

**SENATE BILL NO. 68**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FIFTH LEGISLATURE - FIRST SESSION

**BY SENATOR FRENCH**

**Introduced: 1/26/07**

**Referred: Labor and Commerce, Transportation, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act requiring motor vehicle insurers to provide to the commissioner of**  
2 **administration a database listing vehicle insurance policy information that will allow the**  
3 **commissioner to verify whether mandatory motor vehicle insurance has been obtained,**  
4 **limiting access to the database, establishing methods for proving that mandatory motor**  
5 **vehicle insurance is in place, allowing the additional penalties of suspending registration**  
6 **and vehicle impoundment and forfeiture for failure to have mandatory motor vehicle**  
7 **insurance, and authorizing hearings after suspension of registration for failure to have**  
8 **mandatory motor vehicle insurance."**

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

10 **\* Section 1.** AS 21.89.020 is amended by adding a new subsection to read:

11 (j) An insurer licensed to issue motor vehicle liability insurance shall provide  
12 to the commissioner of administration information required under AS 28.22.035 that

1 allows the commissioner to verify that a person has the mandatory insurance required  
2 under AS 28.22.011.

3 \* **Sec. 2.** AS 28.01.015(a) is amended to read:

4 (a) Notwithstanding other provisions in this title, a municipality may adopt an  
5 ordinance providing for the impoundment or forfeiture of a

6 (1) motor vehicle, watercraft, or aircraft involved in the commission of  
7 an offense under AS 28.35.030, 28.35.032, or an ordinance with elements substantially  
8 similar to AS 28.35.030 or 28.35.032;

9 (2) motor vehicle involved in the commission of an offense under  
10 AS 28.15.291 or an ordinance with elements similar to AS 28.15.291;

11 (3) motor vehicle used by a person whose license is suspended under  
12 AS 28.22.041; [OR]

13 (4) motor vehicle used by a person who fails to carry proof of  
14 insurance as required under AS 28.22.019; or

15 **(5) motor vehicle with suspended registration for failure to have**  
16 **mandatory motor vehicle insurance under AS 28.22.042.**

17 \* **Sec. 3.** AS 28.05.131(a) is amended to read:

18 (a) Unless otherwise specifically provided, or unless immediate action in  
19 suspending, revoking, canceling, limiting, restricting, denying, or impounding is  
20 necessary for the protection of the health, safety, or welfare of the public, the  
21 Department of Public Safety or the Department of Administration, as appropriate,  
22 shall give notice of the opportunity for an administrative hearing before a license,  
23 registration, title, permit, or privilege issued or allowed under this title or regulations  
24 adopted under this title is suspended, revoked, cancelled, limited, restricted, or denied  
25 or a vehicle is impounded by that department. If action is required under this section  
26 and prior opportunity for a hearing cannot be afforded, **or if the registration is**  
27 **suspended under AS 28.22.042(a)(2),** the appropriate department shall promptly give  
28 notice of the opportunity for a hearing as soon after the action as possible to the parties  
29 concerned.

30 \* **Sec. 4.** AS 28.22.031 is amended by adding a new subsection to read:

31 (c) A person whose registration has been suspended under AS 28.22.042(a)

1 for failure to have mandatory motor vehicle insurance or whose vehicle has been  
 2 impounded under AS 28.22.042(b) shall, within 30 days after the date the department  
 3 mailed the notice of suspension or before release from impoundment, prove that the  
 4 person is insured under a motor vehicle liability policy that complies with  
 5 AS 28.22.011 by providing to the department

6 (1) a copy of the insurance policy, certificate, bond, or insurance  
 7 binder;

8 (2) a written certificate from an insurance company, insurance agent,  
 9 insurance broker, or surplus lines broker confirming that a valid motor vehicle liability  
 10 policy issued in conformity with this chapter is in effect; or

11 (3) a certificate of self-insurance.

12 \* **Sec. 5.** AS 28.22 is amended by adding a new section to read:

13 **Sec. 28.22.035. Mandatory motor vehicle insurance verification; database.**

14 (a) An insurer licensed to issue motor vehicle liability insurance shall provide to the  
 15 department a database containing motor vehicle insurance policy information that will  
 16 allow the department to verify that the mandatory insurance required by AS 28.22.011  
 17 is in place for a vehicle registered in this state or for a policyholder with an Alaska  
 18 address. A motor vehicle insurer shall report every issued policy or coverage,  
 19 including a coverage change or, amendment to, cancellation of, or termination of a  
 20 policy, within 15 days after its effective date.

21 (b) The commissioner shall adopt regulations for reporting insurance  
 22 information under this section, including regulations establishing times and methods  
 23 for reporting.

24 (c) The department shall use the motor vehicle insurance information database  
 25 to compile a list of vehicles that are registered but not insured as required under this  
 26 chapter. The list must be indexed to registration and license plate information.

27 (d) The department may establish alternate methods for determining whether a  
 28 person has effective mandatory motor vehicle insurance.

29 (e) Information compiled by the department under this section is not a public  
 30 record for purposes of AS 40.25.110 - 40.25.140 and shall be available only to peace  
 31 officers, court personnel, and other persons with a need for the information, as

1 determined by the commissioner. The department shall develop a method by which a  
 2 peace officer and court personnel may electronically verify that an insurance policy  
 3 complying with AS 28.22.011 has been issued.

4 \* **Sec. 6.** AS 28.22 is amended by adding a new section to read:

5 **Sec. 28.22.042. Administrative suspension of registration, and**  
 6 **impoundment.** (a) If, from the information compiled under AS 28.22.035, the  
 7 department determines that a person has failed to have the insurance required by  
 8 AS 28.22.011, the department shall

9 (1) notify the person in writing sent by certified or registered mail that  
 10 proof of insurance required by AS 28.22.011 must be obtained and proven to the  
 11 department within 30 days after the date the department mailed the notice, using the  
 12 methods of proof set out in AS 28.22.031(c);

13 (2) if proof of insurance required by (1) of this subsection has not been  
 14 received within 30 days after the date the department mailed the notice, suspend the  
 15 registration for the uninsured vehicle under AS 28.10.051(b) and notify the person in  
 16 writing sent by certified or registered mail that

17 (A) the registration has been suspended;

18 (B) the person may not drive, move, or park a vehicle with a  
 19 suspended registration on a highway or other public parking place under  
 20 AS 28.10.011; and

21 (C) the person has an opportunity for an administrative hearing  
 22 on the suspension under AS 28.05.131.

23 (b) In addition to the penalty set out in AS 09.65.320, AS 28.22.041,  
 24 AS 28.90.010, or other penalty, a motor vehicle for which registration is required  
 25 under AS 28.10.011 the registration of which is suspended under (a) of this section  
 26 that is driven, moved, or parked on a highway or vehicular way or area may be  
 27 impounded by a peace officer or an employee of the Department of Public Safety  
 28 officially designated for that purpose. If the motor vehicle has not been redeemed  
 29 within 60 days after impoundment, it shall be considered abandoned, and disposed of  
 30 under AS 28.11. The motor vehicle may be redeemed from impoundment if

31 (1) the insurance required by AS 28.22.011 has been obtained;

1                           (2) proof of insurance by a method set out in AS 28.22.031 is provided  
2 to the department; and

3                           (3) the costs of impounding and storing the vehicle have been paid.

4                           (c) The department may adopt regulations to implement this section, including  
5 regulations defining which costs are costs of impoundment.