

**ALASKA STATE LEGISLATURE
HOUSE STATE AFFAIRS STANDING COMMITTEE**

February 4, 2016
8:07 a.m.

MEMBERS PRESENT

Representative Bob Lynn, Chair
Representative Wes Keller, Vice Chair
Representative Louise Stutes
Representative Liz Vazquez
Representative Max Gruenberg
Representative Jonathan Kreiss-Tomkins

MEMBERS ABSENT

Representative David Talerico

COMMITTEE CALENDAR

HOUSE BILL NO. 229

"An Act relating to regulation notice and review by the legislature; and relating to the Administrative Regulation Review Committee."

- HEARD & HELD

HOUSE CONCURRENT RESOLUTION NO. 15

Proposing an amendment to the Uniform Rules of the Alaska State Legislature relating to the jurisdiction of standing committees.

- HEARD & HELD

HOUSE BILL NO. 273

"An Act relating to the transfer of the title to a vehicle, including certain manufactured homes and trailers, on the death of the owner; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 229

SHORT TITLE: REPEAL ADMIN. REG. REVIEW COMMITTEE

SPONSOR(S): REPRESENTATIVE(S) CHENAULT

01/19/16 (H) PREFILE RELEASED 1/8/16

01/19/16 (H) READ THE FIRST TIME - REFERRALS
01/19/16 (H) STA, FIN
02/04/16 (H) STA AT 8:00 AM CAPITOL 106

BILL: HCR 15

SHORT TITLE: UNIFORM RULES: REGULATION REVIEW
SPONSOR(S): REPRESENTATIVE(S) CHENAULT

01/19/16 (H) READ THE FIRST TIME - REFERRALS
01/19/16 (H) STA
02/04/16 (H) STA AT 8:00 AM CAPITOL 106

BILL: HB 273

SHORT TITLE: VEHICLES: TRANSFER ON DEATH TITLE
SPONSOR(S): STATE AFFAIRS

01/22/16 (H) READ THE FIRST TIME - REFERRALS
01/22/16 (H) STA
02/04/16 (H) STA AT 8:00 AM CAPITOL 106

WITNESS REGISTER

TOM WRIGHT, Staff
Representative Mike Chenault
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 229 on behalf of
Representative Chenault, prime sponsor.

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Representative Mike Chenault
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POSITION STATEMENT: Presented HCR 15 on behalf of
Representative Chenault, prime sponsor.

DENEEN TUCK, Staff
Representative Bob Lynn
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 273 on behalf of House State
Affairs Standing Committee, sponsor, on which Representative
Lynn serves as chair.

AVES THOMPSON, Executive Director
Alaska Trucking Association (ATA)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 273.

NICOLE THAM, Driver Services Manager
Division of Motor Vehicles (DMV)
Department of Administration (DOA)
Anchorage, Alaska

POSITION STATEMENT: Testified that the division had no objection to HB 273.

MR. BOB MAIER, Executive Director
Alaska Manufactured Housing Association (AMHA)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 273.

ACTION NARRATIVE

[8:07:02 AM](#)

CHAIR BOB LYNN called the House State Affairs Standing Committee meeting to order at 8:07 a.m. Representatives Keller, Stutes, Vazquez, Kreiss-Tomkins, Gruenberg, and Lynn were present at the call to order.

HB 229-REPEAL ADMIN. REG. REVIEW COMMITTEE

[8:07:57 AM](#)

CHAIR LYNN announced that the first order of business would be HOUSE BILL NO. 229, "An Act relating to regulation notice and review by the legislature; and relating to the Administrative Regulation Review Committee."

[8:08:20 AM](#)

TOM WRIGHT, Staff, Representative Mike Chenault, Alaska State Legislature, presented HB 229 on behalf of Representative Chenault, prime sponsor. He related that the purpose of HB 229 is to repeal the statutes pertaining to the Administrative Regulation Review Committee. He stated that according to the Legislative Research Services report, included in the committee packet, the Administrative Regulation Review Committee has not overturned any regulations going back to the Twenty-Third Alaska State Legislature of 2003-2004.

[8:10:27 AM](#)

MR. WRIGHT stated that although AS 24.20.445 provides that the committee can suspend regulations for a "certain time period," the Alaska Supreme Court ruled in a 1980 case, State v. A.L.I.V.E. Voluntary, that the legislature has no implied power to veto agency regulations by informal legislative action, and such actions violate Article II of the state constitution. The action that is available to the Administrative Regulation Review Committee [to veto agency regulations] is to either supersede or nullify regulations by way of introducing legislation. However, Legislative Research Services was not able to find any effort [by Administrative Regulation Review Committee] to do so from 2003 to the present.

MR. WRIGHT stated that the proposed legislation would repeal all references to the Administrative Regulation Review Committee throughout the statutes. One of the statutes that would be deleted is Section 44.62.320, "Submittal for legislative review." This statute calls for regulations that are filed by the lieutenant governor to be submitted to the chair and all members of the Administrative Regulation Review Committee for review under AS 24.20.400 through AS 24.20.460 along with the fiscal information. Legislative Legal and Research Services no longer has an attorney assigned to review regulations, as that position was not filled due to cost-cutting efforts. The budget for this committee was \$100,000 in the past and was halved last year, so would result in savings in the legislative budget of \$53,000.

MR. WRIGHT relayed that to take the place of the Administrative Regulation Review Committee, there is a resolution that will be addressed later giving standing committees or any committees the power to review those regulations. Instead of the Administrative Regulation Review Committee, it would be up to a standing committee to decide if it wanted to take up regulations, nullify regulations, or address regulations through legislation.

[8:13:28 AM](#)

CHAIR LYNN conjectured that if the committee identified a regulation causing a problem, the members would then have the ability hold a hearing on that particular regulation.

MR. WRIGHT confirmed Chair Lynn's supposition and added that he believes that ability already exists and HB 229 just clarifies that the jurisdiction for regulation review would be turned over to the standing committee. In this way there's a fallback to

address those regulations if they fall under the committee's jurisdiction.

CHAIR LYNN restated that a particular regulation could be proposed for review in a committee and action taken as with any proposed legislation.

MR. WRIGHT emphasized that he intends no disrespect to those who initiated and served on the Administrative Regulation Review Committee when he asserts that there is probably more expertise among members of a committee who deal with certain issues. He maintained that the intentions were good; however, the purpose and intent was never really fulfilled and, by virtue of the State v. A.L.I.V.E. Voluntary Alaska Supreme Court case, regulations cannot be suspended through informal action. This aligns with the sponsor's desire to take statutes off the books that aren't working, not intended, or outdated. He concluded by reaffirming that this also would be a cost-saving measure for the legislature.

[8:15:30 AM](#)

MR. WRIGHT, in response to Chair Lynn, reiterated that the fiscal note indicates a savings of \$53,000 under HB 229. Originally \$100,000 was allocated to the Administrative Regulation Review Committee and that amount was cut in half last year. The cost was for the purpose of having staff on board who would devote their time to overseeing regulations and bringing them up before the committee. A person in Legislative Legal and Research Services distributed memos to the Administrative Regulation Review Committee and to the presiding officers. The sponsor believes that the intent and the purpose can be achieved by standing committees and special committees.

[8:17:06 AM](#)

REPRESENTATIVE KELLER asked Mr. Wright if the sponsor is open to going beyond just giving the standing committees the "power to review" - that is, looking at the regulation and making an evaluation.

MR. WRIGHT responded that the sponsor believes in the power of the committee and the power of the committee chairs and consequently, is open to anything the committees would like to have done. His only concern that there not be a large fiscal note attached to any potential amendments to the proposed legislation.

REPRESENTATIVE KELLER advocated for considering the proposed legislation in terms of preserving the role of the legislature constitutionally. He opined that even though budget issues are a concern, they shouldn't be the deciding factor.

MR. WRIGHT said the sponsor does not want to lessen the role of the legislature in any of the processes that are available to it.

8:19:04 AM

REPRESENTATIVE GRUENBERG reminded the committee of the amendment to HB 126, Code of Military Justice, heard in yesterday's House floor session, which said that when further regulations dealing with the code of military justice are promulgated by the National Guard, those regulations shall be sent to the legislature for review.

MR. WRIGHT acknowledged that occurrence. He went on to say that when he first saw the [mentioned] amendment, he had a few concerns. The amendment did state that the legislature could nullify regulations "by law," which means through statutory action. He said that he did not want something passed that the legislature couldn't achieve.

REPRESENTATIVE GRUENBERG asked if, in the event HB 229 passes and the aforementioned amendment remains in the proposed military legislation, any new regulation dealing with the code of military justice would be referred to committee by the commissioner of the Department of Military & Veterans' Affairs (DMVA) or by the governor.

MR. WRIGHT replied that he did not know because he was not familiar with that particular proposed military legislation.

REPRESENTATIVE GRUENBERG asserted that he was asking for clarification on the process - that is, whether the commissioner or the governor would refer the regulation to the appropriate committee for review.

MR. WRIGHT responded that Representative Keller had been working on an amendment to address procedural issues. He said that since the lieutenant governor has the final say on all regulations, his presumption is that the review of regulations would be coordinated through the lieutenant governor's office and would include referral to the speaker of the House and on to

the appropriate committees. He stated that he did not see the committees becoming total regulation review committees because of the time that has to be spent on legislation, budget, and other issues, but that the committees would have the opportunity to review the regulations if something seems onerous or outdated. In that event the legislature or standing committee has the ability to take action, which, Mr. Wright explained, would be addressed in the Uniform Rules change resolution in the proposed legislation.

[8:22:46 AM](#)

REPRESENTATIVE GRUENBERG expressed his hope that there would be a mechanism for referring regulations to committees during interim, emphasizing that there are many regulations and committee activity during interim is limited. He also voiced his concern regarding the additional work the proposed legislation would create for committee staff during interim.

MR. WRIGHT added that committee chairs and committee members would also be affected by the additional work, not just staff. He suggested that regulations could informally be passed from the Speaker's Office to the committee chair without referral, and the chair could decide whether to bring a regulation to committee for review. In regard to interim, Mr. Wright maintained that the chair of any committee could call a meeting at any time as long as it is properly noticed.

[8:24:41 AM](#)

REPRESENTATIVE VAZQUEZ said she thinks the role of the legislature in reviewing regulations is absolutely critical, and she supports the goal of the proposed legislation. However, she went on to say, she is not convinced that what is proposed in the bill is an appropriate alternative mechanism for regulation review. She cited her past experience in administrative law in which she observed that sometimes regulations usurp the intent of legislation. She agreed that regulation review is an important role and that standing committees possess special knowledge to do such review. She contended that her concern is in regard to the appropriateness of the mechanism as proposed.

MR. WRIGHT asserted that Representative Vazquez's comments support his justification for the proposed legislation. Many regulations are enacted because of legislation taken up by committees who are familiar with the issues. Consequently these

committees are better able to make a determination as to whether a regulation fits the scope of the legislation.

8:27:10 AM

REPRESENTATIVE VAZQUEZ expressed her discomfort with the informal process described by Mr. Wright for regulation review. She said that she supported a more systematic, statutory mechanism that insures that every regulation is given attention and not just the ones of special interest to certain committee members.

MR. WRIGHT said that Representative Keller has some ideas to address Ms. Vazquez's concern, and mentioned that a more formal process could be inserted into HB 229.

8:28:40 AM

REPRESENTATIVE KELLER emphasized his appreciation for the proposed legislation and stated his belief that HB 229 highlights unfulfilled legislative responsibilities, which has been a great source of frustration to him. The legislature asks the departments to write regulations in accordance with the statutes that the legislature passes. Representative Keller allowed that despite the best intentions, these regulations are often difficult to trace back to the context of the statutes. He added that administrative review lawyers are experts in code not statute. He posited that the legislature tends to be weak compared to the other two branches, and that this issue was one of balance of power. He further opined that while the proposed legislation cannot solve this concern, it may prevent more loss of power.

REPRESENTATIVE KELLER contended that the Administrative Regulation Review Committee is a very frustrating experience even with qualified staff, and they have never once overruled one regulation. He reiterated that the bill sponsor has now discovered that the Alaska Supreme Court disallows [overruling regulation] unless by new legislation. Agreeing with Representative Vazquez's concern, Representative Keller conceded that as it stands, the proposed legislation would be no more effective in ensuring legislative review of regulations than currently exists. He asked for the committee's help in coming up with a process to enhance the legislative role in regulation review. Representative Keller stated his belief that the only way to ensure regulation review is to hire three or four attorneys for that specific purpose.

[8:31:26 AM](#)

REPRESENTATIVE KELLER said that with the committee's patience, he would work toward proposing amendments that would get rid of a process that isn't working, as well as maintain the authority of the legislature.

MR. WRIGHT expressed the sponsor's willingness to work with committee members on amendments. He agreed with Representative Keller's sentiments about regulations not following the intent of legislation and related it to his experience with federal regulations and laws that Congress passes, and the disconnect between the two.

[8:33:52 AM](#)

REPRESENTATIVE KELLER stated his appreciation for Mr. Wright's comment and cited issues that he had worked on in which state regulations were nothing more than compliance to U.S. regulations with no link to Alaska state law. He appealed for a mechanism to evaluate regulations.

REPRESENTATIVE KELLER said that he had one amendment ready to review. He asked the committee members for suggestions for improvement, keeping in mind the sponsor's request that there be no fiscal note.

[8:36:13 AM](#)

MR. WRIGHT offered that most of the committee members have chaired a committee, and he requested that each member evaluate how they would apply Representative Keller's amendment as a committee chair.

[8:37:40 AM](#)

REPRESENTATIVE GRUENBERG said he would like to address the issue from a legal standpoint. The problem, as Mr. Wright mentioned, emanates from a controversy in the legislature in the 1980s involving the Teamsters Union Local No. 959; a case in which the Senator representing the Kenai Peninsula, Paul Fischer, took an interest. The constitution will not allow the legislature to amend or repeal a regulation unless by law, which means the governor has the right to veto it. The controversy culminated in the Alaska Supreme Court case, State v. A.L.I.V.E. Voluntary, and as a result, the legislature twice passed constitutional

amendments that went before the voters to change the constitution to allow the legislature to take action on a regulation by resolution and twice the voters turned it down. Representative Gruenberg stated his belief that the committee should evaluate this case in terms of what the legislature can legally do. He reiterated that the legislature cannot overturn or amend a regulation once it is promulgated. He suggested, however, the possibility of putting language in appropriate legislation that would require regulations be submitted to the legislature before they became effective.

[8:41:10 AM](#)

REPRESENTATIVE GRUENBERG emphasized that this is a constitutional issue, but he suggested perhaps the issue could be addressed in a creative manner without changing the constitution.

[8:41:21 AM](#)

CHAIR LYNN asked if Representative Gruenberg was suggesting that the legislature would have to give permission for the administration to propose a regulation.

REPRESENTATIVE GRUENBERG replied that his suggestion was that the legislature would have to allow the regulation, stop the regulation, or review the regulation. He offered that he wanted to find out what the options were.

CHAIR LYNN expressed his concern that this may be a never-ending process.

REPRESENTATIVE GRUENBERG agreed that he wanted to avoid that consequence.

[8:41:52 AM](#)

MR. WRIGHT claimed that the sponsor's goal is not to turn every committee into a regulation review committee but to rely on the power of the chair to determine which regulations to bring before the committee for review, for possible reversal or suspension.

[8:42:52 AM](#)

REPRESENTATIVE GRUENBERG maintained that his suggestion - requiring regulations be submitted to the legislature before

becoming effective - may be a legal mechanism to achieve the desire goal.

[8:43:23 AM](#)

CHAIR LYNN ascertained no one wished to testify.

[8:43:32 AM](#)

REPRESENTATIVE KELLER stated his belief that there is considerable public interest in the proposed legislation. He noted the lieutenant governor has no authority in context to regulations but merely files them; and the legislature has the right to challenge and annul regulations by statute unless doing so violates a constitutional right.

MR. WRIGHT warned that the committee be concerned with separation of power issues in regard to regulations and the legislature.

[8:45:25 AM](#)

REPRESENTATIVE KELLER moved to adopt Amendment 1, [labeled 29-LS1104\A.1, Gardner, 2/3/16], which read as follows [original punctuation provided]:

Page 1, line 1:

Delete the second occurrence of "and"

Page 1, line 2, following "Committee":

Insert "; relating to the duration, review, and extension of regulations; and providing for an effective date"

Page 9, following line 9:

Insert a new bill section to read:

"* **Sec. 22.** AS 44.66 is amended by adding a new section to read:

Article 2. Duration, Review, and Extension of Regulations.

Sec. 44.66.100. Submission of regulations.

According to the schedule established by AS 44.66.110, a state agency shall submit to the legislature for review and possible annulment or repeal by the legislature the regulations that have been adopted by the state agency, including regulations adopted by a state agency located in the state agency or a

predecessor of the state agency, and that are still in effect at the time of the submission.

Sec. 44.66.110. Schedule for submission of regulations. A state agency shall submit regulations under AS 44.66.100 according to the following schedule:

(1) if the state agency adopted the regulations on or after January 3, 1959, and before January 1, 1999, the state agency shall submit the regulations within the first 10 days after the convening of the Thirty-First Alaska State Legislature;

(2) if the state agency adopted the regulations on or after January 1, 1999, and before July 1, 2009, the state agency shall submit the regulations within the first 10 days after the convening of the Thirty-Second Alaska State Legislature;

(3) if the state agency adopted the regulations on or after July 1, 2009, the state agency shall submit the regulations within the first 10 days after the convening of the Thirty-Third Alaska State Legislature.

Sec. 44.66.120. Duration of regulations. (a) Unless the regulation provides for earlier termination, a regulation adopted on or after January 1, 2017, terminates five years after the date of adoption.

(b) Unless the regulation provides for earlier termination, a regulation adopted on or after January 1, 2017, must contain a statement that the regulation terminates five years after the date of its adoption unless the legislature extends the regulation under this section.

(c) The legislature may extend a regulation scheduled for termination under (a) of this section by law. Each extension may not exceed five years.

Sec. 44.66.190. Definitions. In AS 44.66.100 - 44.66.190,

(1) "adopted" means filed by the lieutenant governor under AS 44.62.080(a);

(2) "regulation" has the meaning given in AS 44.62.640, but does not include an order of repeal; in this paragraph, "order of repeal" has the meaning given in AS 44.62.640;

(3) "state agency" means a department, institution, board, commission, division, authority,

public corporation, or other administrative unit of the executive branch of state government."

Renumber the following bill sections accordingly.

Page 9, following line 22:

Insert a new bill section to read:

"* **Sec. 25.** Section 22 of this Act takes effect January 1, 2017."

[8:45:41 AM](#)

REPRESENTATIVE GRUENBERG objected for purpose of discussion.

[HB 229 was held over.]

HCR 15-UNIFORM RULES: REGULATION REVIEW

[8:46:16 AM](#)

CHAIR LYNN announced that the next order of business would be HOUSE CONCURRENT RESOLUTION NO. 15 Proposing an amendment to the Uniform Rules of the Alaska State Legislature relating to the jurisdiction of standing committees.

[8:47:04 AM](#)

TOM WRIGHT, Staff, Representative Mike Chenault, Alaska State Legislature, presented HCR 15 on behalf of Representative Chenault, prime sponsor. He testified that HCR 15 is offered in conjunction with HB 229 and proposes a change in Uniform Rule 20 to allow standing committees of jurisdiction to include oversight over regulations proposed or adopted to implement agency or departmental programs and activities. He further stated that this change in the legislature's Uniform Rules would replace the function provided by the Administrative Regulation Review Committee.

CHAIR LYNN asked Mr. Wright whether HCR 15 would need to be moved out of committee along with HB 229 for both to work.

MR. WRIGHT replied in the affirmative.

[8:48:07 AM](#)

REPRESENTATIVE GRUENBERG reminded the committee that because the proposed resolution would amend the Uniform Rules, a two-thirds vote of each house would be required.

MR. WRIGHT confirmed that was the case.

REPRESENTATIVE GRUENBERG commented that it is not often that the legislature has the opportunity to look at Rule 20 - a fundamentally important uniform rule prescribing the jurisdiction of each standing committee - and the proposed legislation will give the legislature that opportunity. He went on to ask Mr. Wright if he was aware of any changes that should be made to Rule 20 on the jurisdiction of any committee.

MR. WRIGHT responded that he was not. He asserted that he and the speaker use Uniform Rule 20 extensively to determine committee assignments for proposed legislation coming through their office.

[HCR 15 was held over.]

[8:51:53 AM](#)

The committee took an at-ease from 8:52 a.m. to 8:53 a.m.

HB 273-VEHICLES: TRANSFER ON DEATH TITLE

[8:53:10 AM](#)

CHAIR LYNN announced that the final order of business was HOUSE BILL NO. 273, "An Act relating to the transfer of the title to a vehicle, including certain manufactured homes and trailers, on the death of the owner; and providing for an effective date."

[8:53:20 AM](#)

DENEEN TUCK, Staff, Representative Bob Lynn, Alaska State Legislature, on behalf of the House State Affairs Standing Committee, sponsor, on which Representative Lynn serves as chair, announced that HB 273 was proposed by the House State Affairs Standing Committee, and she deferred to Representative Gruenberg for presentation.

[8:53:50 AM](#)

REPRESENTATIVE GRUENBERG thanked the chair and committee members for their cooperation in haring the proposed legislation.

8:54:45 AM

REPRESENTATIVE GRUENBERG stated that HB 273 is based on the concept of "transfer on death" (TOD) in which people can plan their estates avoiding the problems, delay, and expense of probate. The proposed legislation follows other TOD provisions in statutes in Alaska - TOD bank accounts, TOD brokerage accounts, and TOD deeds for real estate. Representative Gruenberg expressed that the TOD concept has been very successful and HB 273 proposes to expand that concept to vehicles. He professed that the only litigation in Alaska concerning TOD of which he was aware was a case brought to his attention by probate attorney Beth Chapman. He said he is working on an amendment to address that issue and Ms. Chapman will be available at the next meeting to testify.

REPRESENTATIVE GRUENBERG continued that 15 states have similar legislation to HB 273 and four states have expanded the TOD concept to watercraft. The proposed legislation was drafted with the help of the Division of Motor Vehicles (DMV) using the legislation from the 15 states. The proposed legislation does not include watercraft or snow machines, as they are titled differently, and aircraft are under federal jurisdiction.

9:00:36 AM

REPRESENTATIVE GRUENBERG went on to describe the process, which he maintained is very simple. The vehicle registration application would provide a place to designate a beneficiary. Only human owners could designate beneficiaries; corporations could not, because they do not die. The beneficiary designation may be an individual, two people in a joint tenancy, or an organization. He offered that the proposed legislation could be applied to charitable giving. Representative Gruenberg continued by stating that under HB 273, vehicle liens would remain with the vehicle. The beneficiary could be changed by reregistering the car. If the vehicle was sold, the beneficiary designation would become invalidated. He said the beneficiary may decline to accept the property.

REPRESENTATIVE GRUENBERG referred to page 3, line 17, to discuss one remaining issue: namely, the claims of unsecured creditors. He explained that the draft version of the proposed legislation was initially written so that a claim against the vehicle's owner would not survive the transfer to the beneficiary upon the owner's death. Responding to concerns of Representative Lynn

and his staff, the proposed legislation [Version P] now states that upon transfer to the designated beneficiary, the TOD title of the vehicle would be subject to "claims of creditors against the owner or the owner's estate." Representative Gruenberg further indicated that subsequent legal advice, illuminating the potential for complicated and time-consuming probate, prompted him to pursue drafting an amendment that would ensure the language in the proposed legislation will be the same as language in the transfer on death deed (TODD) bill - that is, giving creditors a year to make a claim. He added that the proposed amendment would be forthcoming.

9:06:10 AM

REPRESENTATIVE KELLER, citing the expense and time involved with legislation, asked Representative Gruenberg to describe what HB 273 would provide beyond what is currently available by listing a second owner for a vehicle.

REPRESENTATIVE GRUENBERG alluded to a statute in Title 28 to discuss "joint tenancy with the right of survivorship" and "tenancy in common" as they apply to vehicle ownership. He defined joint tenancy with the right of survivorship as a co-ownership in which ownership may pass only to the surviving joint owner or owners in case of the death of a joint tenant. Tenancy in common he described as shared ownership; however, when a person dies, his/her interest in the vehicle is passed on to whomever he/she has chosen. Representative Gruenberg made the point that in either case, the tenants are current owners with rights of ownership. He emphasized that TOD titles are quite different. The owner maintains full ownership during his or her lifetime, and transfer of the vehicle to the beneficiary is an automatic pass through upon death of the owner.

9:10:31 AM

REPRESENTATIVE KELLER asked for more information to understand the need for this legislation in terms of public interest.

REPRESENTATIVE GRUENBERG declared that it is impossible to know how many will take advantage of this, but he has been informed that the concept of the TODD and the TOD brokerage accounts is very popular. He further insisted that many people have expressed an interest, he has heard no opposition, and it will take time for awareness. In response to Representative Keller's concern for the legislature's limited time, Representative

Gruenberg mentioned that the proposed legislation would only be heard in the current committee and on the floor.

[9:12:41 AM](#)

AVES THOMPSON, Executive Director, Alaska Trucking Association (ATA), testified in support of HB 273. He stated that ATA is a statewide organization representing the interests of nearly 200 member companies from Barrow to Ketchikan. He affirmed that ATA believes that the proposed legislation would make the transfer of a vehicle upon death much easier. He further asserted that the process makes the intentions clear and would allow for the transfer of the vehicle without probate. Mr. Thompson added that although many of the ATA members are corporations, there are a significant number of individuals in the organization who could benefit from HB 273. He asked for committee support of the proposed legislation.

[9:13:58 AM](#)

REPRESENTATIVE VAZQUEZ requested clarification for why 120 days was chosen for the length of time the beneficiary must survive the owner before the title to the vehicle would be transferred.

REPRESENTATIVE GRUENBERG responded that the length of time chosen is as designated in probate code, and that the time interval applies to all of the TOD statutes in Alaska.

REPRESENTATIVE GRUENBERG then made a correction - the specified time in the proposed legislation is 120 hours, not days.

[9:15:32 AM](#)

NICOLE THAM, Driver Services Manager, Division of Motor Vehicles (DMV), Department of Administration (DOA), stated that the division had no objection to HB 273.

REPRESENTATIVE KELLER mentioned that the fiscal note states that the DMV will absorb the costs of implementing the requirements of the proposed legislation. He asked Ms. Tham to describe exactly what the DMV would be absorbing.

[9:16:49 AM](#)

MS. THAM responded that the DMV would incur about three weeks of programming costs, which would be absorbed through the title fee collected for the issuance of a TOD title. She also stated that

the DMV would need to update the title form, registration form, and application form, but didn't know at this time the expense related to these modifications. She asserted that the DMV would be able to absorb this cost as well.

REPRESENTATIVE GRUENBERG directed attention to page 4, lines 20-22, to explain that the authority would be given to the DMV to set any additional fees necessary to implement HB 273.

MS. THAM confirmed Representative Gruenberg's statement.

REPRESENTATIVE GRUENBERG referred to a letter in the committee packet from the Alaska Automotive Dealers Association (AADA) in support of the proposed legislation.

[9:19:36 AM](#)

BOB MAIER, Executive Director, Alaska Manufactured Housing Association (AMHA), testified in support of HB 273. He explained that AMHA is a statewide organization of manufactured home community owners and managers.

CHAIR LYNN asked if manufactured homes includes trailers.

MR. MAIER stated that trailers are included as manufactured homes. Mr. Maier added that he had one concern, which was with the phrase "certain manufactured homes", and he offered his understanding that there was an amendment forthcoming for clarification.

[9:21:28 AM](#)

CHAIR LYNN announced that HB 273 was held over.

[9:22:03 AM](#)

ADJOURNMENT

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 9:22 a.m.