

Introduced: 2/12/79
Referred: Commerce and
Judiciary

1 IN THE HOUSE

BY McKINNON

2 HOUSE BILL NO. 182

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to motor vehicle title."

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

8 * Section 1. AS 28.10 is amended by adding new sections to read:

9 Sec. 28.10.216. INADEQUATE EVIDENCE OF OWNERSHIP. (a) When the
10 department is not satisfied as to the ownership of a vehicle or believes
11 that there may be undisclosed security interests in it, the department
12 may register the vehicle but shall either

13 (1) withhold issuance of a certificate of title until the
14 applicant presents documents sufficient to satisfy the department

15 (A) as to the ownership of the vehicle by applicant, and

16 (B) that there are no undisclosed security interests in

17 the vehicle; or

18 (2) require the applicant, as a condition of the issuance of
19 a certificate of title, to file with the department either

20 (A) a bond in the form prescribed by the department and
21 executed by the applicant, or

22 (B) a deposit of cash.

23 (b) A bond or cash deposit filed under (a)(2) of this section
24 shall be equal in amount to one and one-half times the value of the
25 vehicle as determined by the department and be conditioned to indemnify
26 former owners, secured parties, and subsequent purchasers of the vehicle
27 and their successors against loss resulting from a defect in or undis-
28 closed security interest on the title of the applicant. An injured
29 party may sue on the bond for a breach of its conditions, but the lia-

1 bility of the surety or the department may not exceed the amount of the
2 bond or deposit.

3 (c) The bond or deposit shall be returned (A) at the end of three
4 years from its filing, or (B) when the vehicle is no longer registered
5 in the state, if (B) is earlier and if the certificate of title is
6 surrendered to the department. Service on the department of notice that
7 action is pending to recover on the bond or the deposit extends the
8 periods established in this subsection until 45 days after a final
9 decision in the action on the bond or on the deposit.

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