

ALASKA STATE LEGISLATURE
HOUSE STATE AFFAIRS STANDING COMMITTEE

April 13, 2018

10:19 a.m.

MEMBERS PRESENT

Representative Jonathan Kreiss-Tomkins, Chair
Representative Gabrielle LeDoux, Vice Chair
Representative Chris Tuck
Representative Adam Wool

MEMBERS ABSENT

Representative Chris Birch
Representative DeLena Johnson
Representative Gary Knopp
Representative Andy Josephson (alternate)
Representative Chuck Kopp (alternate)

COMMITTEE CALENDAR

HOUSE BILL NO. 409

"An Act relating to identification cards; relating to vehicle registration fee rates; relating to changes of address; relating to driver's license fees; and relating to financial responsibility for motor vehicles."

- MOVED HB 409(STA) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 409

SHORT TITLE: DMV ID CARDS & REGISTRATION FEES

SPONSOR(S): STATE AFFAIRS

04/05/18	(H)	READ THE FIRST TIME - REFERRALS
04/05/18	(H)	STA, FIN
04/10/18	(H)	STA AT 3:15 PM GRUENBERG 120
04/10/18	(H)	Heard & Held
04/10/18	(H)	MINUTE(STA)
04/12/18	(H)	STA AT 3:15 PM GRUENBERG 120
04/12/18	(H)	Heard & Held
04/12/18	(H)	MINUTE(STA)
04/13/18	(H)	STA AT 10:15 AM GRUENBERG 120

WITNESS REGISTER

CATHY SCHLINGHEYDE, Staff
Representative Jonathan Kreiss-Tomkins
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: During the hearing of HB 409, presented Amendment 1.

ACTION NARRATIVE

[10:19:20 AM](#)

CHAIR JONATHAN KREISS-TOMKINS, following a recess from 4/12/18, called the House State Affairs Standing Committee meeting back to order at 10:19 a.m. Representatives LeDoux, Tuck, Wool, and Kreiss-Tomkins were present at the call back to order.

HB 409-DMV ID CARDS & REGISTRATION FEES

[10:19:26 AM](#)

CHAIR KREISS-TOMKINS announced that the only order of business would be HOUSE BILL NO. 409, "An Act relating to identification cards; relating to vehicle registration fee rates; relating to changes of address; relating to driver's license fees; and relating to financial responsibility for motor vehicles."

[10:19:44 AM](#)

REPRESENTATIVE WOOL moved to adopt Amendment 1, [labeled 30-LS1516\D.2, Martin, 4/12/18, which read:

Page 4, lines 9 - 12:

Delete all material and insert:

"* **Sec. 11.** AS 28.20.330 is amended to read:

Sec. 28.20.330. Suspension to continue until judgments paid and proof given. (a) If there is an unsatisfied judgment against a person requiring suspension under AS 28.20.270, the person's license or nonresident's operating privilege shall remain suspended and may [SHALL] not be renewed, nor shall a license or registration be issued in the name of the person, including a person not previously licensed, until the judgment is stayed or satisfied. In addition, a person who did not have insurance at the time of the accident giving rise to the judgment shall provide [AND UNTIL THE PERSON GIVES] proof of

financial responsibility, subject to the exceptions in AS 28.20.310, 28.20.320, and 28.20.370, before the person's license or nonresident's operating privilege may be issued or renewed.

(b) The proof required by (a) of this section shall be maintained for three years from the date the judgment is stayed or satisfied [DURING THE PERIOD THE PERSON HAS A LICENSE OR NONRESIDENT'S OPERATING PRIVILEGE]."

REPRESENTATIVE TUCK objected for the purpose of discussion.

[10:20:05 AM](#)

CATHY SCHLINGHEYDE, Staff, Representative Jonathan Kreiss-Tomkins, Alaska State Legislature, advised that HB 409 changes the lifetime requirement for SR-22 insurance to a ten-year requirement for failure to pay a judgement. Amendment 1 to HB 409 changes the ten-year requirement to a three-year requirement, which is in line with most of the SR-22 insurance requirements ["SR-22 Requirements" handout contained within the committee packet]. Amendment 1, she explained, establishes that this requirement comes into play for uninsured motorists at the time of an accident. She added that if the person was properly insured, but the insurance cap was too low to pay for the entirety of the damages, the person would still be required to pay the judgment but would not be faced with the SR-22 insurance requirement.

REPRESENTATIVE TUCK recalled testimony during the 4/12/18 hearing on HB 409, wherein there was a 30-day window and a 60-day window. He further recalled that the 30-day window allowed that if the person paid the damages within 30-days, "you are clean," and if the person paid within 60-days they would have a 20-year SR-22 insurance requirement, and if the person did not pay the damages within 60-days, they had a lifetime requirement for SR-22 insurance. He asked whether Amendment 1 takes out the 30-day and 60-day requirement and makes it all a three-year requirement whether or not a person is able to pay the damages.

MS. SCHLINGHEYDE replied that Representative Tuck was correct.

[10:21:33 AM](#)

REPRESENTATIVE TUCK asked that if a person did not pay their damages within 30 days, should they still have to be able to pay for 3 years (audio difficulties).

REPRESENTATIVE LEDOUX requested an explanation of SR-22 insurance.

REPRESENTATIVE WOOL advised that SR-22 insurance basically provides the same coverage to a driver, but it puts a person into a special risk category, so the person pays more for insurance. He added that the cost could be two or three times more than regular insurance because the person is deemed a higher risk due to whatever event led to the requirement of the SR-22 insurance. He pointed out that under Amendment 1, if a driver does not have insurance and they incur damages, they are faced with the three-year requirement. Under current law, if a person is uninsured and is involved in a vehicle accident, they pay three years of SR-22 insurance, "whether you pay it or not." In the event a person is insured, and whether or not they can pay the damages, that person is not required to obtain SR-22 insurance because they were playing by the rules and obtained insurance. In the event the person's insurance policy does not cover all of the damages, there is still a judgment against the person except they are not penalized with the requirement of obtaining SR-22 insurance.

[10:23:40 AM](#)

CHAIR KREISS-TOMKINS asked whether Ms. Schlingheyde could confirm Representative Wool's explanation.

MS. SCHLINGHEYDE advised that Representative Wool was correct, Amendment 1 does bring it in line with regular uninsured penalties. She explained to Representative LeDoux that the DMV does not actually require the person to pay higher premiums, but rather it is a form the insurance company sends to the DMV stating that the person does indeed carry insurance. The insurance companies are aware that if a person needs that form because they were in an accident, they are deemed a high-risk driver and insurance companies are allowed to raise the premiums for high risk drivers.

[10:24:27 AM](#)

REPRESENTATIVE LEDOUX surmised that this legislation simply requires people to prove they have insurance and asked why an insurance company would think someone was a high-risk driver simply because they had an accident that not covered by insurance.

REPRESENTATIVE TUCK responded that SR-22 insurance is a requirement that some people must have for a license, and insurance companies use that knowledge and charge people more money for a policy knowing the person cannot drive without that SR-22 insurance.

REPRESENTATIVE TUCK removed his objection to Amendment 1.

[10:26:10 AM](#)

CHAIR KREISS-TOMKINS objected to Amendment 1 for purposes of discussion.

REPRESENTATIVE WOOL offered a scenario of an uninsured motorist driving around, gets into an accident, incurs damages, and the person must pay the damages and also buy SR-22 insurance because "the DMV says that this person was driving without insurance." The insurance company must then send a form to the DMV advising that the person does now have insurance, and every year the form must be sent to the DMV. In the event an insured driver is involved in an accident and incurs damages they cannot pay, this amendment removes the SR-22 insurance requirement, he reiterated.

REPRESENTATIVE LEDOUX suggested that it would make more sense to require that everyone prove they have insurance when they get their license.

REPRESENTATIVE WOOL answered that some states do have that requirement. In Alaska, a person must "sign something" stating they do have insurance, and he described it as a "good faith system" but if someone is untruthful and gets caught, they are penalized.

CHAIR KREISS-TOMKINS commented that "there is a lot to dig into with SR-22 stuff."

CHAIR KREISS-TOMKINS removed his objection. There being no objection, Amendment 1 was adopted.

[10:29:34 AM](#)

REPRESENTATIVE TUCK moved HB 409, 30-LS1516\D, as amended, from the House State Affairs Standing Committee. There being no objection, HB 409(STA) was reported from the House State Affairs Standing Committee.

10:29:53 AM

ADJOURNMENT

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 10:29 a.m.