documents. Oklahoma reports that they have too many locations and agents which are difficult to keep up with. They have also experienced increased equipment costs as a result of privatization. South Carolina writes that monitoring of applicants who have been licensed through a third party remains difficult. They add that spot checking is not necessary to ensure the integrity and credibility of such a program.

Rhode Island reports that control is sometimes a problem. Tennessee said their county title program is ineffective because of inadequate training of county personnel and incompatible county systems.

Things to do Differently

Jurisdictions were asked what they learned in outsourcing that they would do differently.

Connecticut would prefer an on-line insurance system and would like companies to report in a standard format. For driver re-training, they would track student's records to evaluate which program (skills or attitude) leads to fewer violations. Allowing many schools to offer training causes inconsistencies in instructor quality and course content. Kansas suggests contracts not be open ended. Pennsylvania would complete a more in-depth review of business operations before signing the contract. Wisconsin would start the contract development and bid process earlier. They state that charging a fee to the customer may inhibit usage of the third party.

Alberta said that outsourcing requires a very close monitoring and auditing process and recommends strong training and support for private agents. They also suggested third parties be educated to understand "our" business better. Arizona said that more staff is needed initially to accommodate oversight and growth of the third party programs. Delaware would produce a method for handling system changes and would keep everyone informed.

Idaho would make changes in their CDL skills testing program to include provisions in the contract for mandatory return of all materials. They would also have the authority to cancel the contract at any time. Iowa reports that outsourcing their DL program would likely not be recommended. Maine said they should have mandated longer training sessions. Maryland reports that more detail should be included in the contract, including provisions for non-compliance. If possible, they recommend coordination and oversight through one division and more detail in the monitoring program. Michigan

said they would increase vendor responsibilities for equipment installation, compatibility with the existing mainframe platform and maintenance of the system during implementation.

Minnesota recommends keeping politics out of any privatized program. They add that as a regulator agency, the jurisdiction must have rules and policies in place prior to outsourcing. Montana recommends a pilot project be completed before any program is implemented on a state wide basis. New Brunswick said to keep the rules simple, have inspectors for oversight and have the commitment of the Department to maintain the policy. New Jersey would include quality control requirements in the initial contract that are strong, enforceable and that result in termination when they are not met.

Nova Scotia suggests enough time be allowed to market the proposals. Texas reports that an attempt to outsource part of their data entry failed a few years ago because the vendor was not meeting standards and did not have sufficient communications. They currently use temporary employees on site to do the keying which has been successful due to more controls. Missouri said the CMV third party testing program decreases the workload for the Highway Patrol. Fee offices are strategically located for customer service and the state's workload is reduced. Nebraska would implement more audit requirements and have the ability to eliminate Third Party Examiners who are not following Department policies.

Utah suggests that routine functions be outsourced and that non-routine functions be centralized to keep errors at a minimum. They said long-term contracts for facilities need to be considered when entering into outsourcing contracts. They were two years into an 11 year lease when their largest county opted to perform services. They are still paying for the lease and the third party is using the building. Virginia said that better communication between the third parties and the DMV is needed before the contract begins. West Virginia reports that better controls need to be in place and said that some activities can be done more effectively in-house.

Outsourcing Discontinued

Jurisdictions were asked if they plan to discontinue outsourcing any part of their operations. Thirty four responded that they are not and three indicated they are. One said they are reviewing their program and are not prepared to make any recommendation at this time.

Wisconsin reports that they have discontinued IRP contract audits as they found that state auditors were twice as efficient. Delaware reports that they are planning on discontinuing some outsourcing but will maintain those projects that cannot be handled internally. Iowa said if the decision was theirs, outsourcing would be discontinued.

Why Outsource

Jurisdictions were asked what led to outsourcing; statutory mandate, budget cuts, agency initiative or other. Many jurisdictions checked multiple reasons. Seventeen jurisdictions indicated a statutory mandate led to outsourcing. Sixteen indicated privatization due to budget cuts. Twenty-one stated that outsourcing was completed as a result of an agency initiative and twenty listed other reasons.

Changes Resulting from Privatization

Jurisdictions were asked if what changes they have experienced as a result of outsourcing drivers license, registration or motor carrier functions.

Connecticut reports no changes in outsourcing driver licensing. They have seen fewer errors in data entry and a faster update of the master file. Kansas indicates a lighter workload in the CDL stations by outsourcing skills testing. Wisconsin reports that they are able to direct staff to focus on exception processing which leads to a more efficient process and frees staff for other functions. Alabama reports additional work to insure against loss of documentation. Alaska writes of the need for more agency oversight. Alberta has more offices, better access and longer hours.

Arizona eliminated the backlog of fleet renewals and registration of new and resale vehicles. Delaware said project completion is handled in a more timely manner. Florida has a better ratio of service provides (both outsourced and state) to the customer base which results in less customer waiting times. Idaho implemented more efficient clerical and data entry functions and have less backlog which frees up employees to do other functions. They also offer more convenient service to the public.

Iowa reports that the DL program at outsourced locations is less efficient because the DL program is not their primary function or their profession. As a result, personnel are not as knowledgeable or familiar with the DL program as their regular staff. Field offices in Louisiana can concentrate on offering more efficient service to the walk-in customers. Maine has less waiting time in branch offices for license renewals. South Carolina said outsourcing is more efficient, but is not always trusted. Texas required fewer employees to do the work.

Errors in Utah increased and the central office had to put resources into training and oversight. Using public school driver education teachers to administer written and road tests has allowed the division to maintain field staff FTEs at the same level since 1982. CDL third party skills testing has resulted in no CDL staff increase since 1989. West Virginia found a need to develop more operational controls for functions that are outsourced.

Facilities, Staff, Equipment, Fixed Costs

Jurisdictions were asked about the impact outsourcing had on their facilities, staff, equipment and fixed costs.

Facilities - Alabama reported elimination of a third shift of data entry employees. Alberta closed numerous government facilities as private agents lease their own offices and created more offices across the jurisdiction. Connecticut said that overall, the DMV has fewer offices than six years ago. Branch closing caused the Department's involvement in partnerships and increased security concerns. Dealer / licensing cut back on lines in branches and leasing reduced the mail-in registration work. Privatizing in Florida and Minnesota resulted in more field locations. Iowa reported that some of the existing facilities at outsourced locations do not meet the needs of the DL program. Security of controlled items has also been a serious problem. Maryland said outsourcing will eventually reduce the need for large facilities and facilities in more remote areas. Michigan reports that third party CMV testing saved the Department the expense of building sites and the yearly maintenance costs.

Staff - Alberta had staff lay offs, who were hired by private offices. Connecticut experienced no significant in staff levels, but did some shifting of responsibility to oversight responsibilities. Florida reassigned staff and found that state employees were hired by third parties at a higher rate of pay, equal benefits and continuation in the Florida Retirement System. Idaho reduced staff levels by seven FTE. Illinois, Kentucky, Vermont, Virginia and Wisconsin reassigned employees to other functions. Indiana eliminated overtime by state driver examiners to administer motorcycle skills tests. Previous staff in Iowa were displaced as a result of the legislative mandate to privatize, but they were fortunate to be able to absorb them at other locations where openings existed. Maine staff now has more time to handle complicated transactions. Maryland reassigned some staff to other positions and lost some positions through attrition. Minnesota reassigned staff to handle oversight responsibilities. New Brunswick decreased employees used in other capacities. Pennsylvania eliminated 63 positions through outsourcing of their customer call center. Saskatchewan needs less government staff to deliver services.

Equipment - Connecticut needed more equipment for licensing. Current equipment in Florida did not suffice. They found that additional equipment is needed when supplying more locations for the same customer base; equipment utilization was decreased. Equipment did suffice for data entry outsourcing in Idaho, but they will require additional equipment to privatize in the future. Iowa needed six complete sets of equipment to cover the same area previously served by one DL team with one set of equipment. Michigan had to purchase additional network routers, servers and PCs to run proprietary software supplied by the vendor to handle phone renewals. New Brunswick sold their equipment to new providers. Outsourcing security allowed Virginia to eliminate the need to purchase or maintain police equipment.

Measuring Success

Jurisdictions were asked how customer service is / will be solicited, measured and analyzed for those offices / functions that are outsourced.

Pennsylvania and Alberta conducts customer surveys with the involvement of a private contractor. Outsourcing in Wisconsin and Alabama is transparent to the customer and they feel that measures for success are not needed. Florida, Maryland, Ohio, Missouri, West Virginia, Michigan and Iowa measure success through customer service surveys and public contacts. Minnesota, New Jersey, Ohio, Texas and Maine measure volumes and error rates. Montana measures the success of their driver education program through testimony of parents and students. Virginia utilizes quality control checks and customer response. Measuring success in Quebec is a problem they intend to solve with the next third party contract signed. Saskatchewan has no regular measure of customer service, but they do follow-up on complaints received.

Results of Outsourcing

Jurisdictions were asked what they have recognized through privatization. Many jurisdictions indicated a number of results. The task is listed below, followed by the number of jurisdictions who indicated they experienced that result.

Driver Licensing - cost savings - 12; increased customer service - 22; improved employee morale - 2; cost avoidance - 11; decrease in wait times - 19; enhanced public perception - 14; increase in revenues - 0; better customer satisfaction - 15; and reduction in backlogs - 13.

Motor Vehicle - cost savings - 14; increased customer service - 15; improved employee morale - 0; cost avoidance - 15; decrease in wait times - 9; enhanced public perception - 8; increase in revenues - 0; better customer satisfaction - 8 and reduction in backlogs - 8.

Motor Carrier - cost savings - 4; increased customer service - 7; improved employee morale - 1; cost avoidance - 4; decrease in wait times - 3; enhanced public perception - 5; increase in revenues - 0; better customer satisfaction - 6 and reduction in backlogs - 4.

General Functions - cost savings - 6; increased customer service - 6; improved employee morale - 1; cost avoidance - 4; decrease in wait times - 2; enhanced public perception - 4; increase in revenues - 0; better customer satisfaction - 5 and reduction in backlogs - 6.

Differences Between Third Party Offices and Jurisdiction Offices

Jurisdictions were asked to report on any differences between third party offices and jurisdictional offices. A compilation of responses follows.

Third Party Offices - higher error rate; less quality concern; lower error rate because oversight is higher; state run vs. third party offices are basically equal; these offices generally operate other businesses in addition to performing DMV functions; offer more convenient locations for customers; county run offices do not have the same level of customer service commitment; higher error rate in collecting fees;

Jurisdictional Offices - more attention to detail; better knowledge of the driver licensing system; customer receives better, more complete information; jurisdiction offices tend to handle more complex transactions because they are dedicated issuing outlets; more convenient to discuss service problems and service recovery efforts due to managerial responsibilities;

Examiners - state examiners are easier to monitor; state examiners and third party examiners are fairly consistent;

Pros and Cons of Outsourcing

Jurisdictions to tell us what they see as the pros and cons of outsourcing. Here's what they had to say.

Pros - more / more convenient locations for customers; improved service options for customers; cost savings; ability to use existing overhead of other agencies or companies to expand services or locations; more flexibility by county / city agencies or companies with employee salaries and benefits; convenience to the public with no expansion in government; ability for public after DMV's normal work hours and on weekends; reduced customer lines; reduced lines at exam stations; competition; partnership; possible cost reduction in equipment and maintenance cost; frees up field office space; more efficient processing; ability to maintain current staffing levels; reduction in volume in state offices; decrease / elimination in need to provide facility, staff and equipment; eliminate need for DMV examiners to work overtime to complete motorcycle testing; more input from private sector; reduced backlogs; perception to have easier product corruption countered by strong mechanism and auditing; checks and balances built into system to validate data access; elimination of middle man; cost avoidance on additional equipment and/or personnel; guaranteed turnaround; competitive pricing; - prevents backlog from other divisions within department

Cons - reduced employee morale at DMV and vendor; higher error rates; lost the level of in-house expertise; buy in from MVD employees and territorial issues; loss of control; increase in fraud; increase in errors; unreliable database; increase in training and monitoring, partially due to high turnover rates; higher costs; loss of employee

accountability; inconsistent methods in driver training; inconsistent instructor quality and content; reduction in staff after outsourcing makes it difficult to monitor compliance; need for third party employee training; increased management duties; constant monitoring to ensure third party follows policies / procedures; accountability; decentralized system is expensive to equip and support; security; time limits; implementation of changes to system requires DMV to deal with 67 elected public officials; growth is faster than we can handle; lack of auditing procedures; lack of security of records; decreases workload in field offices; legal issues; if company becomes financially unstable or pulls out, there is the possibility of a major disruption in service; private courier services have proven to be difficult; quality of work is lacking; cost to manage and correct mistakes is more time consuming than value received;

Third Party Selection

Jurisdictions were asked how third parties are identified or selected. Most jurisdictions marked more than one box. Responses follow.

Appointed - Michigan, Minnesota, Missouri, New Jersey, Oklahoma, Pennsylvania, Saskatchewan, Tennessee, Virginia, Vermont and Washington

Application Made by Third Party - Alabama, Alberta, Arizona, Arkansas, Florida, Idaho, Indiana, Kansas, Louisiana, Maine, Maryland, Missouri, Montana, Nebraska, New Brunswick, New Jersey, Pennsylvania, Quebec, Saskatchewan, Utah, Virginia, Washington and West Virginia

Negotiated or Bid Contracts - Alabama, Alaska, Connecticut, Idaho, Indiana, Kentucky, Maryland, New Brunswick, New Jersey, Ohio, Pennsylvania, Texas, Vermont, Virginia, West Virginia and Wisconsin

Defined by Statute - Alabama, Florida, Idaho, Louisiana, Maryland, New Jersey, Oklahoma, Utah, Texas, Washington and West Virginia

Other - Alabama, Arizona, Connecticut, Idaho, Kentucky, Maine, Maryland, Michigan, Minnesota, Missouri, New Jersey, Quebec, Saskatchewan, South Carolina, Texas, Utah and Washington

Third Party Funding

Jurisdictions were asked how third party agents / entities receive funding for processing DMV functions. Choices and responses follow.

User Fee is Added to Each Transaction - Alabama, Alberta, Alaska, Arizona, Connecticut, Florida, Idaho, Louisiana, Maine, Maryland, Minnesota, Missouri, New Brunswick, New Jersey, Ohio, Oklahoma, Pennsylvania, Rhode Island, Tennessee, Texas, Vermont, Virginia, Washington, West Virginia and Wisconsin

Third Party Takes Fee Up Front - Alabama, Alberta, Arizona, Florida, Idaho, Iowa, Louisiana, Maine, Maryland, Michigan, Minnesota, Missouri, Nebraska, New Brunswick, Oklahoma, Pennsylvania, Rhode Island, Texas, Vermont, Washington and West Virginia

Reimbursement is Completed after Monies / Reports are Received by the DMV - Alberta, Idaho, New Brunswick, New Jersey, Tennessee, Texas, Virginia and West Virginia

Agent Receives Flat Monthly Compensation - Connecticut and Wisconsin

Other - Alabama, Alaska, Arizona, Arkansas, Connecticut, Indiana, Kansas, Kentucky, Maryland, Michigan, Missouri, Montana, New Jersey, Nova Scotia, Ohio, Quebec, Saskatchewan, South Carolina, Texas, Virginia, West Virginia and Wisconsin

Third Party Contracts

Thirty seven jurisdictions reported having written contracts with their third party agents. Iowa does not. New Jersey is negotiating their contracts now.

Jurisdictions were asked what they learned from experience that should also be included in the written third party contract.

Kansas suggests a renewal clause be added requiring the contract to be re-negotiated at least every two years. Alabama would include standards of performance and more control by the DMV. Alberta suggests the service level standard be included. Florida plans to add employee training requirements prior to state approval to administer examinations and issuance of DL's and IDs. Indiana would be specific regarding certification or training, customer service and policies and procedures.. Maine would mandate the number of hours of training for every person using their equipment. Minnesota would revise the contract to clearly state what actions will disqualify a third party. Montana would require third party examiners to administer a certain number of tests per year. New Jersey would define parameters before establishing the system; i.e., spell out specifics and require the third party to accept the parameters or find someone who will. Ohio wants assurance that sufficient hours are worked by the contractor. Quebec would add more precision on quality, cost of training, termination rules, hours of operation, insurance, industry, security. Virginia would strengthen operational controls.

Terminating a Third Party Contract

Jurisdictions were asked how contracts with third parties are terminated.

Nearly all respondents indicated they can terminate a contract at any time for any reason. However, most will not cancel the contract unless the third party agent violates

a provision of the contract and some can cancel the contract for only this reason. Jurisdictions give from 10 - 30 days before cancellation is effective.

Third Party Training

Classroom - Nearly all jurisdictions with third party programs offer some type of initial classroom training. Length of training ranges from one day to two weeks. A number of jurisdictions also offer classroom refresher training which ranges from one day to 120 hours.

On-the-Job Training - Again, nearly all jurisdictions offer on-the-job training for third party providers. Length of initial on-the-job training ranges from 1-2 days to four days to 1-2 weeks. Most offer training prior to start-up. A number of jurisdictions also offer refresher on-the-job training. Some visit the office while others complete training via phone conversations and e mail messages. Time frame for offering refresher training varies from annually to semi-annually to once every three years.

Equipment / Supplies

Jurisdictions were asked to provide information on the equipment / supplies they provide to third party agencies.

All Equipment - Connecticut, Florida, Idaho, Maine, Maryland, Minnesota, New Brunswick, New Jersey, Quebec, Saskatchewan, South Dakota, Texas, Utah, Vermont, Virginia, Washington and West Virginia

Computer Equipment - Florida, Idaho, Iowa, Kentucky, Missouri, Montana, New Jersey, Ohio, Quebec, Saskatchewan, Tennessee, Utah, Virginia, Washington and West Virginia

Vision Charts / Machines - Alaska, Florida, Idaho, Minnesota, New Jersey, Ohio, South Dakota, West Virginia

Phones - Idaho, Kentucky, New Jersey

Office Supplies - New Jersey, Tennessee, West Virginia

Forms - Alabama, Idaho, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, Saskatchewan, South Carolina, Texas and Utah

Office Space - Kentucky, Maryland, New Jersey, Utah (one site only), and West Virginia

Phones / Computer Lines - Alberta, Florida, Idaho, Iowa, Minnesota, Missouri, Montana, New Jersey, Ohio, Quebec, Saskatchewan, Texas, Washington and West Virginia

Audit Authority / Responsibility

Jurisdictions were asked who had performance / fiscal review audit authority over third party agencies?

Performance Review

Drivers License / Motor Vehicle Agency - Alabama, Alaska, Alberta, Connecticut, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, New Brunswick, New Jersey, Ohio, Pennsylvania, Quebec, Saskatchewan, South Dakota, Texas, Utah, Vermont, Virginia, Washington, West Virginia and Wisconsin

Auditor's Office - Arizona, Connecticut, Florida, Idaho, Kansas, Maryland, Minnesota, Saskatchewan, Texas, Utah and Virginia

Other - Arizona, Arkansas, Idaho, Louisiana, Maryland, Michigan, Missouri, New Brunswick, Pennsylvania, South Carolina, Utah, Washington and West Virginia

Fiscal Review

Drivers License / Motor Vehicle Agency - Alabama, Alaska, Connecticut, Florida, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Minnesota, Missouri, Montana, New Jersey, Ohio, Quebec, Saskatchewan, South Dakota, Texas, Utah, Vermont, Virginia, West Virginia and Wisconsin

Auditor's Office - Alabama, Arizona, Connecticut, Florida, Idaho, Illinois, Iowa, Maryland, Minnesota, Missouri, Saskatchewan, South Carolina, South Dakota, Texas and Virginia

Other - Arizona, Arkansas, Connecticut, Florida, Idaho, Michigan, Missouri, South Carolina, Utah, Washington, West Virginia and Wisconsin

Type of Audit / Review

Jurisdictions were asked to provide information on how and how often performance reviews and fiscal audits are completed. A number of jurisdictions indicated different timeframes depending on the function being audited. In those cases, the most frequent timeframe is listed.

Performance Review - Review of Records - Random - Alabama, Florida, Indiana, New Jersey, Pennsylvania, Texas; Daily - Alaska, Connecticut, Illinois, Maine, Minnesota, Missouri, Ohio, Washington, Wisconsin; Weekly - Maryland, South Dakota; Monthly - Iowa, Michigan, Montana, Utah, Virginia; Yearly - Alberta, Arizona, Arkansas, Idaho,

Indiana, Kansas Nebraska, West Virginia; Every 3 Years - Saskatchewan; Timeframe Not Listed - New Brunswick, New Jersey, Vermont

Performance Review - On-site Review - Random - Alabama, Florida, Indiana, Texas, Utah; Weekly - Maryland; Monthly - Maine, Minnesota, New Jersey, Ohio; Quarterly - South Dakota; Semi-Annually - Connecticut, Montana; Yearly - Alberta, Arizona, Arkansas, Idaho, Indiana, Iowa, Kansas, Michigan, Missouri, Nebraska, Pennsylvania, Virginia, Washington, West Virginia; Every 3 Years - Saskatchewan; Every 5 years - Quebec; Timeframe Not Listed - New Brunswick, New Jersey, Vermont

Performance Review - Electronic Review - Random - Florida, Montana, Texas; Daily - Alaska, Ohio, Virginia; Weekly - Maryland; Yearly - Alberta, Arizona, West Virginia; Every 3 Years - Saskatchewan; Timeframe Not Listed - Idaho, New Jersey

Fiscal Audit - Review of Records - Random - Alabama, Maryland; Daily - Alaska, Minnesota, Ohio, Texas; Monthly - Montana; Semi-Annually - Missouri; Yearly - Arizona, Indiana, Kansas, Virginia, West Virginia, Wisconsin; Every 2 Years - Alberta; Every 3 Years - Saskatchewan; Timeframe Not Listed - Connecticut, Iowa, Utah, Vermont

Fiscal Audit - On-Site Review - Random - Alabama, Maryland, Utah; Monthly - Ohio, Texas; Semi-Annually - Missouri, Montana; Yearly - Arizona, Indiana, Kansas, Kentucky, Minnesota, Virginia, West Virginia; Every 2 Years - Alberta; Every 3 Years - Saskatchewan; Timeframe Not Listed - Connecticut, Iowa, Vermont

Fiscal Audit - Electronic Records - Random - Maryland, Montana; Daily - Alaska, Ohio, Texas; Yearly - Arizona, Virginia, West Virginia; Every 2 Years - Alberta; Every 3 Years - Saskatchewan

Written Audit Procedures

Jurisdictions were requested to advise whether or not they have written audit procedures. The following jurisdictions reported that they do have written procedures.

Alabama, Alberta, Arizona, Connecticut, Idaho, Indiana, Maryland, Michigan, Minnesota, Missouri, Nebraska, Ohio, Pennsylvania, Quebec, Saskatchewan, Utah, Virginia and Washington. Louisiana is writing procedures at this time.

HB

210

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. HB 210

Revision Date: _____ Dept. Affected: DOT&PF
 Title: Airport Duty-Free Concessions BRU: Anch/Fbks International Airport
 Component: Airport Operations
 Sponsor: Representative Rokberg
 Requester: House Transportation COMPONENT SERIAL NO. 1812, 1813

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	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						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0


Estimate of any current year (FY97) cost: \$ 0.0

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

The Department of Transportation and Public Facilities anticipates no additional costs associated with passage of House Bill 210

Prepared by: Sam Kito III Phone: 465-3900
Special Assistant
 Division: Office of the Commissioner Date: 4/28/97

 Approved by: _____ Date: 4/28/97
Commissioner
 Agency: Department of Transportation and Public Facilities

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HB 210

BILL SUMMARY. DOTPF may extend a duty free concession contract if department determines that the extension will maintain or improve the competitive position of the airport and maintain or increase the concessionaire's revenues.

PROSPECTIVE ONLY. No retroactive provision, although DGG's testimony before Senate indicated that they wanted this bill to apply to existing contract. If this bill is prospective only, then it isn't needed because the airport can already provide options for extension in the ITB or RFP. The criteria to support an extension raises policy issues.

RETROACTIVE PROBLEMS. Legal concerns if made retroactive:

1. Violation of competitive principles because this would be a material modification since the possibility of an extension was not included in the ITB, and an extension creates a new contract. Kenai Lumber v. LeResche, 646 P.2d 215 (Alaska 1982)
2. Airport regulations require that a lease, permit or concession be noticed to the public prior to award and that the general terms and conditions of the contract be described. 17 AAC 40.340. The duty free concession was for 5 years, and no extension was noticed.
3. Duty free concession ITB provided that the contract terms were not negotiable. Disclaimers were included; no warranty for increases or decreases in customer flow. (3 bidders)
4. Would appear to be a special act since there is only one duty free concession contract and thus prohibited under AK Constitution, Art. II, Sec. 19.
5. Litigation is likely if the DGG contract is extended because another bidder has already alleged that the airport favored DGG. The court found that the assertions of impropriety were not patently frivolous and that the airport had a reasonable basis to cancel the solicitation. Paul Wholesale v. State, 908 P.2d 994 (Alaska 1995).
6. FAA waiver would be required for term beyond 5 years. 49 CFR 23.107.

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS

LABOR & COMMERCE COMMITTEE, CHAIRMAN
SPECIAL COMMITTEE ON OIL & GAS, MEMBER
JUDICIARY COMMITTEE, MEMBER
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SESSION:
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PHONE: (907) 465-4968
FAX: (907) 465-2040

Representative Norman Rokeberg

SPONSOR STATEMENT HOUSE BILL 210 BY REPRESENTATIVE NORMAN ROKEBERG

House Bill 210 - An Act relating to the extension of contracts for the sale and delivery on in-bond merchandise at international airports.

House Bill 210 is a straight forward bill that would provide the Department of Transportation and Public Facilities (DOT/PF) with more flexibility to extend the term of a duty free concession contract at the Anchorage International Airport, if such extension would be in the state's best interests. The bill does not mandate that DOT/PF do anything; it just provides a tool that may be used to maintain the competitive position of Anchorage International Airport in the marketplace.

The duty free/general merchandise concession at Anchorage International Airport at one time generated revenues in excess of \$100 million and fees to the state approaching \$19 million annually. The changing nature of the international airport market (i.e., rerouting around Anchorage as a stop, opening of Soviet air space, long-haul jets) has greatly impacted the market with a resulting decline in revenues and fees to Alaska.

These revenues and fees are again increasing as the new concessionaire works to attract a broader market and as more international airlines consider Anchorage as a stop. The current concession contract is held by a group of Alaskans--the David Green Group. The concessionaire needs to make substantial additional investments in leasehold improvements to attract world-class brand merchandise. An extension of the lease term would allow the concessionaire to amortize its tenant improvements over a reasonable length of time, as well as enhance the competitive position of our duty-free concession versus New York and Hong Kong. The resulting increase in gross revenue would be in the state's best interest.

Your support of this legislation would be appreciated.

ED1:4/14/97

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS

LABOR & COMMERCE COMMITTEE, CHAIRMAN
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Representative Norman Rokeberg

SECTIONAL ANALYSIS HOUSE BILL 210

By Representative Norman Rokeberg

House Bill 210 - An Act relating to the extension of contracts for the sale and delivery of in-bond merchandise at international airports.

Section 1 - Permits the Department of Transportation and Public Facilities to extend a contract for the sale or delivery of in-bond merchandise at an international airport if: (a) the contractor agrees, (b) the extension is in the state's best interest and (c) such extension would maintain or improve the competitive position of the airport in the marketplace.

Anchorage International Airport Duty Free/General Merchandise Concession

Background:

The duty free/general merchandise concession (DF/GM concession) at the North Terminal of Anchorage International Airport (AIA) is operated by the David Green Group, J.V. (DGG) until its agreement termination in July 2000. DGG is requesting that the State grant an term extension of 40 months to facilitate the expansion and improvement of the retail spaces.

The AIA DF/GM concession at one time produced one of the world's highest revenue per passenger airport operations resulting in an extremely valuable State asset that generated significant revenues for the airport and its operators. In 1988, transit passengers totaled 1.5 million passengers and concession retail sales exceeded \$100 million per year with fees paid to the State approaching \$19 million annually. However, with the opening of Soviet air space and a new generation of long-haul jets coming on-line the market drastically declined by 75% in the number of transit passengers with annual sales plummeting to a low of \$7 million and concessions fees to \$1 million (See attached Charts A through C for passenger traffic, airport concession fees and gross revenue history).

DFS Ltd, the world's largest duty free operator and incumbent AIA concessionaire, did not even submit a bid to the State to retain the concession that it operated for 25 years. It was deemed to have eroded in the value to the point of not worth the effort. In fact, DOTPF had to put the bid proposal out for a fourth time before it even got any interested bidders. At that point, the successful bidder was the David Green Group (DGG).

The DGG was awarded the concession for a term of five years beginning on August 1, 1995. During their first year of operation they increased sales by 50% to over \$10 million with expectations that there will be an additional 50% sales growth in the second year. This has been the result of local management control, a focused marketing strategy, hard work, passenger growth and appropriate investment. The recent increases in international transit passengers present a narrow window of opportunity to revitalize the standing of the DF/GM concession. The increase enhances the credibility of the DF/GM concession opportunity, so that it is once again to viably market the facility to high-end merchandise suppliers. Many of these suppliers expect the surrounding company of other prestige brands. World class brands such as Hermes, Cartier, Coach and Christian Dior have expressed renewed interest in Anchorage, but only if a high-end retail environment is created.

Because of the highly competitive nature of the duty free business globally and the changes occurring in the Asian, European and North American economic market, airports and concessionaires are making significant investments to attract retail sales growth. Consequently, if AIA is to maintain their position in the marketplace or to expect any growth it is essential that the necessary investment(s) be made to insure a competitive presence. DGG believes that additional investment in the infrastructure of their concession would yield a significant increase in retail sales and fees to AIA. However, not enough time remains under the current concession agreement to adequately amortize the investment.

The State directs the airport and its AIA Revenue Fund to be self-sustaining to maximize revenue opportunities where feasible, as is the case with most airports in the world. There is a limit on the amount airports can derive through increased landing fees before discouraging air carriers using their facilities. Increasing competition between airlines has meant that airports have turned to retailing as an alternative source of revenue. A London Financial Times study stated, "the portion of income derived from landing fees fell from 27% in 1983 to 25% in 1993. This reflects pressures from both airlines and regulatory bodies to keep these charges low." In the case of AIA, the State fees derived from the DF/GM concession sales enhances the attractiveness of the international terminal, better serves the traveling public and enables the State to mitigate other operational costs currently borne by the air carriers. While DGG certainly intends to work aggressively to enhance the duty-free concession to the extent economically prudent under the existing agreement, the regrettable reality is that it is not commercially feasible for DGG to undertake the necessary proposed scope of investments under the current contract term.

Other Airport Duty Free Concessions:

AIA competes with selected major Asian and North American airports for the discretionary spending of both transit and destination travelers. This international competition for the sale of duty-free/general merchandise has entered a new era of competition, particularly in these airports across the Pacific Rim (See Chart D from trade press, Datamonitor). Other existing airports, such as, Los Angeles, New York and Vancouver are also investing capital to improve their passenger facilities. The retail opportunities available to the international travelers are thus being continually elevated. Progressive leasing authorities recognize that to remain competitive they must work with their concessionaire(s) to viably compete for discretionary travel retail sales. For example, at JFK in New York, a group of four major international airlines, i.e., Korean Air, JAL, Lufthansa and Air France, are constructing a world class terminal facility by 1998 to complement the high standard level of passenger service expected of them. This competing facility will contain over 17,000 square feet of retail space, as compared to AIA's current 8,000 sq. ft. of retail space. This is a significant increase of their existing retail areas and improves their competitiveness for air travelers spending on this major route transiting Anchorage.

Examples of Asian airport investments are noted in Chart D (attached) through the year 2000 for new or improved airport operating and retail facilities. The new Chek Lap Kok Airport opening in 1997 will dramatically increase retail shopping space by 15,000 sq. ft. over the current congested facility in Hong Kong. Many of these airports are direct competitors to AIA and its international merchandise concession.

Major international airports in the U.S., such as Sea-Tac, Portland and Las Vegas work with their concessionaires to grant them term extensions when substantial investments and efforts are made to improve merchandise facilities. The airports recognize the necessity to compete for customer spending in order to receive additional fees from cooperative concession agreements as this to operate and upgrade their facilities for expected future growth.

Legislative Need:

Conversations with the AIA's staff demonstrate a recognition of the competitive nature of the retail business and a belief that additional investment(s) would yield greater financial and competitive returns. However, they feel that they need the broadened authority under existing statutes to extend the term of the agreement for the benefit of the airport.

The introduction of the proposed amendment would allow the State and DOTPF to extend the term of the duty free concession agreement for 40 months if deemed to be in the best interest of the State and designed to improve AIA's competitive position in the marketplace. Absent this amendment, AIA would be constrained from having the flexibility to react to the already changing competitive environment. Giving DOTPF this flexibility both enhances the value of the concession and the State asset by generating additional fees to AIA, lowers operating costs and rates which would attract further new international air carriers to this airport.

Anchorage International Airport - North Terminal

Chart "A" - Transit Passengers

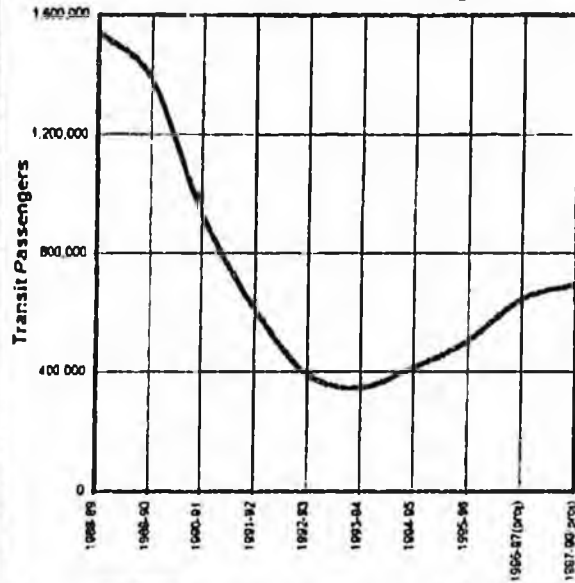


Chart "B" - Gross Revenues

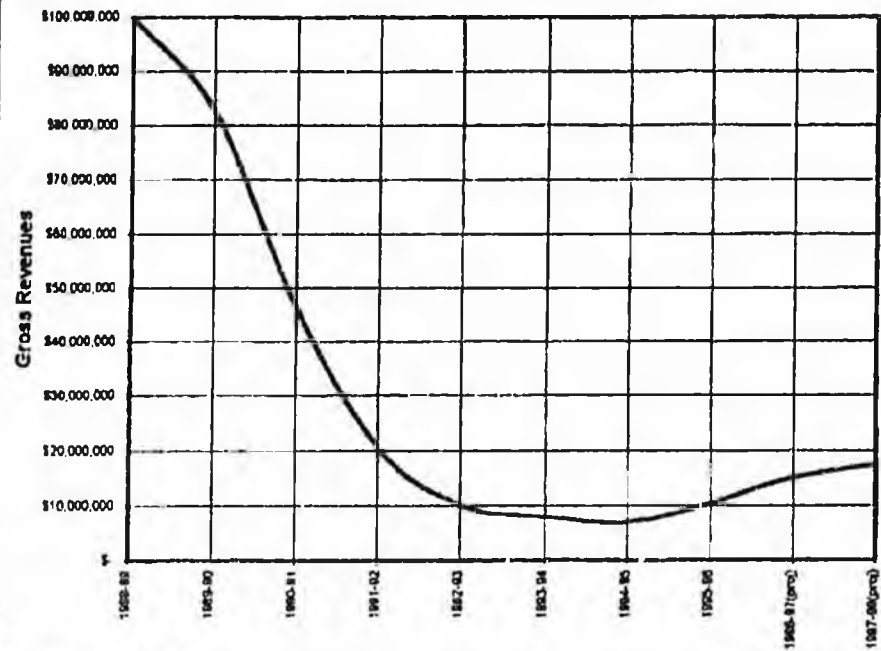
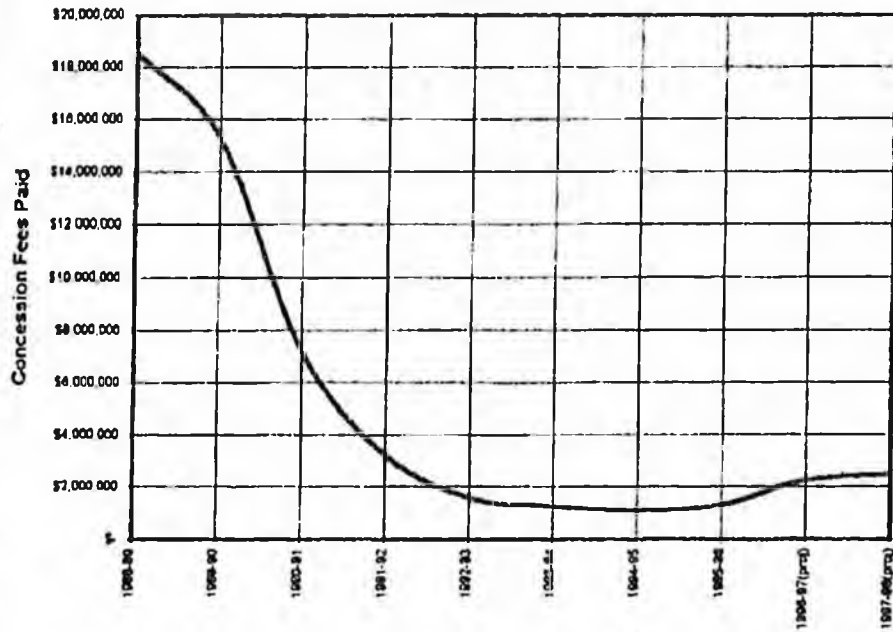


Chart "C" - Concession Fees Paid



▲
DGG acquires concession (Aug 1995)

It is estimated that spending on airport infrastructure in Asia will amount to \$75bn by the end of the century, with the new airports in Hong Kong, Seoul and Kuala Lumpur accounting for half of this, and China for a further \$10bn. Development is also taking place in the developed countries of the region: in 1995, the new Osaka/Kansai airport was opened in Japan. The region's major airport investment programmes for the rest of the decade are shown in Table 4.4. Beyond this, perhaps another \$50bn of investment will be needed in the period 2000-10.

Table 4.4: Investments in major Asian airports, 1995-2000

Airport	Country	Opening date	Investment \$m
Hong Kong Chek Lap Kok	Hong Kong	1997	21,000
Kansai	Japan	1995	15,000
Seoul Kimo International	South Korea	1997	13,000
Kuala Lumpur	Malaysia	1998	7,500
Bangkok	Thailand	2000	3,200
Shanghai	China	1999	2,800
Kobe	Japan	1998	2,800
Guangzhou	China	1997	1,760
Narita	Japan	2002	1,360
Macao	Macao	1995	913
Taipei	Taiwan	1996	700
Ho Chi Minh	Vietnam	2000	558
Beijing	China	2002	500
Manila	Philippines	2003	484
Singapore	Singapore	1996	300

Source: trade press, Datamonitor

There is also evidence that growth is not only occurring in these large regional airports, but is also spreading to a host of secondary cities such as Kota Kinabalu (Malaysia) and Cebu (Philippines). This growth is being driven by tourism and government programmes to reduce congestion in the largest cities and spread the benefits of industrialisation to other parts of the country. The key countries experiencing this growth are China, India, Indonesia, Malaysia, the Philippines, South Korea, Taiwan and Thailand. A third phase of development will occur later in Cambodia, Laos, Mongolia and Vietnam.

China's airports

This section focuses on China, one of the key growth areas on the continent. Not only is China a rapidly expanding air travel market, it has a huge airport expansion programme and has been a major destination for foreign retailers over recent years. Over the 25-year period to 1993, the growth in air passengers in China averaged 21% per annum to reach 53m passengers.

HB

222

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. HB 222

Revision Date: _____
Title: An Act relating to abandoned, wrecked or junk vehicles.
Sponsor: Representative Rokeberg
Requestor: H. TRAN

Department Affected: Administration
BRU: Motor Vehicles
Component: Field Services
COMPONENT SERIAL NO. 0502

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

This bill does not have fiscal impact to the Division of Motor Vehicles.

Prepared by: Juanita M. Hensley
Division: Motor Vehicles

Phone: 465-2650
Date: _____

Approved by Commissioner: Mark Boyer
Agency: Department of Administration

Alison N. Elger
Date: 4/21/97

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO: HB 222

Revision Date: _____ Dept. Affected: Public Safety
 Title: An Act relating to abandoned, wrecked, or BRU: Alaska State Troopers
junked vehicles Component: _____
 Sponsor: Rep. Rokeberg
 Requestor: H.TRA COMPONENT SERIAL NO. 0799

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
CHANGE IN REVENUES ()	-0-	-0-	-0-	-0-	-0-	-0-
Revenue Code						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program						
1006 GF/MHTIA						
Other						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year (FY 97) impact: \$ _____

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

This bill would not have any significant fiscal impact on AST.

Prepared By: F/Sgt. Robert Gorder Phone: 269-5650
 Division: Alaska State Troopers Date: 04/18/97
 Approved by Commissioner: Ronald L. Otte *Ronald L. Otte* Date: 4-18-97
 Agency: Department of Public Safety

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CS FOR HOUSE BILL NO. 222(TRA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTIETH LEGISLATURE - FIRST SESSION

BY THE HOUSE TRANSPORTATION COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE ROKEBERG

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to abandoned, wrecked, or junk vehicles."

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 * Section 1. AS 28.11.020 is amended to read:

4 Sec. 28.11.020. Presumption of abandonment. A vehicle registered or
5 titled as required under AS 28.10 that reasonably appears to have [HAS] been left
6 unattended, standing, parked upon or within 10 feet of the traveled portion of a
7 highway or vehicular way or area in excess of 48 hours, or a vehicle registered or
8 titled as required under AS 28.10 that reasonably appears to have been left
9 standing or parked on private property in excess of 24 hours or upon other public
10 property for more than 30 days, without the consent of the owner or person in charge
11 of the property, notwithstanding other statutory provisions, may be removed under
12 AS 28.11.030 and treated as an abandoned vehicle, unless the vehicle is reclaimed and
13 removed before [ACTION REGARDING] removal occurs [IS TAKEN] under
14 AS 28.11.030. The department for good cause may make provisions for parking of
15 vehicles on state property other than specified in this section and under the provisions

1 of AS 44.62.

2 * Sec. 2. AS 28.11.020 is amended by adding new subsections to read:

3 (b) Notwithstanding other provisions of law, a wrecked or junk vehicle that
4 reasonably appears to have been left unattended, standing, parked upon or within 10
5 feet of the traveled portion of a highway or vehicular way or area in excess of 24
6 hours, or a wrecked or junk vehicle that reasonably appears to have been left standing
7 or parked on private property or other public property in excess of 24 hours and
8 without the consent of the owner or person in charge of the property, may be removed
9 under AS 28.11.030 and treated as an abandoned vehicle, unless the vehicle is
10 reclaimed and removed before removal occurs under AS 28.11.030.

11 (c) In this section,

12 (1) "junk vehicle" means a vehicle that

13 (A) is not currently registered under AS 28.10;

14 (B) is stripped, wrecked, or otherwise inoperable due to
15 mechanical failure;

16 (C) has not been repaired because of mechanical difficulties or
17 because the cost of repairs required to make it operable exceeds the fair market
18 value of the vehicle; or

19 (D) is in a condition that exhibits more than one of the
20 following elements:

21 (i) broken glass;

22 (ii) missing wheels or tires;

23 (iii) missing body panels or parts; or

24 (iv) missing drive train parts.

25 (2) "wrecked vehicle" means a vehicle that is disabled and cannot be
26 used as a vehicle without substantial repair or reconstruction;

27 * Sec. 3. AS 28.11.050 is amended to read:

28 Sec. 28.11.050. Vesting of title. Title to an impounded vehicle not reclaimed
29 by the registered owner, a lienholder, or other person entitled to possession of the
30 vehicle within 15 [30] days from the notice given under AS 28.11.040 vests with the
31 state or, if a municipal ordinance is adopted under AS 28.11.100, with the

1 municipality, as appropriate. However, nothing in this section prohibits a lien under
2 AS 28.11.090.

3 * Sec. 4. AS 28.11.070(a) is amended to read:

4 (a) Upon satisfaction of the notice and reporting requirements prescribed in
5 this chapter, a vehicle may be disposed of by removal to a scrap processing yard or
6 auto wrecker for disposal or by public auction 20 days after notice of the auction is
7 published in a newspaper of general circulation in the area or municipality in which
8 the vehicle was found and presumed abandoned. The notice of auction must describe
9 the vehicle and specify the place, date, and time at which it will be sold. A copy of
10 the notice of auction shall be conveyed to the department.

11 * Sec. 5. AS 28.11.070(b) is amended to read:

12 (b) A vehicle disposed of under this section by public auction must be
13 [REGISTERED AND] titled under AS 28.10, and may not be subsequently sold
14 without a certificate of title issued by the department.

15 * Sec. 6. AS 28.11.100 is amended to read:

16 Sec. 28.11.100. Municipal abatement procedure. A municipality may adopt
17 an ordinance establishing procedures for the abatement and removal from private or
18 public property, as a public nuisance or a health or safety hazard, a wrecked,
19 dismantled, or inoperative vehicle or a vehicle otherwise presumed to be abandoned.
20 An ordinance adopted under this section must contain provisions for (1) notice to
21 owners and lienholders of record and persons known to be lawfully entitled to
22 possession of the vehicles, of their right to a hearing which shall be conducted by the
23 municipality in the manner provided for by municipal ordinance [THE
24 DEPARTMENT UNDER AS 28.05.131 - 28.05.141]; (2) notice to owners and
25 lienholders as provided in AS 28.11.040; and (3) disposal of abandoned vehicles as
26 provided in AS 28.11.070.

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE ROKEBERG

TO: HB 222

1 Page 3, following line 13:

2 Insert a new bill section to read:

3 **"* Sec. 6. AS 28.11.100 is amended to read:**

4 **Sec. 28.11.100. Municipal abatement procedure.** A municipality may
5 adopt an ordinance establishing procedures for the abatement and removal from
6 private or public property, as a public nuisance or a health or safety hazard, a
7 wrecked, dismantled, or inoperative vehicle or a vehicle otherwise presumed to be
8 abandoned. An ordinance adopted under this section must contain provisions for (1)
9 notice to owners and lienholders of record and persons known to be lawfully entitled
10 to possession of the vehicles, of their right to a hearing which shall be conducted by
11 the municipality in the manner provided for by municipal ordinance [THE
12 DEPARTMENT UNDER AS 28.05.131 - 28.05.141]; (2) notice to owners and
13 lienholders as provided in AS 28.11.040; and (3) disposal of abandoned vehicles as
14 provided in AS 28.11.070."

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS

LABOR & COMMERCE COMMITTEE, CHAIRMAN
SPECIAL COMMITTEE ON OIL & GAS, MEMBER
JUDICIARY COMMITTEE, MEMBER
CORRECTIONS BUDGET SUBCOMMITTEE, MEMBER
ADMINISTRATION BUDGET SUBCOMMITTEE MEMBER
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FAX: (907) 465-2040

Representative Norman Rokeberg

SPONSOR STATEMENT

HOUSE BILL 222

BY REPRESENTATIVE NORMAN ROKEBERG

House Bill 222 is an act relating to abandoned, wrecked, or junk vehicles.

HB 222 would give local governments more tools to work with when impounding and disposing of wrecked or junk vehicles. The Municipality of Anchorage has placed the passage of such legislation on its 1997 Legislative Program as an issue that needs to be addressed. The number of vehicles abandoned on streets and highways has become and is a problem for local governments. These vehicles, besides being an eyesore, can be a possible traffic or health risk. Such vehicles are usually not properly registered and tracing the owner can be difficult.

It is expensive for local governments, and citizens of those governments, to remove wrecked or junk vehicles can be formidable. The Municipality of Anchorage removes more than 1,000 such vehicles from municipal and state rights-of-way each year. The cost to the Municipality of Anchorage to remove such vehicles is approximately \$126,000.

House Bill 222 would provide the following benefits to local governments:

- Expedite removal of junk vehicles from streets and rights-of-way
- Reduce holding time and decrease processing time for junk vehicles.
- Assist in reducing the number of junk vehicles which are sold through auction and often re-deposited on the streets and rights-of-way.

House Bill 222 would make it easier for local governments to remove junk vehicles from streets and rights-of-way. The provisions of HB 222 would save money, allow municipal programs in this area to be more effective, and help make our roadways safer.

Your support of this measure would be appreciated.

ED 1:4/14/97

LEGAL SERVICES

APR 11 1997

DIVISION OF LEGAL AND RESEARCH 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

April 4, 1997

SUBJECT: Sectional Summary of HB 222

TO: Representative Norman Rokeberg
Attn: Janet

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. Establishes that a presumption of abandonment attaches to certain vehicles left unattended if the vehicles are registered or titled as required under AS 28.10.

Section 2. Allows certain junk vehicles to be removed and treated as abandoned vehicles. Provides a definition of "junk" and "wrecked" vehicles.

Section 3. Reduces the time period for reclaiming an impounded vehicle from 30 to 15 days.

Section 4. Allows disposal of a vehicle by scrap processing or by public auction.

Section 5. Requires that vehicles that are sold at auction must be registered and titled.

MFF:jdr
97-246.jdr

Municipality of Anchorage



P.O. Box 196650
Anchorage, Alaska 99519-6650
Telephone: (907) 786-8277
Fax: (907) 561-1057

Rick Mystrom, Mayor

APR 03 1997

DEPARTMENT OF PUBLIC WORKS
Street Maintenance Division
(3500 E. Tudor Road)

April 3, 1997

Representative Norm Rokeberg
Alaska State Legislature
State Capitol "MS 3100", Room 24
Juneau, AK 99801-1182

Re: Junk Vehicle House Bill

Dear Representative Rokeberg:

To reduce the costs of impounding and disposing of approximately 1000 abandoned, wrecked, or junk vehicles in the Municipality of Anchorage each year, we are seeking revisions to AS 28.11.020, 28.22.050 and 28.11.070. These revisions will provide the following benefits:

- Enable the Municipality to expedite removal of junk vehicles from streets and rights-of-ways by reducing the notice time to twenty-four hours rather than the current forty-eight hour requirement;
- The reduction of the holding time from thirty days to fifteen days will not only decrease the processing time for a junk vehicle, but will also provide additional economies for the program by reducing the size of holding yards for municipal contractors.
- The change to allow junk vehicles to be taken directly to a scrap processing yard will greatly assist in reducing the number of junk vehicles which are sold through auction and often re-deposited onto our streets and rights-of-ways.

The revisions proposed in this bill will save money, make municipal junk vehicle programs more effective, and help to make all of our roadways more attractive to our citizens and visitors. Thank you for sponsoring HB 222, "An Act Relating to Abandoned, Wrecked, or Junk Vehicles." This bill will help us manage the problem more effectively and efficiently.

Sincerely,

Everett L. Mabry
Manager

cc: Tim Rogers

wordrow/junk/bill

MUNICIPALITY OF ANCHORAGE
1997 LEGISLATIVE PROGRAM

SUMMARY OF LEGISLATIVE ISSUES

**Page
Reference**

HIGHEST PRIORITY LEGISLATIVE ISSUES

- 2-3 **Public Safety Program**
- 2-5 **Safe Communities Program**
- 2-6 **Economic Development – Global Logistics Industrial Park
Infrastructure**
- 2-7 **Bill of Mandates Legislation or Constitutional Amendment**

OTHER LEGISLATIVE ISSUES

- 2-9 **Amend AS 29.65 to provide conveyance of isolated tracts**
- 2-10 **Economic Development – Reauthorize Alaska Regional
Development Organizations (ARDOR's)**
- 2-11 **Abandoned Vehicles - AS 28.11.020, AS 28.04.050, and
AS 28.11.070**
- 2-14 **Revision to Method of Imposition of Penalties for Minor Traffic
Offenses and Operator's License Revocations - AS 28.15.191 &
AS 28.40.050**
- 2-16 **Amendment to Worker's Compensation Statute - AS 23.30.015
Compensation when third persons are liable**
- 2-20 **Amend Public Employees Pension Plans to limit basis of
computation of retirement benefits to base pay. Exclude
overtime that inflates future pension benefits.**

HB

227

DRAFT

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 412

Revision Date: _____ Dept Affected: Natural Resources
 Title: Transfer of certain land to the city of Whittier BRU: Resource Development
 Component: Land Development
 Sponsor: Cowdery, et.al.
 Requestor: HTRA Component Serial No. 431

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES	15.0	5.0				
TRAVEL	1.0	0.5				
CONTRACTUAL	2.0	1.0				
SUPPLIES	0.5	0.5				
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	18.5	7.0	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 (fund code)	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	18.5	7.0				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	18.5	7.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: \$ _____

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS:

(Attach a separate page if necessary)

DNR's role is to receive land from the Alaska Railroad and to transfer this land to the City of Whittier. This fiscal note includes personal services to receive the land from ARR (would be documented in state land title records as "Other State Land," OSL), determine what land should be reserved for ARR use, to draft state best interest determinations, to issue public notice, to review and approve surveys, to issue title documents, and to revise state land records to reflect these transactions.

We anticipate that the process to identify which lands need to be retained for ARR use could be time-consuming, hence the process is assumed to occur over a two year period.

Travel costs are several trips to Whittier. Contractual includes costs for public notices.

Prepared by: Jane Angvik Phone: 907-269-8503
 Division: Land Date: 4-Mar-98
 Approved by Commissioner: _____
 Agency: Natural Resources Date: _____

DRAFT

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 412

Revision Date _____	Dept. Affected <u>DOT&PF</u>	
Title <u>Transfer Railroad Land To Whittier</u>	BRU <u>Commissioners Office</u>	
	Component <u>Office of the Commissioner</u>	
Sponsor <u>Representative Cowdery</u>		
Requester <u>H TRA</u>	Component Serial No. <u>530</u>	

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
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	0.0	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	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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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
Other (Specify Type)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: 0.0

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared by <u>Dennis Poshard, Special Assistant</u>	Phone <u>465-3900</u>
Division <u>Commissioners Office</u>	Date <u>3/3/98</u>
Approved by <u><i>Dennis L. Poshard</i></u> Commissioner	Date <u>3/3/98</u>
Agency <u>Department of Transportation and Public Facilities</u>	

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Title: AK. Capital Improvement Project Authority (ACIPA)

Dept. Affected: DOT&PF

BRU: Statewide Planning

Components: Planning

Sponsor: Rep. Phillips

Serial # _____

Requestor: House Transportation

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	(2261.5)					
Travel	(7.4)					
Contractual	(38.2)					
Supplies	(21.1)					
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	(2328.2)					

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (THOUSANDS OF DOLLARS)

General Fund	(138.7)					
Federal Fund	(2172.0)					
Other	(17.5)					
TOTAL	(2328.2)					

POSITIONS:

Full-Time	(35)					
Part-Time	(0)					
Temporary	(0)					

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Prepared by: Pete Ecklund
House Transportation Committee
W. J. Williams Chairman

Date: 3/4/98
Phone: 465-4858
Phone: _____

ANALYSIS:

Transfers the money and positions out of the Statewide Planning BRU and into a new ACIPA BRU

Title: AK. Capital Improvement Project Authority (ACIPA)

Dept. Affected: DOT&PF

Sponsor: Rep. Phillips

BRU: ACIPA

Requestor: House Transportation

Components: ACIPA

Serial # _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	2261.5	2261.5	2261.5			
Travel	7.4	7.4	7.4			
Contractual	38.2	38.2	38.2			
Supplies	21.1	21.1	21.1			
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (THOUSANDS OF DOLLARS)

General Fund	138.7	138.7	138.7			
Federal Fund	2172.0	2172.0	2172.0			
Other	17.5	17.5	17.5			
TOTAL	2328.2	2328.2	2328.2			

POSITIONS:

Full-Time	35					
Part-Time						
Temporary						

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Prepared by: Pete Ecklund
House Transportation Committee
Pete Ecklund Chairman

Date: 3/4/98
Phone: 465-4858
Phone: _____

ANALYSIS:

Transfers money and positions into a new
BRU from Statewide Planning B RU PAGE 1 OF 1

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 227

Revision Date <u>2/5/98</u>	Dept. Affected <u>DOT&PF</u>
Title <u>Capital Improvement Project Authority</u>	BRU <u>Commissioners Office</u>
	Component <u>Office of the Commissioner</u>
Sponsor <u>Representative Phillips</u>	
Requester <u>House Transportation</u>	Component Serial No. <u>530</u>

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	376.2	376.2	376.2	376.2	376.2	376.2
Travel	65.1	65.1	65.1	65.1	65.1	65.1
Contractual	81.8	81.8	81.8	81.8	81.8	81.8
Supplies	6.0	4.5	4.5	4.5	4.5	4.5
Equipment	51.7					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	580.8	527.6	527.6	527.6	527.6	527.6

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	580.8	527.6	527.6	527.6	527.6	527.6
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	580.8	527.6	527.6	527.6	527.6	527.6

Estimate of any current year (FY98) cost: 0.0

POSITIONS

Full-time	5	0	0	0	0	0
Part-time	1	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: *(Attach a separate page if necessary)*

See Attached for Details

Prepared by Dennis Poshard, Legislative Liaison
 Division Officer of the Commissioner
 Approved by *Joseph L. Phillips* Commissioner
 Agency Department of Transportation and Public Facilities

Phone 465-3900
 Date 2/5/98
 Date 2/5/98

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HB 227

Personal Services			
Position Classification	Range/Step	Location	Cost
Director	24C	Anchorage	91,450
Administrative Manager I	15A	Anchorage	48,850
Accounting Clerk II (part-time)	10B	Anchorage	18,200
Engineer III	22A	Anchorage	77,900
Engineer I	19A	Anchorage	63,000
Transportation Planner I	21BC	Anchorage	76,800
Total Personal Services			376,200
Supplies	1998	Future Years	
Binders, Notebooks, Paper, Pens, Office Supplies, Manuals	2,500	2,500	
Data Processing Supplies, Engineering or Specialized Software	2,500	1,500	
Calculators, Hole Punch, Staplers, Etc.	1,000	500	
Total Supplies	6,000	4,500	
Equipment = One-time Costs			
	Number of Units	Price Each	Total 1998 Costs
Personal Computers w/Basic Software	5	4,300	21,500
Printer	1	6,400	6,400
Facsimile Machine	1	2,500	2,500
Phones	5	350	1,750
Hub & router	1	4,500	4,500
Office & conference room furniture			15,000
Total Equipment			51,650
Summary Costs	FY98	Future	
Personal Services	376,200	376,200	
Travel	65,128	65,128	
Contractual	81,784	81,784	
Supplies	6,000	4,500	
Equipment	51,650	0	
Total	580,762	527,612	
100% GENERAL FUNDS			

HB227

Capital Project Authority=staff of 4 reporting to 7 member board
 Board has 2 members each in Anchorage, Fairbanks, 1 each in Juneau, Ketchikan and Bethel
 Board meetings = 10 in Anchorage and 2 in Juneau, average of 2 days each
 Staff is located in Anchorage

TRAVEL COSTS

Anchorage Board Meetings:

Board Members	Meals	Lodging	Airfare	Misc. (tax)	Total
2 Anchorage	n/a				
2 Fairbanks	168	220	368	30	784
1 Juneau	84	110	220	15	429
1 Ketchikan	84	110	620	20	834
1 Bethel	106	220	960	20	1,306
Coffee, etc.				20	20
Total	442	660	2,166	105	3,373

Cost per meeting
 Cost of 10 meetings

Juneau Board Meetings:

Board Members	Meals	Lodging	Airfare	Misc. (tax)	Total
2 Anchorage	212	356	440	30	1,038
2 Fairbanks	212	356	1,252	30	1,850
1 Juneau	n/a				0
1 Ketchikan	48	89	268	20	425
1 Bethel	126	316	886	20	1,348
2 staff from Anchorage	212	356	440	30	1,038
Total	810	1,473	3,286	130	5,699

Cost per meeting
 Cost of 2 meetings

Transportation Association Meetings (e.g. WASHTO, AASH)

Staff	5,000			
Authority	15,000			
subtotal	20,000			

Travel Total 65,128

Contractual Costs

Legal costs for reqs	10,000			
Telephones				
voice mail/centrex & lines	3,000			
long distance charges	6,000			
installation	750			
Computing/Network Charges				
port-connect	1,980			
port access charges	3,600			
internet address	100			
terminal/printer access charges	1,584			
data line installation	2,500			
dataline mo. charges	1,800			
leased modem for dataline	300			
mtc. for router	450			
wiring installation	800			
contract LAN & desktop support	6,000			
Leased office space with conference room	23,400	for 1300 sq. ft. @ 1.50/sq.ft./mo.		
Advertising for public board meetings	7,200	average based on 3 newspapers, 3 days for 12 mtgs.		
Advertising for proposed regulations	2,400	4 locations, twice		
Other = postage, express mail, etc.	5,000			
Vehicle = sedan class 106	4,920			
Contractual Total	81,784			

HB 227

Furniture					
File Cabinets	4 drwr legal	4 drwr letter		Total (2 each)	
	290	249		1078	
				Total (2)	
BcokCase	600			1200	
	Table	Chairs		Total Table and 10 Chairs	
96" Conference	900	300		3900	
	Desk	Side table	Chair	Total (4 of each)	
Desks, Computers	575	400	400	5900	
				Total (10)	
Guest Chairs	200			2000	
		First Year Furniture		14078	

0-LS0789AH
Utermohle
3/6/98

CS FOR HOUSE BILL NO. 227(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE TRANSPORTATION COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES PHILLIPS, Cowdery

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the Alaska Capital Improvement Project Authority; relating
2 to the powers and duties of the Department of Transportation and Public
3 Facilities; and providing for an effective date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1. FINDINGS AND INTENT.** (a) The legislature finds that

6 (1) well planned, constructed, and maintained transportation systems and public
7 facilities are essential to promoting the public health, safety, and welfare of citizens of the
8 state;

9 (2) consistent, long-term planning is necessary for efficient operation of state
10 and municipal governments and to maximize participation of the private sector in the design
11 and construction of transportation systems and public facilities;

12 (3) the public interest is best served by establishing a planning process for
13 capital improvements to transportation systems and public facilities that provides stability,
14 consistency, and continuity from the initial conception of a project to the completion of

1 construction of the project;

2 (4) the substantial investment of public funds in transportation systems and
3 public facilities requires the establishment of an entity that is responsible and accountable for
4 establishing policies for the planning of transportation systems and public facilities and that
5 is distinct from the planning staff that develops capital improvement projects for transportation
6 systems and public facilities.

7 (b) It is the intent of the legislature that the Alaska Capital Improvement Project
8 Authority

9 (1) review, revise, prioritize, and approve plans for transportation systems and
10 public facilities that are funded with state, federal, and other nonstate funds;

11 (2) determine the allocation of available funding resources among the various
12 categories and classes of transportation systems;

13 (3) maximize the use of state, federal, and other nonstate funds for the purpose
14 of improving the transportation infrastructure of the state;

15 (4) evaluate and prioritize projects using methods that are consistent with
16 criteria required by the Federal Aviation Administration, Federal Highway Administration, and
17 other funding sources.

18 * Sec. 2. AS 44.42 is amended by adding new sections to read:

19 **Article 2. Alaska Capital Improvement Project Authority.**

20 **Sec. 44.42.110. Alaska Capital Improvement Project Authority.** (a) There
21 is created in the Department of Transportation and Public Facilities the Alaska Capital
22 Improvement Project Authority.

23 (b) The authority consists of seven members. Members of the authority are
24 appointed by the governor and subject to confirmation by a majority of the members
25 of the legislature in joint session. The members serve for staggered five-year terms
26 and until a successor is appointed. A vacancy among the members of the authority
27 occurring other than by expiration of term shall be filled in the same manner as the
28 original appointment but only for the unexpired term and until a successor is
29 appointed. The members of the authority may be removed by the governor only for
30 cause.

31 (c) The governor shall appoint at least one member, but not more than two

1 members, of the authority from among the residents of each of the four judicial
2 districts in the state. Two members of the authority must have experience in the
3 operation, management, or use of modes of surface transportation facilities, including
4 highways, railroads, mass transportation facilities, or recreational transportation
5 facilities. Two members of the authority must have experience in the operation,
6 management, or use of modes of air transportation facilities, including airports,
7 commercial or private aviation facilities, or passenger or freight air services facilities.
8 Two members of the authority must have experience in the operation, management, or
9 use of modes of water-borne transportation facilities, including ports and harbors,
10 passenger or freight service facilities, recreational transportation facilities, or ferries.
11 One member of the authority must have experience in the operation, management, or
12 use of public buildings or public facilities other than transportation facilities.

13 (d) The members of the authority serve without compensation but are entitled
14 to per diem and travel expenses authorized for boards and commissions under
15 AS 39.20.180. The members of the authority shall comply with AS 39.50 (conflict of
16 interest).

17 (e) The members of the authority shall select a chair from among its members.
18 Four members of the authority constitute a quorum. The authority may take action
19 upon the affirmative vote of four of its members.

20 **Sec. 44.42.120. Powers and duties of the authority.** (a) The authority shall
21 review, revise as appropriate, and approve the following plans and programs prepared
22 by the department for capital improvement projects for the construction and
23 maintenance of transportation and public facilities constructed, operated, or maintained
24 by the department:

25 (1) construction and maintenance program for state-owned airports and
26 air navigation facilities under AS 02.15.065;

27 (2) construction and maintenance program for highways under
28 AS 19.10.140 and 19.10.150;

29 (3) five-year plan for local service roads and trails under AS 19.30.141;

30 (4) comprehensive plan for the Alaska marine highway system under
31 AS 19.65.011;

1 (5) construction and maintenance program for state-owned marine
2 facilities under AS 35.10.085;

3 (6) state transportation plan under AS 44.42.050;

4 (7) state public facility procurement plan under AS 44.42.055.

5 (b) The authority shall allocate the funding available for transportation systems
6 among the categories and classes of transportation systems and approve plans and
7 programs for transportation systems that are consistent with that allocation.

8 (c) Plans and programs approved by the authority shall be submitted to the
9 governor and legislature.

10 (d) The authority shall review, revise as appropriate, and approve the capital
11 improvement projects budget for transportation and public facilities prepared and
12 proposed by the department to implement the plans and programs approved by the
13 authority under (a) of this section and the allocations adopted under (b) of this section.
14 The department shall include in the proposed budget submitted to the authority the
15 projects to be undertaken during the following two fiscal years and a ranking of
16 priorities for the projects. The capital improvement project budget approved by the
17 authority shall be submitted to the governor for inclusion in the state capital projects
18 budget and to the legislature.

19 (e) The authority shall maximize the use of available federal funds for
20 planning, construction, and maintenance of transportation systems and public facilities
21 of the state to the extent permitted by federal law.

22 (f) The authority may submit proposals for capital improvement projects for
23 construction and maintenance of transportation and public facilities to the governor for
24 inclusion in supplemental or special appropriation bills.

25 (g) The authority may hire the minimum of staff, including a director,
26 necessary to efficiently perform the functions of the authority.

27 (h) The authority has independent fiscal, budgeting, and administrative powers
28 necessary to independently perform the functions of the authority. The authority is a
29 state agency for purposes of AS 37.07.

30 (i) The annual operating budget of the department is not subject to review or
31 approval under this section.

1 **Sec. 44.42.130. Fees; regulations.** (a) The authority shall set fees, charges,
2 tolls, and rentals for the use of toll facilities under AS 37.15.740 by regulations
3 adopted under AS 44.62 (Administrative Procedure Act).

4 (b) The authority shall establish standards for marking and posting highways,
5 for traffic control signals, and for determination of speed limits and speed zones by
6 regulations adopted under AS 44.62 (Administrative Procedure Act). The department
7 shall propose standards for consideration and adoption by the authority under this
8 subsection.

9 * **Sec. 3.** AS 02.15 is amended by adding a new section to read:

10 **Sec. 02.15.065. Construction and maintenance program for airports and**
11 **air navigation facilities.** (a) The department shall establish a continuing, long-range
12 planning procedure for construction and maintenance of state-owned airports and air
13 navigation facilities.

14 (b) The department shall prepare annually a capital improvement project
15 construction and maintenance program for state-owned airports and air navigation
16 facilities that, subject to appropriation by the legislature, must include the projects to
17 be undertaken by the department during the following construction season, must
18 establish project priorities, and must describe proposed capital improvement projects
19 for construction and maintenance of state-owned airports and air navigation facilities
20 for at least the next succeeding two fiscal years. The department may propose
21 increases, decreases, amendments, or revisions to the construction and maintenance
22 program from time to time as circumstances warrant. The capital improvement project
23 construction and maintenance program and changes to the program, as proposed by the
24 department, are subject to review, revision, and approval of the Alaska Capital
25 Improvement Project Authority.

26 (c) Before February 2 of each year, the department shall prepare a list of
27 capital improvement projects for construction and maintenance of airports and air
28 navigation facilities that have been either proposed by the department, approved by the
29 Alaska Capital Improvement Project Authority, or funded by an appropriation by the
30 legislature. The list must set out a general itemization of the estimated cost for each
31 project and the total estimates of all projects. The department shall send the list to the

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Alaska Capital Improvement Project Authority.

(d) This section does not apply to the state-owned international airports at Anchorage and Fairbanks.

* Sec. 4. AS 19.05.040 is amended to read:

Sec. 19.05.040. Powers of department. The department may

- (1) acquire property;
- (2) exercise the power of eminent domain;
- (3) take immediate possession of real property, or any interest in it under a declaration of taking or by other lawful means;
- (4) acquire rights-of-way for present or future use;
- (5) control access to highways;
- (6) regulate roadside development;
- (7) preserve and maintain the scenic beauty along state highways;
- (8) dispose of property acquired for highway purposes;
- (9) accept and dispose of federal funds or property available for highway construction, maintenance, or equipment;
- (10) enter into contracts or agreements relating to highways with the federal government, municipalities, a political subdivision, or with a foreign government, if the contract is approved by the federal government;
- (11) [ESTABLISH, LEVY, AND] collect tolls, fees, charges, and rentals for the use of state roads, highways, bridges, tunnels, crossings, and causeways; and
- (12) exercise any other power necessary to carry out the purpose of AS 19.05 - AS 19.25.

* Sec. 5. AS 19.10.040 is amended to read:

Sec. 19.10.040. Uniform system of marking and posting. The department shall classify, designate, and mark highways under its jurisdiction under standards adopted by the Alaska Capital Improvement Project Authority. The Alaska Capital Improvement Project Authority shall adopt regulations establishing standards for [AND SHALL PROVIDE] a uniform system of marking and posting these highways. The system of marking and posting must correlate with and, as far

1 as possible, conform to the recommendations of the Manual on Traffic Control Devices
2 as adopted by the American Association of State Highway Officials.

3 * Sec. 6. AS 19.10.050 is amended to read:

4 **Sec. 19.10.050. Traffic control signals.** The Alaska Capital Improvement
5 Project Authority [DEPARTMENT] shall prescribe types of traffic control signals to
6 regulate traffic on highways. These signals must correlate with and, as far as possible,
7 conform to the recommendations of the Manual on Uniform Traffic Control Devices
8 as adopted by the American Association of State Highway Officials. The Alaska
9 Capital Improvement Project Authority [DEPARTMENT] shall adopt uniform
10 regulations for the placing and installation of traffic control signals.

11 * Sec. 7. AS 19.10.070 is amended to read:

12 **Sec. 19.10.070. Speed limits and zones.** The department may conduct
13 investigations with the assistance of the Department of Public Safety and shall
14 determine safe speed limits and safe speed zones on highways and other roadways
15 under its jurisdiction in accordance with standards adopted by the Alaska Capital
16 Improvement Project Authority.

17 * Sec. 8. AS 19.10.072(a) is amended to read:

18 (a) In determining safe speed limits and safe speed zones, the department shall
19 comply with [CONSIDER] the standards adopted by the Alaska Capital
20 Improvement Project Authority under this section. The Alaska Capital
21 Improvement Project Authority shall adopt standards for determining safe speed
22 limits and safe speed zones. In adopting the standards, the Alaska Capital
23 Improvement Project Authority shall consider the following factors in the order of
24 priority listed:

25 (1) neighborhood safety, including the presence of children and
26 pedestrian traffic;

27 (2) the presence of schools, houses, parks, and crosswalks;

28 (3) the presence of driveways, parked vehicles, and multiple turn
29 locations;

30 (4) that speed at which safe and prudent drivers could pass through the
31 speed zone; [AND]

1 (5) the effectiveness of local enforcement of the speed zone; and
2 (6) other factors the Alaska Capital Improvement Project Authority
3 considers appropriate.

4 * Sec. 9. AS 19.10.140 is amended to read:

5 Sec. 19.10.140. Long-range program for highway construction and
6 maintenance. The [GOVERNOR SHALL REQUIRE THE] department shall [TO]
7 establish a continuing, long-range program for highway construction and maintenance.
8 Subject to review, revision, and approval by the Alaska Capital Improvement
9 Project Authority, the [THE] program must annually project proposed capital
10 improvement projects for construction and maintenance of highways for not less than
11 the next succeeding five years. A statement of the approved program shall be
12 submitted by the governor to the legislature annually, and the approved long-range
13 program shall include in detail the construction program proposed [PREPARED]
14 under AS 19.10.150. The authority may make amendments to an approved
15 program that affect projects for construction or maintenance of highways
16 approved by the Federal Highway Administration only if the amendments are
17 adopted in accordance with the program review, revision, and approval process
18 established by the authority.

19 * Sec. 10. AS 19.10.150 is amended to read:

20 Sec. 19.10.150. Construction program. (a) Before February 2 of each year,
21 the department shall prepare a statement showing what capital improvement projects
22 for construction of highways have been either proposed [WORK HAS BEEN
23 REQUESTED AND PROPOSED AND MAY BE UNDERTAKEN] by the department,
24 approved by the Alaska Capital Improvement Project Authority, or funded by an
25 appropriation by the legislature. The statement must set out [FORTH] a general
26 itemization of the estimated cost for each project and the total estimates of all projects.
27 The department shall send the statement to the Alaska Capital Improvement
28 Project Authority.

29 (b) The department shall prepare [ADOPT] a construction program which
30 must include the projects to be undertaken by the department [IT] during the
31 following construction season and must establish project priorities. The department

1 may propose increases, decreases, amendments, or revisions of [INCREASE,
2 DECREASE, AMEND, OR REVISE] the construction program from time to time as
3 circumstances warrant. The construction program and changes to the program are
4 subject to review, revision, and approval by the Alaska Capital Improvement
5 Project Authority.

6 * Sec. 11. AS 19.30.141 is amended to read:

7 **Sec. 19.30.141. Acquisition and construction programs.** Before October 1
8 of each fiscal year, each local government eligible for allocation of funds under
9 AS 19.30.131 shall submit to the commissioner [FOR APPROVAL] a five-year plan
10 for the acquisition and construction of local service roads and trails. Before
11 December 1 of each fiscal year, the commissioner shall submit to the Alaska Capital
12 Improvement Project Authority for review, revision, and approval [GOVERNOR]
13 a five-year plan for the acquisition and construction of local service roads and trails,
14 including the approved local government programs. An organized borough shall
15 include in its five-year plan local service road acquisition and construction programs
16 for all cities other than home rule cities within the boundaries of the borough. The
17 commissioner shall include in the five-year plan local service road and trail acquisition
18 and construction within the unorganized borough. The Alaska Capital Improvement
19 Project Authority shall submit the approved five-year plan to the governor and
20 the legislature.

21 * Sec. 12. AS 19.65.011 is amended to read:

22 **Sec. 19.65.011. Comprehensive long-range plan.** The Department of
23 Transportation and Public Facilities shall prepare a comprehensive long-range plan for
24 the development and improvement of the Alaska marine highway system and shall
25 revise and update the plan at least every five years. The department shall submit the
26 comprehensive long-range plan and revisions and updates of the plan to the Alaska
27 Capital Improvement Project Authority for review, revision, and approval. The
28 authority shall submit the approved plan to the legislature.

29 * Sec. 13. AS 30.15.010 is amended to read:

30 **Sec. 30.15.010. State grants for port facilities construction.** To the extent
31 funds are appropriated by the legislature, or from the proceeds from the sale of bonds,

1 the state may make grants to municipalities to finance a portion of the cost of
2 constructing local, regional, or state port facilities. The state shall participate only in
3 those projects approved by the governor on recommendation of the Alaska Capital
4 Improvement Project Authority [COMMISSIONER].

5 * Sec. 14. AS 35.10 is amended by adding a new section to article 2 to read:

6 **Sec. 35.10.085. Construction and maintenance program for marine**
7 **facilities.** (a) The department shall establish a continuing, long-range planning
8 procedure for construction and maintenance of state-owned marine facilities, including
9 harbors, docks, breakwaters, and waterways.

10 (b) The department shall prepare annually a capital improvement project
11 construction and maintenance program for state-owned marine facilities that, subject
12 to appropriation by the legislature, must include the projects to be undertaken by the
13 department during the following construction season, must establish project priorities,
14 and must describe proposed capital improvement projects for construction and
15 maintenance of state-owned marine facilities for at least the next succeeding two fiscal
16 years. The department may propose increases, decreases, amendments, or revisions to
17 the construction and maintenance program from time to time as circumstances warrant.
18 The capital improvement project construction and maintenance program and changes
19 to the program, as proposed by the department, are subject to review, revision, and
20 approval of the Alaska Capital Improvement Project Authority.

21 (c) Before February 2 of each year, the department shall prepare a list of
22 capital improvement projects for construction and maintenance of marine facilities that
23 have been either proposed by the department, approved by the Alaska Capital
24 Improvement Project Authority, or funded by an appropriation by the legislature. The
25 list must set out a general itemization of the estimated cost for each project and the
26 total estimates of all projects. The department shall send the list to the Alaska Capital
27 Improvement Project Authority.

28 * Sec. 15. AS 35.10.100 is amended to read:

29 **Sec. 35.10.100. Determining need and priority of projects.** The department
30 shall prepare the preliminary determination of need for each project of the type
31 described in AS 35.10.090 and its feasibility and appropriateness through

1 representations and data submitted to the department [IT] by the residents of each
2 community desiring a project, and from other information available to it. The
3 department shall submit the preliminary determination for each project to the
4 Alaska Capital Improvement Project Authority. The Alaska Capital
5 Improvement Project Authority may approve projects, and, if the authority
6 approves any projects, the authority shall determine the [AND MAKE THE
7 FINAL DETERMINATION OF THOSE PROJECTS, AND THEIR] order or priority
8 for which application is made for those projects.

9 * Sec. 16. AS 37.15.730 is amended to read:

10 Sec. 37.15.730. Review of toll facility projects. A toll facility may be
11 financed under AS 37.15.610 - 37.15.760 if the following conditions are met for that
12 toll facility:

13 (1) the department submits to the governor and the legislature a
14 feasibility study reviewed and approved by the Alaska Capital Improvement
15 Project Authority that finds that the toll facility is financially feasible and able to
16 produce revenue adequate to repay the bonds with which it is financed;

17 (2) if financing in addition to revenue bonds is required to finance the
18 toll facility, the department submits to the governor and legislature a finance plan
19 reviewed and approved by the Alaska Capital Improvement Project Authority that
20 includes an estimate of the total cost of the toll facility and a description of the sources
21 of money that will be used to finance the total cost of the toll facility; and

22 (3) the office of management and budget reviews the feasibility study
23 and the finance plan, if required, and reports its findings and recommendations to the
24 governor and legislature not later than 90 days after the study and plan are received
25 by the office.

26 * Sec. 17. AS 37.15.740 is amended to read:

27 Sec. 37.15.740. Toll facility charges. The Alaska Capital Improvement
28 Project Authority [COMMISSIONER OF TRANSPORTATION AND PUBLIC
29 FACILITIES] shall fix [AND COLLECT] the fees, charges, tolls, and rentals for the
30 use of state toll facilities. The Department of Transportation and Public Facilities
31 shall collect the fees, charges, tolls, and rentals owing to [DERIVED BY] the state

1 from the ownership, lease, use, and operation of the facilities authorized by
2 AS 37.15.720 and 37.15.730 and improvements of the facilities. The amount of fees,
3 charges, tolls, and rentals set by the authority shall [AS WILL] provide revenue
4 sufficient to comply with all of the covenants of the bond resolution.

5 * Sec. 18. AS 37.15.760(7) is amended to read:

6 (7) "toll facilities" means highways, roads, bridges, tunnels, crossings,
7 and causeways upon which tolls, charges, rentals, or other user fees are placed by the
8 Alaska Capital Improvement Project Authority [COMMISSIONER OF
9 TRANSPORTATION AND PUBLIC FACILITIES].

10 * Sec. 19. AS 39.50.200(b) is amended by adding a new paragraph to read:

11 (56) Alaska Capital Improvement Project Authority (AS 44.42.110).

12 * Sec. 20. AS 44.42.020(a) is amended to read:

13 (a) The department shall

14 (1) plan, design, construct, and maintain all state modes of
15 transportation and transportation facilities and all docks, floats, breakwaters, buildings,
16 and similar facilities;

17 (2) study existing transportation modes and facilities in the state to
18 determine how they might be improved or whether they should continue to be
19 maintained;

20 (3) study alternative means of improving transportation in the state with
21 regard to the economic costs of each alternative and its environmental and social
22 effects;

23 (4) develop a comprehensive, long-range intermodal transportation plan
24 for the state;

25 (5) study alternatives to existing modes of transportation in urban areas
26 and develop plans to improve urban transportation;

27 (6) cooperate and coordinate with and enter into agreements with
28 federal, state, and local government agencies and private organizations and persons in
29 exercising its powers and duties;

30 (7) manage, operate, and maintain state transportation facilities and all
31 docks, floats, breakwaters, and buildings, including all state highways, vessels,

1 railroads, pipelines, airports, and aviation facilities;

2 (8) study alternative means of transportation in the state, considering
3 the economic, social, and environmental effects of each alternative;

4 (9) coordinate and develop state and regional transportation systems,
5 considering deletions, additions, and the absence of alterations;

6 (10) develop facility program plans for transportation and state
7 buildings, docks, and breakwaters required to implement the duties set out in this
8 section, including [BUT NOT LIMITED TO] functional performance criteria and
9 schedules for completion;

10 (11) supervise and maintain all state automotive and mechanical
11 equipment, aircraft, and vessels, except vessels and aircraft used by the Department of
12 Fish and Game or the Department of Public Safety; for state vehicles maintained by
13 the department, the department shall annually evaluate the cost, efficiency, and
14 commercial availability of natural gas for automotive purposes, and the purpose for
15 which the vehicles are intended to be used, and convert or purchase vehicles to use
16 [UTILIZE] natural gas whenever practicable; the department may participate in joint
17 ventures with public or private partners that will foster the availability of natural gas
18 for all automotive fuel consumers;

19 (12) supervise aeronautics inside the state, under AS 02.10;

20 (13) complete and maintain a current inventory of public facilities,
21 including a projection of the serviceability of the facilities and projections of
22 replacements and additions to facilities needed to provide the level of services
23 programmed by the various user agencies, for municipalities with populations
24 of less than 12,000 and for unincorporated communities, and perform those
25 duties on a cooperative basis with larger municipalities;

26 (14) adopt energy performance standards for public facilities of the
27 state, the construction of which begins after July 1, 1980; the standards shall be based
28 on thermal and lighting energy standards established by the American Society of
29 Heating, Refrigeration and Air Conditioning Engineers as adapted for application in
30 high latitude, cold climate environs;

31 (15) provide planning assistance, including [BUT NOT LIMITED TO]