

HOUSE BILL NO. 380

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES JOHANSEN BY REQUEST, Hawker

Introduced: 2/23/10

Referred: Transportation, Judiciary, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act directing the Department of Administration to develop and maintain an**
2 **Internet-based system to verify mandatory motor vehicle insurance coverage; requiring**
3 **motor vehicle insurers to provide to the commissioner of administration vehicle**
4 **insurance policy information to allow the commissioner to verify whether mandatory**
5 **motor vehicle insurance has been obtained and limiting access to the information;**
6 **requiring evidence of mandatory insurance coverage when a person applies for or**
7 **renews motor vehicle registration; and allowing the additional penalties of vehicle**
8 **impoundment and forfeiture for failure to have 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 or to a person designated by the commissioner

1 information that allows the commissioner to verify that a vehicle is covered by the
2 insurance required 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;

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 used by a person who has \$1,000 or more in
16 delinquent traffic fines for moving violations committed within the municipality; or

17 **(6) motor vehicle for failure to be covered by motor vehicle**
18 **insurance required by AS 28.22.011.**

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

20 (a) The owner of a vehicle subject to registration shall apply for registration
21 under this chapter by properly completing the form prescribed by the commissioner
22 under AS 28.05.041. Before the issuance of a certificate of registration by the
23 department, the owner shall

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

27 (2) unless the owner qualifies as a self-insurer under AS 28.20.400 or
28 is exempted from obtaining liability insurance under AS 28.22.011, certify to the
29 department the existence of a motor vehicle liability policy that complies with
30 AS 28.22.011 for the vehicle being registered; in this paragraph, "certify" means to
31 **provide sufficient evidence, in a** [INDICATE BY CHECK-OFF ON THE VEHICLE

1 REGISTRATION] form prescribed by the department, of the existence of a policy of
 2 insurance that complies with AS 28.22.011 [, IF A POLICY IS REQUIRED AT
 3 THAT TIME], and the intention to continue the policy [OR OBTAIN A POLICY AS
 4 REQUIRED BY THIS SUBSECTION]; and

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

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

7 (a) Application for the renewal of vehicle registration shall be made by
 8 completing the proper form, providing sufficient evidence, in a form prescribed by
 9 the department, of the existence of a policy of insurance that complies with
 10 AS 28.22.011 and the intention to continue the policy, and paying any required fee
 11 and tax.

12 * **Sec. 5.** AS 28.22 is amended by adding new sections to read:

13 **Sec. 28.22.035. Mandatory motor vehicle insurance verification.** (a) The
 14 department shall adopt regulations establishing an Internet-based system that allows a
 15 peace officer, an authorized employee of the Alaska Court System, and other persons
 16 authorized by the department to verify whether mandatory motor vehicle insurance
 17 that complies with AS 28.22.011 has been issued.

18 (b) The regulations adopted under (a) of this section

19 (1) may use standards established by the Insurance Industry
 20 Committee on Motor Vehicle Administration;

21 (2) must provide for direct inquiry of a motor vehicle insurer's records
 22 by authorized personnel, including peace officers, authorized employees of the Alaska
 23 Court System, or other persons authorized by the department;

24 (3) must include provisions consistent with industry standards to
 25 secure data against unauthorized access;

26 (4) must allow for an appropriate testing period; and

27 (5) must use indexing methods that allow insurance verification by
 28 vehicle identification number, policy number, registered owner's name, or other
 29 indexes as determined by the department.

30 (c) The department may not develop or apply the system established by this
 31 section to verify whether mandatory motor vehicle insurance has been issued for a

1 commercial motor vehicle, and a person authorized by (a) of this section to use the
2 system may not verify whether mandatory motor vehicle insurance has been issued for
3 a commercial motor vehicle. In this subsection, "commercial motor vehicle" means,
4 notwithstanding AS 28.90.990, a self-propelled or towed vehicle that is used on a
5 highway or vehicular way for commercial purposes; for purposes of this subsection,
6 "commercial purposes" means activities for which a person receives direct monetary
7 compensation or activities for which a person does not receive direct monetary
8 compensation but that are incidental to and done in furtherance of the person's
9 business. However, for purposes of this subsection, the following vehicles are not
10 commercial motor vehicles:

11 (1) emergency or fire equipment that is necessary to the preservation
12 of life or property;

13 (2) farm vehicles that are

14 (A) controlled and operated by a farmer;

15 (B) used to transport agricultural products, farm machinery, or
16 farm supplies to or from that farmer's farm;

17 (C) not used in the operations of a common or contract motor
18 carrier; and

19 (D) used within 150 miles of the farmer's farm;

20 (3) school buses;

21 (4) vehicles owned and operated by the federal government unless the
22 vehicle is used to transport property of the general public for compensation in
23 competition with other persons who own or operate a commercial motor vehicle
24 subject to AS 19.10.310 - 19.10.399, and except to the extent that regulation of
25 vehicles operated by the federal government is permitted by federal law; and

26 (5) vehicles used exclusively for purposes other than commercial
27 purposes.

28 (d) The department may contract with a private vendor to provide assistance in
29 establishing and maintaining the verification system.

30 (e) Information available to the department under this section is not a public
31 record for purposes of AS 40.25.110 - 40.25.140 and shall be available only to the

1 department, peace officers, court personnel, and other persons with a need for the
2 information, as determined by the commissioner.

3 (f) Nothing in this section creates a private right or cause of action for errors
4 associated with the verification system.

5 **Sec. 28.22.037. Uninsured vehicle impoundment.** In addition to the penalty
6 set out in AS 09.65.320, AS 28.22.041, AS 28.90.010, or other penalty, a motor
7 vehicle that is not covered by the insurance required by AS 28.22.011 that is driven,
8 moved, or parked on a highway or vehicular way or area may be impounded by a
9 peace officer or an employee of the Department of Public Safety officially designated
10 for that purpose. The impounded motor vehicle shall be considered abandoned and
11 disposed of under AS 28.11. The motor vehicle may be redeemed from impoundment
12 if

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

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

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