

ALASKA STATE LEGISLATURE
SENATE TRANSPORTATION STANDING COMMITTEE

April 27, 2006

1:36 p.m.

MEMBERS PRESENT

Senator Charlie Huggins, Chair
Senator John Cowdery, Vice Chair
Senator Albert Kookesh
Senator Hollis French

MEMBERS ABSENT

Senator Gene Therriault

COMMITTEE CALENDAR

CS FOR HOUSE BILL NO. 266(FIN)

"An Act relating to penalties for violation of vehicle weight limitations; prohibiting the use of a violation of a vehicle weight limitation for certain personal automobile insurance actions; amending Rule 43.6, Alaska Rules of Administration; and providing for an effective date."

MOVED CSHB 266(FIN) OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 403(FIN)

"An Act relating to registration and operation of low-speed vehicles."

MOVED SCS CSHB 403(TRA) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 266

SHORT TITLE: VEHICLE WEIGHTS AND INSURANCE

SPONSOR(s): TRANSPORTATION

04/08/05	(H)	READ THE FIRST TIME - REFERRALS
04/08/05	(H)	TRA, JUD, FIN
04/12/05	(H)	TRA AT 1:30 PM CAPITOL 17
04/12/05	(H)	Failed To Move Out Of Committee
04/12/05	(H)	MINUTE(TRA)
04/14/05	(H)	TRA AT 1:30 PM CAPITOL 17
04/14/05	(H)	Moved CSHB 266(TRA) Out of Committee
04/14/05	(H)	MINUTE(TRA)
04/15/05	(H)	TRA RPT CS(TRA) 1DP 1NR 4AM
04/15/05	(H)	DP: ELKINS;

04/15/05 (H) NR: KAPSNER;
 04/15/05 (H) AM: NEUMAN, KOHRING, SALMON, THOMAS
 04/25/05 (H) JUD AT 1:00 PM CAPITOL 120
 04/25/05 (H) Moved CSHB 266(TRA) Out of Committee
 04/25/05 (H) MINUTE(JUD)
 04/26/05 (H) JUD RPT CS(TRA) 1DP 4NR 1AM
 04/26/05 (H) DP: GARA;
 04/26/05 (H) NR: KOTT, DAHLSTROM, GRUENBERG,
 MCGUIRE;
 04/26/05 (H) AM: ANDERSON
 01/25/06 (H) FIN AT 1:30 PM HOUSE FINANCE 519
 01/25/06 (H) Moved CSHB 266(FIN) Out of Committee
 01/25/06 (H) MINUTE(FIN)
 01/27/06 (H) FIN RPT CS(FIN) NT 2DP 6NR
 01/27/06 (H) DP: KERTTULA, MEYER;
 01/27/06 (H) NR: STOLTZE, JOULE, HAWKER, MOSES,
 HOLM, KELLY
 02/08/06 (H) FAILED TO ADOPT FIN CS Y11 N22 E4 A3
 02/10/06 (H) RETURNED TO FIN COMMITTEE
 03/24/06 (H) FIN AT 1:30 PM HOUSE FINANCE 519
 03/24/06 (H) Moved CSHB 266(FIN) Out of Committee
 03/24/06 (H) MINUTE(FIN)
 03/27/06 (H) FIN RPT CS(FIN) NT 3DP 5NR
 03/27/06 (H) DP: FOSTER, WEYHRAUCH, MEYER;
 03/27/06 (H) NR: HAWKER, STOLTZE, KERTTULA, MOSES,
 KELLY
 03/27/06 (H) RETURNED TO RLS COMMITTEE
 04/25/06 (H) MOTION TO ADOPT TRA CS WITHDRAWN UC
 04/25/06 (H) TRANSMITTED TO (S)
 04/25/06 (H) VERSION: CSHB 266(FIN)
 04/25/06 (S) READ THE FIRST TIME - REFERRALS
 04/25/06 (S) TRA, JUD, FIN
 04/27/06 (H) TRA AT 1:30 PM CAPITOL 17

BILL: HB 403

SHORT TITLE: NEIGHBORHOOD ELECTRIC VEHICLES

SPONSOR(S): REPRESENTATIVE(S) THOMAS

01/27/06 (H) READ THE FIRST TIME - REFERRALS
 01/27/06 (H) STA, TRA
 02/23/06 (H) STA AT 8:00 AM CAPITOL 106
 02/23/06 (H) Moved CSHB 403(STA) Out of Committee
 02/23/06 (H) MINUTE(STA)
 02/24/06 (H) STA RPT CS(STA) NT 4DP 1NR 1AM
 02/24/06 (H) DP: LYNN, GRUENBERG, RAMRAS, SEATON;
 02/24/06 (H) NR: GARDNER;
 02/24/06 (H) AM: GATTO

02/27/06 (H) FIN REFERRAL ADDED AFTER TRA
03/03/06 (H) TRA REFERRAL WAIVED
03/05/06 (H) TRA AT 1:30 PM CAPITOL 17
03/05/06 (H) -- Meeting Canceled --
04/04/06 (H) FIN AT 9:00 AM HOUSE FINANCE 519
04/04/06 (H) Heard & Held
04/04/06 (H) MINUTE(FIN)
04/07/06 (H) FIN AT 1:30 PM HOUSE FINANCE 519
04/07/06 (H) Moved CSHB 403(FIN) Out of Committee
04/07/06 (H) MINUTE(FIN)
04/10/06 (H) FIN RPT CS(FIN) NT 5DP 4NR
04/10/06 (H) DP: HAWKER, FOSTER, KERTTULA, MOSES,
MEYER;
04/10/06 (H) NR: KELLY, STOLTZE, WEYHRAUCH, CHENAULT
04/19/06 (H) TRANSMITTED TO (S)
04/19/06 (H) VERSION: CSHB 403(FIN)
04/20/06 (S) READ THE FIRST TIME - REFERRALS
04/20/06 (S) TRA, FIN
04/25/06 (H) TRA AT 1:30 PM CAPITOL 17
04/27/06 (H) TRA AT 1:30 PM CAPITOL 17

WITNESS REGISTER

JENNIFER BAXTER, Legislative Aide
Staff to Representative Jim Elkins
State Capitol, Room 416
Juneau, AK 99801-1182
POSITION STATEMENT: Introduced HB 266

AVES D. THOMPSON (via teleconference)
Director of Commercial Vehicles
Department of Transportation & Public Facilities
3132 Channel Dr.
Juneau, AK 99801-7898
POSITION STATEMENT: Supported HB 266

RICHARD ASAY
Carlile Transportation Systems
1800 East 1st Avenue
Anchorage, AK 99501
POSITION STATEMENT: Supported HB 266

MICHAEL BELL, Director
Alaska Trucking Association
3443 Minnesota Dr.
Anchorage, AK 99503
POSITION STATEMENT: Supported HB 266

DUANE BANNOCK, Director
Division of Motor Vehicles
2760 Sherwood Lane, Suite B
Juneau, AK 99801

POSITION STATEMENT: Supported HB 266 and HB 403

IAN FISK, Legislative Aide
Staff to Representative Thomas
State Capitol, Room 428
Juneau, AK 99801-1182

POSITION STATEMENT: Introduced HB 403

MICHAEL CATSI, Executive Director
Skagway Development Corporation
P.O. Box 1236
Skagway, AK 99840

POSITION STATEMENT: Supported HB 403

JACK CANELLI, Legal Council and Regulatory Specialist
Global Electric Motor Cars
140 40th Street SW
Fargo, ND 58102

POSITION STATEMENT: Supported HB 403

ACTION NARRATIVE

CHAIR CHARLIE HUGGINS called the Senate Transportation Standing Committee meeting to order at [1:36:10 PM](#). Present at the call to order were Senators Hollis French, John Cowdery, and Chair Charlie Huggins.

HB 266-VEHICLE WEIGHTS AND INSURANCE

[1:37:51 PM](#)

JENNIFER BAXTER, Staff to Representative Jim Elkins, introduced HB 266, which is an act relating to penalties for violation of vehicle limitations and modifies existing law related to the penalty structure for overweight vehicle violations.

She said this legislation proposes the first increase in penalties since the existing provisions were established in the 1970's. It was introduced because existing penalties do not adequately inhibit shipping companies and others from violating overweight vehicle limitations. The proposed modification

establishes a graduated penalty for the amount of weight in excess of the limitations set by statute, regulation, and permit.

MS. BAXTER continued to say that another provision of the bill prohibits the use of overweight vehicle violations by insurers to adversely impact decisions related to providing private automobile insurance coverage for the drivers, who are usually not aware that the vehicle is overweight.

She advised that the Department of Transportation (DOT), the Teamsters, and Horizon Shipping Lines all support HB 266.

CHAIR HUGGINS asked Ms. Baxter whether she has met any resistance to the bill.

MS. BAXTER said yes, that the Finance Committee version of the bill took out Section 3, which was a repeat offender violation clause. Under Alaska Statute, the commissioner already has authority to investigate repeat offenses, so that section was redundant.

She said that the House Transportation Committee sponsored the bill and its main concern was that drivers be protected from any adverse impact on their personal automobile insurance as a result of these violations.

[1:41:19 PM](#)

SENATOR ALBERT KOOKESH joined the meeting.

SENATOR COWDERY related an anecdotal story about an overweight violation.

[1:44:15 PM](#)

CHAIR HUGGINS asked whether the bill would preclude any impact on the drivers' personal insurance rates.

MS. BAXTER replied yes.

SENATOR FRENCH asked Ms. Baxter who has to pay the tickets.

MS. BAXTER answered that it is a decision between the drivers and the employer.

SENATOR COWDERY asked if it would be the driver who would get the ticket for anything except a safety violation.

SENATOR FRENCH agreed that the ticket would be issued against the driver, but speculated that there could be an indemnification agreement between the driver and the company that loaded the truck, or the company he works for, since it is clear that the driver often doesn't know or have control over the truck weight.

[1:48:27 PM](#)

MS. BAXTER clarified that Section 3 was removed because the DOT has authority to investigate multiple offenders under AS 45.75.090.

CHAIR HUGGINS recognized Duane Bannock and asked him whether he had any opposition to the bill.

MR. BANNOCK, Director, Division of Motor Vehicles, said no.

CHAIR HUGGINS recognized Aves Thompson.

AVES D. THOMPSON, Director of Commercial Vehicles, Department of Transportation, testified in favor of HB 266. He said that an increase in penalties is long overdue and that there are provisions in the administrative code that provide for weighing allowances to accommodate unintentional violations. He confirmed that citations are written to the driver, but the company generally pays the fine. He stressed that the Alaska Trucking Association and a number of major carriers are in support of this legislation.

[1:51:39 PM](#)

RICHARD ASAY, Carlisle Transportation, testified in support of the bill. He confirmed that the driver gets the ticket, but the company pays it.

MICHAEL BELL, Director, Alaska Trucking Association, testified in support of the bill. Drivers are rarely responsible for loading the vehicles that they drive, so the companies should bear the responsibility.

SENATOR COWDERY moved CSHB 266(FIN) and attached fiscal notes from the committee with individual recommendations. Hearing no objections, the motion carried.

[1:55:12 PM](#) at ease.

HB 403-NEIGHBORHOOD ELECTRIC VEHICLES

[1:57:15 PM](#)

CHAIR HUGGINS announced CSHB 403 to be up for consideration.

SENATOR COWDERY moved to adopt CSHB 403, Version L.

IAN FISK, Staff to Representative Bill Thomas, explained that the House Finance Committee sent the wrong version of the bill to the floor after it passed House Finance and no one noticed until it had been voted on. He said the simplest way to correct it is to adopt work draft L, which reflects the changes House Finance made, and take it from there. Naturally, it will have to go back to the House for concurrence.

He said that the bill deals with Low-Speed Vehicles (LSV), also known as neighborhood electric vehicles. The federal definition of low-speed vehicles recognizes that some of this class of vehicle can be powered by means other than electricity, such as propane. He pointed out that he was not talking about golf carts, but a class of vehicle that has to meet a number of federal standards similar to a regular vehicle. They have to have headlights, taillights, brake lights, emergency brakes, automotive quality glass windshield, bumpers, etceteras, and have to pass a federal safety-testing program. These vehicles are required to be able to travel between 20-25 mph and are not allowed to travel on roads with a speed limit greater than 35 mph. They are legal in 35 states and are popular in gated communities and quiet neighborhoods.

MR. FISK said that a constituent who wants to open a dealership for these vehicles approached Representative Thomas, because the Department of Motor Vehicles does not currently allow their registration and licensing.

[2:00:27 PM](#)

He pointed out that one of the things the House has been working on is the definition of these vehicles. The definition in work draft L is "a vehicle that has four wheels and an unladen weight of 2500 lbs or less." The problem with it is that the vehicles are evolving and the federal standard has already been changed up to 3000 lbs; so, it is probably best to go with a definition that tracks federal law.

[2:02:02 PM](#)

SENATOR COWDERY asked if these vehicles require seatbelts.

MR. FISK answered yes.

SENATOR COWDERY speculated that they might get in the way of heavy vehicles in neighborhoods and present a hazard. He asked if they could use bike trails.

MR. FISK responded that they are not appropriate for bike trails and that they should not be a hazard for neighborhood use.

[2:03:13 PM](#)

SENATOR COWDERY asked if there are currently any dealerships in Alaska that sell these vehicles.

MR. FISK said he is not aware of any.

SENATOR COWDERY asked if the safety factors on this vehicle are lower than on a standard vehicle.

MR. FISK said to his knowledge they do not have airbags, but the manufacturer would have more information on that.

SENATOR COWDERY asked if they have doors, or are an open golf-cart type of vehicle.

MR. FISK said that most of them do have doors, but they are not required to by federal safety standards. The Alaskan market would probably demand them.

[2:05:07 PM](#)

SENATOR COWDERY pointed out that heavy vehicles such as SUV's and garbage trucks do go into neighborhoods and asked whether they have been collision tested.

MR. FISK answered that he is not certain whether they have been subjected to crash tests, but speculated that they would probably be safer than a moped or motorcycle, which are legal.

SENATOR COWDERY asked what is the range of time they could run before requiring a recharge.

MR. FISK responded that he is not sure and would defer to Mr. Canelli on that.

CHAIR HUGGINS said he visualizes a small tourist vehicle.

MR. FISK agreed.

[2:07:19 PM](#)

CHAIR HUGGINS said that it appears this will initially be primarily for commercial use.

MR. FISK said that he believes they will have both personal and commercial uses.

DUANE BANNOCK, Division of Motor Vehicles, testified in support of the bill. He said that, under existing Alaska Statutes that define a motor vehicle, it is easy to confuse the title "Low-Speed Vehicle" with a verb. This is not a Lamborghini that won't get out of first gear; it is a vehicle that is designed for a specific purpose, so LSV is actually a noun. In Alaska, the Division of Motor Vehicles has the authority to license and title motor vehicles; and when it issues that title, it means that vehicle can go anywhere it wants to on the road. Without a separate classification within Alaska statutes, DMV cannot register an LSV. This bill recognizes what an LSV is, as defined in the federal statutes, and gives the DMV the authority to collect the registration fees and issue a special license plate for it.

[2:09:35 PM](#)

MR. BANNOCK said that he brought with him the 54-page summary of the federal definition of the LSV; and doors are not required.

MR. FISK pointed out that on page 3, lines 9-11, the House Finance Committee added an opt-in provision for municipalities, which reads: " A person may not operate a low-speed vehicle within a municipality unless that municipality has adopted an ordinance allowing the use of low-speed vehicles within its jurisdiction." If the municipality opts to allow licensing of LSV's, lines 12-13 allow it to further restrict the use of them within their jurisdiction.

CHAIR HUGGINS said that some communities have shown a little bit of concern and resistance to this bill.

MR. FISK replied that he has not heard from any communities with concerns about it.

CHAIR HUGGINS asked Mr. Braddock whether this presents any difficulty from a licensing standpoint.

MR. BRADDOCK answered no. He did caution that, under the proposed amendment, a person could buy one of these vehicles, register and license it, then find that he cannot use it in his municipality.

CHAIR HUGGINS recognized Michael Catsi.

2:13:09 PM

MICHAEL CATSI, Executive Director, Skagway Development Corporation (SDC) testified in support of the bill with the exception of Section 4(C)(1). He said that the SDC originally approached Representative Thomas about getting this bill, because one of its clients in Skagway would like to open a dealership and rental facility. He said that he does have issue with the opt-in Section 4(C)(1), and thinks it would be a nightmare for any potential business owner who wants to start a dealership, to have to contact every municipality in the state and ask them to pass an ordinance allowing them. Because Section 4(C)(2) allows municipalities to further restrict the use of these vehicles in their jurisdiction; it does not seem necessary to provide an opt-in provision.

2:17:00 PM

MR. FISK agreed that Mr. Catsi has a good point. He said the concern was brought up in House Finance and they compromised, but he doesn't think the sponsor would have any objection to heeding Mr. Catsi's concern.

CHAIR HUGGINS noted that the change could kill the bill if the House does not agree with it and asked the committee members how they felt about it.

MR. BANNOCK responded that, if the amended version were to pass, the DMV would immediately send notification to every organized government in Alaska to let them know of the change. From a licensing standpoint, he is not looking forward to dealing with an angry customer who has paid \$250 to register a vehicle that he can't use.

SENATOR COWDERY said that there was a bill before the committee a couple of years ago related to personal electric vehicles, and asked whether this bill involves them in any way.

MR. BANNOCK replied that it does not. The statute that passed previously was specific to the SegWay two wheeled, upright vehicles.

MR. FISK interjected that he thinks the sponsor would prefer that any changes be made in the current committee.

SENATOR KOOKESH said that it would be better to adopt it as presented, because any change would have to go back to the House for concurrence.

CHAIR HUGGINS said he thinks Senator Kookesh is right.

[2:21:14 PM](#)

SENATOR COWDERY said that they are running out of time.

MR. FISK pointed out that, because of the clerical mistake made by the staff, the bill will have to go through concurrence anyway, to reflect the changes House Finance made.

CHAIR HUGGINS moved to amend the bill by deleting lines 9-11 on page 3. There being no objection, the motion carried.

SENATOR KOOKESH asked if any language needed to be added.

MR. FISK said no, that only the definition is still on the table.

[2:22:43 PM](#)

SENATOR FRENCH said he expected to get some language to link the definition to federal standards and asked if Mr. Fisk has suggested language for that.

MR. FISK responded yes, it could be amended to say that a "low-speed vehicle has the meaning given to it in federal law."

SENATOR FRENCH asked if that is meant to replace or augment the definition on page 3, lines 15-19.

MR. FISK replied that it would replace that language.

SENATOR FRENCH asked if Mr. Fisk had language typed up.

MR. FISK replied that it would have to be a conceptual amendment.

[2:24:32 PM](#)

JACK CANELLI, Legal Counsel and Regulatory Specialist, Global Electric Motorcars, testified in support of the bill. He commented that he would like to see clarification in Section 4(b) that the vehicles are allowed to cross a road that has a speed limit of over 35 mph and stressed that these vehicles accelerate quite well, so crossing intersections is not a problem.

CHAIR HUGGINS advised Mr. Canelli that the bill does contain that provision.

MR. CANELLI responded that he had not read it that way.

CHAIR HUGGINS assured him that it does allow just what he suggested.

MR. CANELLI agreed with the other amendments the committee has made.

[2:28:15 PM](#)

CHAIR HUGGINS asked what is happening in other states.

MR. CANELLI said that most states have adopted federal standards and do not include any weight limit in legislation.

CHAIR HUGGINS asked Mr. Bannock if replacing the definition with federal standards would create any licensing issues.

MR. BANNOCK said it would not and explained that when the vehicle is licensed, it would simply reflect that the vehicle meets federal standards.

SENATOR COWDERY asked whether liability insurance would be required on these vehicles.

MR. BANNOCK responded that it would be under this law.

SENATOR COWDERY asked if it would be an honor system like the existing law.

MR. BANNOCK said that everything related to financial responsibility would be the same as for a standard vehicle.

[2:30:22 PM](#)

SENATOR COWDERY asked what is the anticipated cost of these vehicles and what kind of warranty will come with them.

MR. CANELLI said they have six models, including: a two-passenger for roughly \$6,000, and a six-passenger model for up to \$15,000.

SENATOR COWDERY commented that China is very interested in the Alaskan market and he has read that they have standard vehicles that get 35 mpg or better and cost \$8,000-\$12,000.

[2:32:24 PM](#)

CHAIR HUGGINS asked Mr. Fisk and Mr. Braddock whether there are any other aspects of the bill that should be changed in order to make this bill acceptable to the House and to DMV.

MR. FISK said the concerns are covered.

MR. BANNOCK said the DMV loves it.

CHAIR HUGGINS said he would like to get the CS drafted today.

SENATOR COWDERY moved SCS CSHB 403(TRA) from committee with individual recommendations and attached fiscal note. Hearing no objections, the motion carried.

There being no further business to come before the committee, he adjourned the meeting at [2:34:07 PM](#).