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IN THE SENATE BY THE STATE AFFAIRS COMMITTEE
SENATE BILL NO. 201
IN THE LEGISLATURE OF THE STATE OF ALASKA
FIRST LEGISLATURE - SECOND SESSION
A BILL
For an Act entitled: "An Act relating to vehicle registrations and release from liability under the provisions of the Financial Responsibility Act; amending Ch. 163, SLA 1959; and providing for an effective date."

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

Section 1. Sec. 11 of Ch. 163, SLA 1959 is amended by adding the following Subsec. (4):

(4) The registrations of all vehicles owned by the owner of each vehicle of a type subject to registration under the laws of this State involved in such accident.

Sec. 2. Sec. 12 of Ch. 163, SLA 1959 is amended by adding the following Subsec. (4):

(4) The department may accept evidence of a payment to an operator or to the owner of a vehicle involved in an accident by the insurance carrier of any other person involved in such accident on account of damage to property or bodily injury as effective to relieve such operator or owner from the security and suspension provisions of this Act in respect to any claim for property damage or bodily injury arising out of the accident by the person on whose behalf such payment has been made. A payment to the insurance carrier of an operator or owner under its rights of subrogation shall

1 be the equivalent of a payment to such operator or owner.
2 Sec. 3. Subsec. 3 of Sec. 14, Ch. 163, SLA 1959 is amen-
3 ded to read as follows:

4 (3) In the event of a default in any payment under
5 such agreement and upon notice of such default the depart-
6 ment shall take action suspending the license or regis-
7 tration of such person in default as would be appropriate
8 in the event of failure of such person to deposit security
9 when required under this Act.

10 Sec. 4. The opening paragraph of Subsec. 4 of Sec. 14, Ch.
11 163, SLA 1959 is amended to read as follows:

12 (4) Such suspension shall remain in effect and such
13 license or registration shall not be restored unless and
14 until:

15 Sec. 5. The opening paragraph of Sec. 17 of Ch. 163, SLA
16 1959 is amended to read as follows:

17 Sec. 17. DURATION OF SUSPENSION. Unless a suspen-
18 sion is terminated under other provisions of this Act,
19 an order of suspension by the department under this Act
20 shall remain in effect and no license shall be renewed
21 for or issued to any person whose license is so suspended
22 and no registration shall be renewed for or issued to any
23 person whose vehicle registration is so suspended until

24 Sec. 6. Subsec. (3) of Sec. 18, Ch. 163, SLA 1959 is amen-
25 ded to read as follows:

26 (3) Upon receipt of such certification that the
27 operating privilege of a resident of this state has been
28 suspended or revoked in any such other state pursuant to
29 a law providing for its suspension or revocation for failure

1 to deposit security for the payment of judgments arising
2 out of a motor-vehicle accident, under circumstances which
3 would require the department to suspend a non-resident's
4 operating privilege had the accident occurred in this
5 state, the department shall suspend the license of such
6 resident [.] if he was the driver, and all of his regis-
7 trations if he was the owner of a motor vehicle involved
8 in such accident. Such suspension shall continue until
9 such resident furnishes evidence of his compliance with
10 the law of such other state relating to the deposit of
11 such security.

12 Sec. 7. Sec. 26 of Ch. 163, SLA 1959 is amended to read as
13 follows:

14 Sec. 26. PROOF REQUIRED UPON CERTAIN CONVICTIONS.

15 Whenever, under any law of this state, the license of
16 any person is suspended or revoked by reason of a convic-
17 tion or a forfeiture of bail, the department shall suspend
18 the registration of all vehicles registered in the name
19 of such person as owner, except that

20 (1) if such owner has previously given or
21 shall immediately give and thereafter maintains proof of
22 financial responsibility for the future with respect to
23 all such vehicles registered by such person as the owner,
24 the department shall not suspend such registration unless
25 otherwise required by law;

26 (2) if a conviction arose out of the operation,
27 with permission, of a vehicle owned by or leased to the
28 United States, this state or any political subdivision of
29 this state or a municipality thereof, the department shall

1 suspend or revoke such license only with respect to the
2 operation of vehicles not so owned or leased and shall
3 not suspend the registration of any vehicle so owned or
4 leased. [NOT ISSUE TO SUCH PERSON ANY NEW OR RENEWAL OF
5 LICENSE IN THE NAME OF SUCH PERSON UNTIL PERMITTED TO DO
6 SO UNDER THE MOTOR VEHICLE LAWS OF THIS STATE, AND NEED
7 NOT DO SO THEN UNLESS SUCH PERSON SHALL GIVE AND THERE-
8 AFTER MAINTAIN PROOF OF FINANCIAL RESPONSIBILITY FOR THE
9 FUTURE.]

10 The suspension or revocation hereinbefore re-
11 quired shall remain in effect and the department shall
12 not issue to such person any new or renewal of license
13 or register or reregister in the name of such person as
14 owner any such vehicle until permitted under the motor-
15 vehicle laws of this state, and not then unless and until
16 such person shall give and thereafter maintain proof of
17 financial responsibility for the future.

18 Sec. 8. The opening paragraph of Sec. 27 of Ch. 163, SLA
19 1959 is amended to read as follows:

20 Sec. 27. ACTION IN RESPECT TO UNLICENSED PERSON.

21 If a person has no license, but by final order or judg-
22 ment is convicted of or forfeits any bail or collateral
23 deposited to secure an appearance for trial for any
24 offense requiring the suspension or revocation of license,
25 or for driving a motor vehicle upon the highways without
26 being licensed to do so, or for driving an unregistered
27 vehicle upon the highways, no license shall be thereafter
28 issued to such person and no such vehicle shall continue
29 to be registered or thereafter be registered in the name

1 of such person as owner unless he shall give and there-
2 after maintain proof of financial responsibility for the
3 future.

4 Sec. 9. Sec. 29 of Ch. 163, SLA 1959 is amended to read as
5 follows:

6 Sec. 29. SUSPENSION FOR NONPAYMENT OF JUDGMENTS.

7 The department upon receipt of a certified copy of a
8 judgment and a certificate of facts relative to such
9 judgment, on a form provided by the department, shall
10 forthwith suspend the license and registration and any
11 nonresident's operating privilege of any person against
12 whom such judgment was rendered, except as hereinafter
13 otherwise provided in this Act.

14 Sec. 10. Sec. 33 of Ch. 163, SLA 1959 is amended to read
15 as follows:

16 Sec. 33. EXCEPTION WHEN CONSENT GRANTED BY JUDGMENT
17 CREDITOR. If the judgment creditor consents in writing,
18 in such form as the department may prescribe, that the
19 judgment debtor be allowed license and registration or
20 nonresident's operating privilege, the same may be
21 allowed by the department, in its discretion, for six
22 (6) months from the date of such consent and thereafter
23 until such consent is revoked in writing, notwithstanding
24 default in the payment of such judgment, or of any install-
25 ments thereof prescribed in Sec. 39 [29] provided the
26 judgment debtor furnishes proof of financial responsibility.

27 Sec. 11. Sec. 34 of Ch. 163, SLA 1959 is amended to read
28 as follows:

29 Sec. 34. EXCEPTIONS WHEN INSURER LIABLE. No license,

1 registration, or non-resident's operating privilege of
2 any person shall be suspended under the provisions of
3 this Act if the department shall find that an insurer
4 was obligated to pay the judgment upon which suspension
5 is based, at least to the extent and for the amounts re-
6 quired in this Act, but has not paid such judgment for
7 any reason. A finding by the department that an insurer
8 is obligated to pay a judgment shall not be binding upon
9 such insurer and shall have no legal effect whatever
10 except for the purpose of administering this section.
11 Whenever in any judicial proceedings it shall be deter-
12 mined by any final judgment, decree or order that an
13 insurer is not obligated to pay any such judgment, the
14 department, notwithstanding any contrary finding thereto-
15 fore made by it shall forthwith suspend the license and
16 registration and [OR] any non-resident's operating
17 privilege of any person against whom such judgment was
18 rendered, as provided in Sec. 29.

19 Sec. 12. Subsec. (1) of Sec. 35 of Ch. 163, SLA 1959 is amen-
20 ded to read as follows:

21 Sec. 35. SUSPENSION TO CONTINUE UNTIL JUDGMENTS
22 PAID AND PROOF GIVEN: DURATION OF PROOF.

23 (1) Where a person has an unsatisfied judgment
24 against him requiring suspension under Sec. 29, his license,
25 registration and [OR] non-resident's operating privilege
26 shall remain suspended and shall not be renewed, nor shall
27 any such license or registration be thereafter issued in
28 the name of such person, including any such person not
29 previously licensed, unless and until every such judgment

1 is stayed, satisfied in full or to the extent hereinafter
2 provided and until the said person gives proof of finan-
3 cial responsibility subject to the exceptions stated in
4 Secs. 33, 34, and 39.

5 Sec. 13. Subsec. (2) of Sec. 39 of Ch. 163, SLA 1959 is
6 hereby amended to read as follows:

7 (2) The department shall not suspend a license,
8 registration, or non-resident's operating privilege, and
9 shall restore any license, registration, or non-resident's
10 operating privilege suspended following non-payment of a
11 judgment when the judgment debtor gives proof of financial
12 responsibility and obtains such an order permitting the
13 payment of such judgment in installments, and while the
14 payment of any said installment is not in default.

15 Sec. 14. Subsec. (3) of Sec. 39 of Ch. 163, SLA 1959 is amen-
16 ded to read as follows:

17 (3) In the event the judgment debtor fails to pay
18 any installment as specified by such order, then upon
19 notice of such default, the department shall forthwith
20 suspend the license, registration, or non-resident's
21 operating privilege of the judgment debtor until such
22 judgment is satisfied, as provided in this Act.

23 Sec. 15. Sec. 55 of Ch. 163, SLA 1959 is amended to read as
24 follows:

25 Sec. 55. OTHER PROOF MAY BE REQUIRED. Whenever any
26 proof of financial responsibility filed under the provi-
27 sions of this Act no longer fulfills the purposes for which
28 required, the department shall, for the purpose of this
29 Act, require other proof as required by this Act and shall

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suspend the license and registration pending the filing of such other proof

Sec. 16. Subsec. (1)(c) of Sec. 56 of Ch. 163, SLA 1959 is amended to read as follows:

(c) In the event the person who has given proof surrenders his license and registration to the department;

Sec. 17. Subsec. (3) of Sec. 56 of Ch. 163, SLA 1959 is amended to read as follows:

(3) Whenever any person, whose proof has been canceled or returned under subdivision (c) of this section applies for a license or registration within a period of three (3) years from the date proof was originally required, any such application shall be refused unless the applicant shall re-establish such proof for the remainder of such three-year period.

Sec. 18. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.