

CS FOR HOUSE BILL NO. 74(FIN) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Amended: 5/13/17

Offered: 5/10/17

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to a veteran's designation on an identification card or a driver's license**
2 **for Hmong veterans and Lao veterans; relating to the implementation of the federal**
3 **REAL ID Act of 2005; relating to issuance of identification cards and drivers' licenses;**
4 **relating to data sharing by the Department of Administration; relating to special motor**
5 **vehicle registration plates for recipients of the Bronze Star awarded for valor, Silver**
6 **Star, Navy Cross, Distinguished Service Cross, Air Force Cross, Coast Guard Cross,**
7 **and other awards reflecting valor; and providing for an effective date."**

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

9 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
10 to read:

11 LEGISLATIVE INTENT. It is the intent of the legislature that the state continue to
12 work with the Alaska delegation in Congress to amend provisions of P.L. 109-13, Division B
13 (REAL ID Act of 2005) that compromise the rights of Alaskans to the privacy of their

1 personal information, while protecting the nation's efforts to combat terrorism.

2 * **Sec. 2.** AS 18.65.310(a) is amended to read:

3 (a) Upon payment of a \$15 fee, the department shall issue a card identical to
 4 the motor vehicle operator's license provided for in AS 28.15.111, except that the card
 5 shall be of a different color and shall state in bold type letters across the face of it that
 6 it is for identification purposes only. **Upon request of a person and upon payment**
 7 **of an additional \$10 fee, the department may issue an identification card under**
 8 **this section that is federally compliant.**

9 * **Sec. 3.** AS 18.65.310(b) is amended to read:

10 (b) A person may obtain an identification card provided for in (a) of this
 11 section by applying to the department on forms and in the manner prescribed by the
 12 department. **The department shall include on the application for an identification**
 13 **card a requirement that the applicant indicate**

14 **(1) that the applicant understands the options for identification**
 15 **cards available at the time of issuance; and**

16 **(2) the type of identification card that the applicant selects.**

17 * **Sec. 4.** AS 18.65.310(l) is amended to read:

18 (l) At the request of the person, the department shall provide a veteran
 19 designation and United States flag replica on an identification card identifying the
 20 person as a retired veteran, [OR] a veteran of the armed forces of the United States
 21 discharged under honorable conditions, **or a Hmong veteran or Lao veteran who**
 22 **served in military operations in support of the United States in the Kingdom of**
 23 **Laos between February 28, 1961, and May 15, 1975.** The department may not
 24 charge a fee solely for the designation. To receive a veteran designation, the person
 25 shall provide proof of veteran status that shows the person is retired, **was** [OR]
 26 discharged under honorable conditions, **or is a Hmong veteran or Lao veteran. The**
 27 **department shall consult with the Department of Military and Veterans' Affairs**
 28 **to determine the proof necessary to show that a person is a Hmong veteran or**
 29 **Lao veteran.** With the approval of the person, the department shall make available to
 30 the Department of Military and Veterans' Affairs the name and address of a person
 31 receiving a veteran designation under this subsection. Notwithstanding (a) of this

1 section, the department may charge a fee of \$5 for replacement of a valid
2 identification card with a new identification card with a veteran designation.

3 * **Sec. 5. AS 18.65.310** is amended by adding new subsections to read:

4 (m) The department shall adopt regulations for the issuance of identification
5 cards that are federally compliant. For identification cards that are federally compliant,
6 the department

7 (1) shall copy, scan, or retain only the minimum number of documents
8 required by P.L. 109-13, Division B (REAL ID Act of 2005), or other applicable state
9 or federal law, for issuance of an identification card that is federally compliant;

10 (2) shall destroy, regularly and as close as practicable to 15 years after
11 the date of application unless otherwise required by another applicable state or federal
12 law, any documents retained under (1) of this subsection; and

13 (3) may not copy, scan, or retain in any form a document that is not
14 required to be retained under (1) of this subsection.

15 (n) The department shall continue to issue identification cards that are not
16 federally compliant. Nothing in this section or regulations adopted under this section
17 requires a person to be issued an identification card that is federally compliant. An
18 applicant must clearly request an identification card that is federally compliant to
19 obtain one. The state or a municipal government may not require a person to possess
20 or use an identification card that is federally compliant unless the person is a state or
21 municipal employee and the duties of the person's job require the use of an
22 identification card that is federally compliant. The state or a municipal government
23 shall otherwise treat an identification card that is not federally compliant the same as
24 an identification card that is federally compliant. For an identification card that is not
25 federally compliant, the department

26 (1) shall retain an image of the face on the identification card for not
27 more than 15 years; if an applicant does not receive an identification card, the
28 department may not retain an image of the applicant's face;

29 (2) shall scan and retain the minimum documents necessary for
30 issuance of the identification card; the department shall destroy any documents
31 retained one year after the identification card expires.

(o) An identification card expires on the person's birthday in the eighth year following issuance of the identification card. An identification card may be renewed within one year of its expiration upon proper application and payment of the required fee. An identification card may be renewed by mail or on the department's Internet website, except that an identification card may not be renewed by mail or on the department's Internet website if the most recent renewal of the applicant's identification card was by mail or on the department's Internet website. Under regulations adopted by the department, the department may issue to a person an identification card with a duration of less than eight years if the person is authorized to stay in the United States for less than eight years or if the period of authorized stay is indefinite. The department shall issue the identification card for the period of the authorized stay. If the period of authorized stay is indefinite, the department shall issue the identification card with a validity of up to eight years.

(p) The department shall provide public information about the differences between identification cards and identification cards that are federally compliant. The department shall also provide the information to applicants for new and renewal identification cards at the time of application. At a minimum, the information must include a description of

(1) each type of identification card;

(2) the storage and sharing process for an applicant's information for an identification card and an identification card that is federally compliant; and

(3) the official purpose and limitations on the use of each type of identification card, including a description of the purposes for which an identification card that is federally compliant may be required and a description of alternatives to using an identification card that is federally compliant to serve those purposes.

(q) In this section, "identification card that is federally compliant" means an identification card issued by the state that has been certified by the United States Department of Homeland Security to be in compliance with the requirements of P.L. 109-13, Division B (REAL ID Act of 2005).

* **Sec. 6.** AS 28.05 is amended by adding a new section to read:

Sec. 28.05.068. Prohibition on data sharing. (a) If the department conveys,

1 distributes, or communicates data to be used in a database, index, pointer system, or
2 any other system managed by an entity other than the department, including the
3 American Association of Motor Vehicle Administrators, to comply with the
4 requirements of P.L. 109-13, Division B (REAL ID Act of 2005), the department may
5 not convey, distribute, or communicate to that entity any data not required to be
6 conveyed, distributed, or communicated for the state to be certified by the United
7 States Department of Homeland Security to be in compliance with the requirements of
8 P.L. 109-13, Division B (REAL ID Act of 2005).

9 (b) Notwithstanding (a) of this section, the department may not convey,
10 distribute, or communicate to a private entity any scanned or stored documents
11 collected in order to carry out the provisions of AS 28.15.

12 (c) The department shall take all steps necessary to obtain from the entity an
13 agreement that the state need not convey, distribute, or communicate social security
14 numbers, in whole or in part, to participate in the database, index, pointer system, or
15 other system.

16 (d) The department shall take all steps available to work with other states, the
17 United States Department of Homeland Security, and any multistate entities in which
18 the state participates to secure a means of compliance with P.L. 109-13, Division B
19 (REAL ID Act of 2005), including through an interstate compact, that does not
20 involve the storage or sharing of social security numbers, in whole or in part, with an
21 interstate database, index, pointer system, or other system.

22 (e) The department

23 (1) may not share more than three digits of a person's social security
24 number to determine whether a person has been issued a driver's license in another
25 state;

26 (2) may share the number of digits of a person's social security number
27 required by federal law.

28 (f) Notwithstanding (e)(1) of this section, the department may share up to five
29 digits but as few digits as feasible of a person's social security number to determine
30 whether a person has been issued a driver's license in another state if the department

31 (1) has taken all steps necessary to secure an agreement to use only

1 three digits of a person's social security number; and

2 (2) has been unable to secure an agreement to use only three digits of a
3 person's social security number.

4 (g) The department shall submit an annual report on the results of the efforts
5 required under (c) - (f) of this section to the senate secretary and chief clerk of the
6 house of representatives on or before January 31 of each year and notify the legislature
7 that the report is available.

8 * **Sec. 7.** AS 28.10.181 is amended by adding new subsections to read:

9 (jj) Vehicles owned by recipients of a Bronze Star awarded for valor, Silver
10 Star, Navy Cross, Distinguished Service Cross, Air Force Cross, or Coast Guard
11 Cross. The department, upon receipt of written proof that the person is the sole or joint
12 owner of a motor vehicle, shall issue special registration plates for the motor vehicle to
13 a requesting person who has received the Bronze Star Medal awarded for valor, Silver
14 Star Medal, Navy Cross, Distinguished Service Cross, Air Force Cross, or Coast
15 Guard Cross. The commissioner, after consulting with the person in the Department of
16 Military and Veterans' Affairs in charge of veterans' affairs, shall determine the design
17 and color of the Bronze Star awarded for valor recipient plates, Silver Star recipient
18 plates, Navy Cross recipient plates, Distinguished Service Cross recipient plates, Air
19 Force Cross recipient plates, and Coast Guard Cross recipient plates.

20 (kk) Vehicles owned by recipients of awards reflecting valor issued by the
21 armed forces of the United States. The department, upon receipt of written proof that
22 the person is the sole or joint owner of a motor vehicle, may issue special registration
23 plates for the motor vehicle to a requesting person who has received an award
24 reflecting valor issued by the armed forces of the United States other than a Purple
25 Heart, Bronze Star awarded for valor, Silver Star, Navy Cross, Distinguished Service
26 Cross, Air Force Cross, or Coast Guard Cross. The commissioner, after consulting
27 with the person in the Department of Military and Veterans' Affairs in charge of
28 veterans' affairs, shall determine the design and color of the award recipient plates.

29 * **Sec. 8.** AS 28.10.421(d)(2) is amended to read:

30 (2) special request plates for

31 (A) Alaska National Guard personnel \$30;

(B) veterans, retired veterans, or Lao veterans \$30;

(C) recipients of the Purple Heart none;

(D) recipients of the Bronze Star awarded for valor, Silver

Star, Navy Cross, Distinguished Service Cross, Air Force Cross, Coast

Guard Cross, or other award reflecting valor..... \$30;

(E) owners of custom collector vehicles \$50;

(F) [(E)] Iditarod race finishers \$50;

(G) [(F)] other special request plates \$30;

plus the fee required for that vehicle under (b) of this section; the fee required by this paragraph shall be collected only on the first issuance and on the replacement of special request plates;

* **Sec. 9.** AS 28.15.041 is amended by adding new subsections to read:

(d) The commissioner shall adopt regulations for the issuance of drivers' licenses that are federally compliant. For drivers' licenses that are federally compliant, the department

(1) shall copy, scan, or retain only the minimum number of documents required by P.L. 109-13, Division B (REAL ID Act of 2005), or other applicable state or federal law, for issuance of a driver's license that is federally compliant;

(2) shall destroy, regularly and as close as practicable to 15 years after the date of application unless otherwise required by another applicable state or federal law, any documents retained under (1) of this subsection; and

(3) may not copy, scan, or retain in any form a document that is not required to be retained under (1) of this subsection.

(e) The department shall continue to issue drivers' licenses that are not federally compliant. Nothing in this section or regulations adopted under this section requires a driver to be issued a driver's license that is federally compliant. An applicant must clearly request a driver's license that is federally compliant to obtain one. The state or a municipal government may not require a person to possess or use a driver's license that is federally compliant. The state or a municipal government shall treat a driver's license that is not federally compliant the same as a driver's license that is federally compliant. For a driver's license that is not federally compliant, the

1 department

2 (1) shall retain an image of the face on the license for not more than 15
 3 years; if an applicant does not receive a driver's license, the department may not retain
 4 an image of the applicant's face;

5 (2) shall scan and retain the minimum documents necessary for
 6 issuance of the driver's license; the department shall destroy any documents retained
 7 one year after the driver's license expires.

8 (f) The department shall provide public information about the differences
 9 between drivers' licenses and drivers' licenses that are federally compliant. The
 10 department shall also provide the information to applicants for new and renewal
 11 drivers' licenses at the time of application. At a minimum, the information must
 12 include a description of

13 (1) each type of driver's license;

14 (2) the storage and sharing process for an applicant's information for a
 15 driver's license and a driver's license that is federally compliant; and

16 (3) the official purpose and limitations on use of each type of driver's
 17 license, including a description of the purposes for which a driver's license that is
 18 federally compliant may be required and a description of alternatives to using a
 19 driver's license that is federally compliant to serve those purposes.

20 * **Sec. 10. AS 28.15.061(b)** is amended to read:

21 (b) An application under (a) of this section must

22 (1) contain the applicant's full legal name, date and place of birth, sex,
 23 and mailing and residence addresses;

24 (2) state whether the applicant has been previously licensed in the past
 25 10 years as a driver and, if so, when and by what jurisdiction;

26 (3) state whether any previous driver's license issued to the applicant
 27 has ever been suspended or revoked or whether an application for a driver's license has
 28 ever been refused and, if so, the date of and reason for the suspension, revocation, or
 29 refusal;

30 (4) contain the applicant's social security number; the requirement of
 31 this paragraph only applies to an applicant who has been issued a social security

1 number; [AND]

2 (5) contain other information that the department may reasonably
3 require to determine the applicant's identity, competency, and eligibility; **and**

4 **(6) require that the applicant indicate**

5 **(A) that the applicant understands the options for drivers'**
6 **licenses available at the time of issuance; and**

7 **(B) the type of driver's license that the applicant selects.**

8 * **Sec. 11.** AS 28.15.101(a) is amended to read:

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

14 * **Sec. 12.** AS 28.15.101(d) is amended to read:

15 (d) Under regulations adopted by the department, the department may issue to
16 a person a driver's license with a duration of less than **eight** [FIVE] years if the person
17 is authorized to stay in the United States for less than **eight** [FIVE] years or the period
18 of authorized stay is indefinite. The department shall issue the license for the period of
19 the authorized stay. If the period of authorized stay is indefinite, the department shall
20 issue the license with a validity of **up to eight years** [ONE YEAR. THE
21 DEPARTMENT SHALL PROVIDE THAT A PERSON RECEIVING A LICENSE
22 WITH A DURATION OF LESS THAN FIVE YEARS UNDER THIS SUBSECTION
23 MAY RENEW THE LICENSE WITHOUT A RENEWAL FEE DURING A PERIOD
24 OF UP TO FIVE YEARS AFTER FIRST ISSUANCE OF THE LICENSE].

25 * **Sec. 13.** AS 28.15.111(a) is amended to read:

26 (a) Upon successful completion of the application and all required
27 examinations, and upon payment of the required fee, the department shall issue to
28 every qualified applicant a driver's license indicating the type or general class of
29 vehicles that the licensee may drive. The license must (1) display a distinguishing
30 number assigned to the license; (2) display the licensee's full name, address, date of
31 birth, brief physical description, and [COLOR] photograph; (3) display either a

1 facsimile of the signature of the licensee or a space upon which the licensee must write
2 the licensee's usual signature with pen and ink; (4) **physical security features**
3 **designed to prevent tampering, counterfeiting, or duplication of the document for**
4 **fraudulent purposes** [DISPLAY A HOLOGRAPHIC SYMBOL INTENDED TO
5 PREVENT ILLEGAL ALTERATION OR DUPLICATION]; (5) display, for a
6 qualified applicant who is under 21 years of age, the words "UNDER 21"; and (6) to
7 the extent the department is able, be designed to allow the electronic reading and
8 electronic display of the information described under (2) of this subsection and the
9 electronic reading and display and a physical display on the license that the person is
10 restricted from purchasing alcoholic beverages under AS 04.16.160. A license may not
11 display the licensee's social security number and is not valid until signed by the
12 licensee. If facilities are not available for the taking of the photograph required under
13 this section, the department shall endorse on the license, the words "valid without
14 photograph."

15 * **Sec. 14.** AS 28.15.111(c) is amended to read:

16 (c) At the request of an applicant, the department shall provide a veteran
17 designation and United States flag replica on a license identifying the driver as a
18 retired veteran, [OR] a veteran of the armed forces of the United States discharged
19 under honorable conditions, **or a Hmong veteran or Lao veteran who served in**
20 **military operations in support of the United States in the Kingdom of Laos**
21 **between February 28, 1961, and May 15, 1975.** The department may not charge a
22 fee solely for the designation. To receive a veteran designation, the driver shall make
23 available proof of veteran status that shows that the person is retired, **was** [OR]
24 discharged under honorable conditions, **or is a Hmong veteran or Lao veteran. The**
25 **department shall consult with the Department of Military and Veterans' Affairs**
26 **to determine the proof necessary to show that a person is a Hmong veteran or**
27 **Lao veteran.** With the approval of the applicant, the department shall make available
28 to the Department of Military and Veterans' Affairs the name and address of a driver
29 receiving a veteran designation under this subsection. The department may charge a
30 fee of \$5 for replacement of a valid driver's license with a new license with a veteran
31 designation. A replacement license with a veteran designation issued for \$5 under this

1 subsection shall retain the expiration date of the license it replaces.

2 * **Sec. 15.** AS 28.15.111 is amended by adding new subsections to read:

3 (d) The department may not engage in bulk sharing of facial images captured
4 as a result of an application for a driver's license with a database, other than a database
5 established by the state, regardless of whether the applicant applied for a driver's
6 license that is federally compliant or a driver's license that is not federally compliant.
7 The prohibition in this subsection does not apply to a commercial driver's license.

8 (e) A commercial driver's license must be federally compliant.

9 * **Sec. 16.** AS 28.15.271(b) is amended to read:

10 (b) In addition to the fees under (a) of this section,

11 (1) a person who renews a driver's license by mail shall pay a fee of
12 \$1;

13 (2) a person who applies for a limited driver's license under
14 AS 28.15.201 shall pay a fee of \$100; and

15 (3) a person who applies for reinstatement of a driver's license under
16 AS 28.15.211 shall pay a fee of

17 (A) \$100 if the person's driver's license has, within the 10 years
18 preceding the application, been suspended, revoked, or limited under the
19 provisions of this chapter, except as provided by (C) of this paragraph, only
20 once;

21 (B) \$250 if the person's driver's license has, within the 10 years
22 preceding the application, been suspended, revoked, or limited under the
23 provisions of this chapter, except as provided by (D) of this paragraph, two or
24 more times;

25 (C) \$200 if the person's driver's license has, within the 10 years
26 preceding the application, been revoked under AS 28.35.030 or 28.35.032 only
27 once; or

28 (D) \$500 if the person's driver's license has, within the 10 years
29 preceding the application, been revoked under AS 28.35.030 or 28.35.032 two
30 or more times;

31 **(4) a person who applies for a driver's license that is federally**

compliant shall pay a fee of \$10.

* **Sec. 17.** AS 28.90.990(a) is amended by adding a new paragraph to read:

(32) "driver's license that is federally compliant" means a driver's license issued by the state that has been certified by the United States Department of Homeland Security to be in compliance with the requirements of P.L. 109-13, Division B (REAL ID Act of 2005).

* **Sec. 18.** AS 44.99.040(a)(2) is repealed.

* Sec. 19. AS 28.05.068(g) is repealed June 30, 2021.

9 * **Sec. 20.** The uncodified law of the State of Alaska is amended by adding a new section to
10 read:

11 TRANSITIONAL PROVISIONS: REGULATIONS. The Department of
12 Administration may adopt regulations necessary to implement the changes made by this Act.
13 The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the
14 effective date of the law implemented by the regulation.

* **Sec. 21.** Sections 18 and 20 of this Act take effect immediately under AS 01.10.070(c).

* Sec. 22. Sections 7 and 8 of this Act take effect January 1, 2018.

17 * **Sec. 23.** Sections 1 - 3, 5, 6, 9 - 13, and 15 - 17 of this Act take effect January 1, 2019.