

**CS FOR SENATE BILL NO. 68(L&C)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 3/7/07

Referred: Transportation, Finance

Sponsor(s): SENATOR FRENCH

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act requiring motor vehicle insurers to provide to the commissioner of  
2 administration vehicle insurance policy information to allow the commissioner to verify  
3 whether mandatory motor vehicle insurance has been obtained and limiting access to  
4 the information; requiring proof of mandatory insurance coverage when a person  
5 applies for or renews motor vehicle registration; and allowing the additional penalties of  
6 vehicle impoundment and forfeiture for failure to have mandatory motor vehicle  
7 insurance."

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

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

10 (j) An insurer licensed to issue motor vehicle liability insurance shall provide  
11 to the commissioner of administration or to a person designated by the commissioner  
12 information that allows the commissioner to verify that a person has the mandatory  
13 insurance required under AS 28.22.011.

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

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

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

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

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

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

13 **(5) motor vehicle for failure to have mandatory motor vehicle**  
14 **insurance under AS 28.22.011.**

15 \* **Sec. 3.** AS 28.10.021(a) is amended to read:

16 (a) The owner of a vehicle subject to registration shall apply for registration  
17 under this chapter by properly completing the form prescribed by the commissioner  
18 under AS 28.05.041. Before the issuance of a certificate of registration by the  
19 department, the owner shall

20 (1) pay all registration fees and taxes required under this chapter and  
21 federal heavy vehicle use taxes required under 26 U.S.C. 4481 (Internal Revenue Code  
22 of 1954);

23 (2) unless the owner qualifies as a self-insurer under AS 28.20.400 or  
24 is exempted from obtaining liability insurance under AS 28.22.011, certify to the  
25 department the existence of a motor vehicle liability policy that complies with  
26 AS 28.22.011 for the vehicle being registered; in this paragraph, "certify" means to  
27 **provide proof, in a** [INDICATE BY CHECK-OFF ON THE VEHICLE  
28 REGISTRATION] form prescribed by the department, **of** the existence of a policy of  
29 insurance **that complies with AS 28.22.011**, [IF A POLICY IS REQUIRED AT  
30 THAT TIME,] and the intention to continue the policy [OR OBTAIN A POLICY AS  
31 REQUIRED BY THIS SUBSECTION]; and

1 (3) comply with other applicable statutes and regulations.

2 \* **Sec. 4.** AS 28.10.111(a) is amended to read:

3 (a) Application for the renewal of vehicle registration shall be made by  
4 completing the proper form, providing proof, in a form prescribed by the  
5 department, of the existence of a policy of insurance that complies with  
6 AS 28.22.011 and the intention to continue the policy, and paying any required fee  
7 and tax.

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

9 **Sec. 28.22.035. Mandatory motor vehicle insurance verification.** (a) The  
10 department shall develop methods by which the department, a peace officer, court  
11 personnel, and other persons with a need for the information, as determined by the  
12 commissioner, may verify that an insurance policy complying with AS 28.22.011 has  
13 been issued.

14 (b) The commissioner shall adopt regulations establishing methods for  
15 determining whether a person has effective mandatory motor vehicle insurance,  
16 including the use of an online, worldwide web-based system or service.

17 (c) Information available to the department under this section is not a public  
18 record for purposes of AS 40.25.110 - 40.25.140 and shall be available only to the  
19 department, peace officers, court personnel, and other persons with a need for the  
20 information, as determined by the commissioner.

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

22 **Sec. 28.22.042. Uninsured vehicle impoundment.** In addition to the penalty  
23 set out in AS 09.65.320, AS 28.22.041, AS 28.90.010, or other penalty, a motor  
24 vehicle without the insurance required by AS 28.22.011 that is driven, moved, or  
25 parked on a highway or vehicular way or area may be impounded by a peace officer or  
26 an employee of the Department of Public Safety officially designated for that purpose.  
27 The impounded motor vehicle shall be considered abandoned and disposed of under  
28 AS 28.11. The motor vehicle may be redeemed from impoundment if

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

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

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