

Introduced: 6/26/83  
Referred: Labor and Commerce  
and Finance

1 IN THE SENATE BY JOSEPHSON

2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 223

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to motor vehicles; and providing for  
7 an effective date."

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

9 \* Section 1. DECLARATION OF PURPOSE. The legislature is concerned over  
10 the rising toll of motor vehicle accidents and the suffering and loss  
11 inflicted by them. The legislature determines that it is a matter of grave  
12 concern that motorists be financially responsible for their negligent acts  
13 so that innocent victims of motor vehicle accidents may be recompensed for  
14 the injury and financial loss inflicted upon them. The legislature finds  
15 and declares that the public interest can best be served by the requirement  
16 that the owner of a motor vehicle which is to be operated on vehicular ways  
17 of the state where the potential for motor vehicle accidents is substantial  
18 be required to furnish evidence of the existence of a motor vehicle liabil-  
19 ity policy issued in conformity with AS 28.22.010 or of a certificate of  
20 self-insurance issued under AS 28.20.400 when the vehicle registration is  
21 made or renewed as a prerequisite to the exercise of the privilege of  
22 registering and operating a motor vehicle in the state.

23 \* Sec. 2. AS 21.89.020(a) is amended to read:

24 (a) An automobile liability policy that [WHICH] insures an owner  
25 or operator of a motor vehicle against loss resulting from [HIS]  
26 liability for bodily injury or death, or for property injury or de-  
27 struction, or both, which is sold in the state [AFTER JANUARY 1, 1969,  
28 BY AN INSURANCE CARRIER AUTHORIZED TO TRANSACT BUSINESS IN THIS  
29 STATE], shall contain limits in at least the amount prescribed for a

1 motor vehicle liability policy in AS 28.20.440(b)(2) and AS 28.22.010-  
2 (b)(2) [, AND MEET THE REQUIREMENTS OF AS 28.20.440(b)(3) UNLESS  
3 WAIVED AS PROVIDED IN THAT PARAGRAPH].

4 \* Sec. 3. AS 28.05.071 is amended by adding a new subsection to read:

5 (b) A person who fails to change a driver's license address in  
6 compliance with (a) of this section shall pay \$25 in addition to the  
7 fee charged in AS 28.15.271.

8 \* Sec. 4. AS 21.89.020 is amended by adding a new subsection to read:

9 (c) In addition to the coverages and limits required in (a) of  
10 this section, an insurance company offering automobile liability  
11 insurance in this state shall offer coverage, with limits equal to at  
12 least the limit purchased voluntarily to cover the insured persons  
13 liability, for the protection of the persons insured under the policy  
14 who are legally entitled to recover damages from owners or operators  
15 of uninsured or underinsured motor vehicles. The coverage shall be  
16 offered in four parts, one or more of which may be waived under  
17 AS 28.20.440(b)(3) or AS 28.22.010(b)(3). The parts are:

- 18 (1) uninsured motorists, bodily injury;
- 19 (2) uninsured motorists, property damage;
- 20 (3) underinsured motorists, bodily injury; and
- 21 (4) underinsured motorists, property damage.

22 \* Sec. 5. AS 28.10.011 is amended by adding new paragraphs to read:

23 (12) a mobile home as defined by regulation;

24 (13) driven or moved on a highway or vehicular way not  
25 connected by a land highway or vehicular way to the land connected  
26 state highway system when that highway or vehicular way is not con-  
27 nected to a highway or vehicular way with an average daily traffic  
28 volume greater than 499. The department shall publish every five  
29 years a list of areas that meet the requirements of this paragraph.

1 The list of areas shall be available for public inspection at all  
2 division of motor vehicle offices in the state.

3 \* Sec. 6. AS 28.10.011 is amended by adding a new subsection to read:

4 (b) An owner of a motor vehicle may not register a motor vehicle  
5 in the state and may not renew the registration of a motor vehicle in  
6 the state without providing evidence satisfactory to the department of  
7 the existence of (1) a motor vehicle liability policy that complies  
8 with AS 28.22.010; or (2) a certificate of self-insurance that com-  
9 plies with AS 28.20.400; or (3) cash, securities or a bond deposited  
10 or filed with the department on the terms and conditions that will  
11 provide the same benefits available under a required motor vehicle  
12 liability policy.

13 \* Sec. 7. AS 28.10.021 is amended by adding a new subsection to read:

14 (b) A certificate of registration may not be issued under this  
15 section unless the owner complies with AS 28.10.011(b).

16 \* Sec. 8. AS 28.10.111 is amended by adding a new subsection to read:

17 (c) The department may not renew the registration of a motor  
18 vehicle under this section unless the owner complies with AS 28.10.-  
19 011(b).

20 \* Sec. 9. AS 28.10.151 is amended by adding a new paragraph to read:

21 (4) a vehicle subject to AS 28.22.520 that is to be moved  
22 or driven only for the purpose of maintenance, repair, rebuilding or  
23 dismantling; this permit shall be effective for 30 days.

24 \* Sec. 10. AS 28.10.201(b) is amended to read:

25 (b) The owner of a vehicle described in AS 28.10.011 as being  
26 exempt from registration and the owner of a snowmobile or off-highway  
27 vehicle may not apply for, nor may the department issue, a certificate  
28 of title for such a vehicle. However, the department may issue a  
29 certificate of title to the owner of a vehicle exempt from registra-

1 tion under AS 28.10.011(a)(3), (7), (11), (12) and (13) only [28.10.-  
2 011(6)], upon application by that owner.

3 \* Sec. 11. AS 28.15.011 is amended by adding a new subsection to read:

4 (d) A person's driver's license may be issued, renewed, or  
5 reissued following a suspension or revocation under this chapter only  
6 on presentation of evidence satisfactory to the department of the  
7 existence of a motor vehicle liability policy that complies with  
8 AS 28.22.010 or a certificate of self-insurance that complies with  
9 AS 28.20.400 for all motor vehicles owned by the person and registered  
10 in the person's name under AS 28.10.011(b) and located within the  
11 state. Cash, securities, or a bond that will provide the same bene-  
12 fits available under a required motor vehicle liability policy may be  
13 deposited or filed with the department in lieu of a motor vehicle  
14 liability policy or certificate of self-insurance.

15 \* Sec. 12. AS 28.15.011 is amended by adding a new subsection to read:

16 (e) The department shall suspend the driver's license of a  
17 person when the department is advised that the person's insurance  
18 coverage is terminated and there has been no written response by the  
19 person within 30 days to a written notice issued by the department to  
20 the person requesting verification of compliance with AS 28.15.011(d).

21 \* Sec. 13. AS 28.15.081(a) is amended to read:

22 (a) The department shall examine every applicant for a driver's  
23 license. The examination shall include a test of the applicant's (1)  
24 eyesight, (2) [HIS] ability to read and understand official traffic  
25 control devices, (3) [HIS] knowledge of safe driving practices, (4)  
26 knowledge of the effects of alcohol and drugs on drivers and the  
27 dangers of driving under the influence of alcohol or drugs, (5) knowl-  
28 edge of laws relating to driving while intoxicated, (6) knowledge of  
29 laws relating to financial responsibility, and (7) knowledge of the

1 traffic laws and regulations of this state. The examination [, AND]  
2 may include a demonstration of ability to exercise ordinary and rea-  
3 sonable control in the driving of a motor vehicle of the type and  
4 general class of vehicles for which the applicant seeks a license.  
5 However, an applicant who has not been previously issued a driver's  
6 license by this or another jurisdiction must demonstrate [HIS] abil-  
7 ity, and must present medical information that [WHICH] the department  
8 reasonably requires to determine [HIS] fitness to safely drive a motor  
9 vehicle of the type and general class of vehicles for which the appli-  
10 cant [HE] seeks a license.

11 \* Sec. 14. AS 28.20.070(a) is amended to read:

12 (a) No policy or bond is effective under AS 28.20.060 unless it  
13 is issued by an insurance company or surety company authorized to do  
14 business in this state, except as provided in (b) of this section, and  
15 if the accident resulted in bodily injury or death, unless the policy  
16 or bond is subject to a limit, exclusive of interest and costs, of not  
17 less than \$50,000 [\$25,000] because of bodily injury to or death of  
18 one person in any one accident and, subject to the same limit for one  
19 person, to a limit of not less than \$100,000 [\$50,000] because of  
20 bodily injury to or death of two or more persons in any one accident,  
21 and if the accident has resulted in injury to, or destruction of,  
22 property to a limit of not less than \$25,000 [\$10,000] because of  
23 injury to or destruction of property of others in any one accident.

24 \* Sec. 15. AS 28.20.230(b) is amended to read:

25 (b) The term "proof of financial responsibility for the future"  
26 as used in this chapter means proof of ability to respond in damages  
27 for liability, on account of an accident occurring after the effective  
28 date of proof, which arises out of the ownership, maintenance or use  
29 of a vehicle subject to registration under the laws of this state, in

1 the amount of \$50,000 [\$25,000] because of bodily injury to or death  
2 of one person in any one accident, and, subject to the same limit for  
3 one person, in the amount of \$100,000 [\$50,000] because of bodily  
4 injury to or death of two or more persons in any one accident, and in  
5 the amount of \$25,000 [\$10,000] because of injury to or destruction of  
6 property of others in any one accident. As used in this chapter the  
7 terms "proof of financial responsibility" or "proof" mean proof of  
8 financial responsibility for the future.

9 \* Sec. 16. AS 28.20.360(a) is amended to read:

10 (a) For the purpose of this chapter, a judgment is satisfied  
11 when

12 (1) \$50,000 [\$25,000] is credited upon a judgment given in  
13 excess of that amount because of bodily injury to or death of one  
14 person as the result of any one accident; or

15 (2) subject to the limit of \$50,000 [\$25,000] because of  
16 bodily injury to or death of one person, the sum of \$100,000 [\$50,000]  
17 is credited upon a judgment given in excess of that amount because of  
18 bodily injury to or death of two or more persons as the result of any  
19 one accident; or

20 (3) \$25,000 [\$10,000] is credited upon a judgment given in  
21 excess of that amount because of injury to or destruction of property  
22 of others as a result of any one accident.

23 \* Sec. 17. AS 28.20.440(b)(2) is amended to read:

24 (2) insure the person named and every other person using  
25 the vehicle with the express or implied permission of the named  
26 insured, against loss from the liability imposed by law for damages  
27 arising out of the ownership, maintenance or use of the vehicle within  
28 the United States of America or the Dominion of Canada, subject to  
29 limits exclusive of interests and costs, with respect to each vehicle,

1 as follows: \$50,000 [\$25,000] because of bodily injury to or death of  
2 one person in any one accident, and, subject to the same limit for one  
3 person, \$100,000 [\$50,000] because of bodily injury to or death of two  
4 or more persons in any one accident, and \$25,000 [\$10,000] because of  
5 injury to or destruction of property of others in any one accident;

6 \* Sec. 18. AS 28.20.440(b)(3) is amended to read:

7 (3) contain coverage in the amounts set out in (2) of this  
8 subsection for the protection of the persons insured under the policy  
9 who are legally entitled to recover damages from owners or operators  
10 of uninsured or underinsured motor vehicles because of bodily injury  
11 or death, or damage to or destruction of property arising out of the  
12 ownership, maintenance or use of the uninsured or underinsured motor  
13 vehicle, except that this coverage or part of it may be waived in  
14 writing by the insured on or before the effective date of the policy.

15 \* Sec. 19. AS 28.20.440(b) is amended by adding a new paragraph to  
16 read:

17 (4) If a policy contains a clause that provides for  
18 arbitration, it shall also provide that the arbitrator's expenses and  
19 fees, together with other expenses incurred in the conduct of the  
20 arbitration, not including attorney fees, shall be paid by the party  
21 who does not prevail in the arbitration.

22 \* Sec. 20. AS 28.20.440 is amended by adding new subsections to read:

23 (1) The insurance carrier shall provide notice to the department  
24 of the termination of coverage commenced during the preceding 180 days  
25 under (a) of this section within 10 days of actual knowledge of the  
26 termination or the receipt of written notice of intent to terminate.  
27 The department may notify the insurance carrier of a person with  
28 previous policy abuses and require notice of termination of coverage  
29 for the person. If the person whose coverage terminates fails to

1 provide the department with evidence satisfactory to it of the exis-  
2 tence of (1) a motor vehicle liability policy issued in conformity  
3 with AS 28.20.440; or (2) a certificate of self-insurance issued in  
4 conformity with AS 28.20.400; or (3) cash, securities or a bond depo-  
5 sited or filed with the department on the terms and conditions that  
6 will provide the same benefits available under a required motor vehi-  
7 cle liability policy, the department shall suspend the driver's  
8 license and all registration certificates and registration plates  
9 issued to the person until the person has provided the department with  
10 the evidence.

11 (m) An insurance carrier authorized to transact business in the  
12 state that issues a motor vehicle liability policy to the owner of a  
13 motor vehicle under this section shall provide the owner with a card  
14 indicating the existence of the policy. The operator of the motor  
15 vehicle shall at all times carry in the vehicle the card indicating  
16 the existence of the policy.

17 \* Sec. 21. AS 28.20.490 is amended to read:

18 Sec. 28.20.490. MONEY OR SECURITIES AS PROOF. Proof of finan-  
19 cial responsibility may be evidenced by the deposit of \$100,000  
20 [\$25,000] in cash, or securities which are legal investments for  
21 saving banks or trust funds having a market value of \$100,000  
22 [\$25,000]. The department shall not accept a deposit unless accom-  
23 panied by evidence that there are no unsatisfied judgments of any  
24 character against the depositor in the recording district where the  
25 depositor resides.

26 \* Sec. 22. AS 28 is amended by adding a new chapter to read:

27 CHAPTER 22. MOTOR VEHICLE LIABILITY INSURANCE.

28 Sec. 28.22.010. MOTOR VEHICLE LIABILITY POLICY. (a) In AS 28.-  
29 10.011, AS 28.15.011, and this chapter "motor vehicle liability

1 policy" means an "owner policy" or an "operator's policy" containing  
2 an agreement or endorsement as provided in this section and issued by  
3 an insurance carrier authorized to transact business in the state to  
4 or for the benefit of the person named as insured.

5 (b) The owner's policy of liability insurance shall

6 (1) designate by description or appropriate reference all  
7 vehicles that it covers;

8 (2) insure the person named and every other person using  
9 the vehicle with the express or implied permission of the named in-  
10 sured, against loss from the liability imposed by law for damages  
11 arising out of the ownership, maintenance, or use of the vehicle in  
12 the United States or the Dominion of Canada, subject to limits exclu-  
13 sive of interest and costs, with respect to each vehicle, as follows:

14 (A) \$50,000 because of bodily injury to or death of  
15 one person in any one accident, and, subject to the same limit  
16 for one person, \$100,000 because of bodily injury to or death of  
17 two or more persons in any one accident; and

18 (B) \$25,000 because of injury to or destruction of  
19 property of others in any one accident;

20 (3) contain coverage in the amounts set out in (2) of this  
21 subsection for the protection of the persons insured under the policy  
22 who are legally entitled to recover damages from the owner or operator  
23 of an uninsured or underinsured motor vehicle because of bodily injury  
24 or death, or damage to or destruction of property arising out of the  
25 ownership, maintenance, or use of the uninsured or underinsured motor  
26 vehicle, except that this coverage or part of it may be waived in  
27 writing by the insured on or before the effective date of the policy.

28 (c) The operator's policy of liability insurance shall insure  
29 the person named as insured against loss from the liability imposed on

1 the operator by law for damages arising out of the use by the operator  
2 of a motor vehicle not owned by the operator, within the same terri-  
3 torial limits and subject to the same limits of liability as are  
4 required for an owner's policy of liability insurance.

5 (d) The motor vehicle liability policy shall state the name and  
6 address of the named insured, the coverage, the premium charges, the  
7 policy period and the limits of liability, and shall contain an agree-  
8 ment or an endorsement that insurance is provided in accordance with  
9 the coverage defined in (b)(2) of this section for bodily injury and  
10 death or property damage, or both.

11 (e) The motor vehicle liability policy need not insure liability  
12 under a workers' compensation law nor liability for damage to property  
13 owned by, rented to, in charge of, or transported by the insured.

14 (f) Every motor vehicle liability policy is subject to the  
15 following provisions but these provisions need not be contained in the  
16 policy:

17 (1) The liability of the insurance carrier becomes absolute  
18 whenever injury or damage covered by the policy occurs. The policy  
19 may not be cancelled or annulled as to this liability after the occur-  
20 rence of the injury or damage. No statement made by the insured or on  
21 behalf of the insured and no violation of the policy defeats or voids  
22 the policy.

23 (2) The satisfaction by the insured of a judgment for  
24 injury or damages is not a condition precedent to the right or duty of  
25 the insurance carrier to make payment on account of injury or damage.

26 (3) The insurance carrier may settle a claim covered by the  
27 policy, and if settlement is made in good faith, the amount of settle-  
28 ment is deductible from the limits of liability specified in (b) of  
29 this section.

1                   (4) The policy, the written application for the policy, if  
2 any, and every rider or endorsement that does not conflict with the  
3 provisions of this chapter constitute the entire contract between the  
4 parties.

5                   (g) A policy that grants the coverage required for a motor  
6 vehicle liability policy may also grant lawful coverage in excess of  
7 or in addition to the coverage specified for a policy and the excess  
8 or additional coverage is not subject to the provisions of this  
9 chapter. With respect to a policy that grants excess or additional  
10 coverage the term "motor vehicle liability policy" applies only to  
11 that part of the coverage that is required by this section.

12                   (h) A motor vehicle liability policy may provide that the in-  
13 sured shall reimburse the insurance carrier for any payment the insur-  
14 ance carrier would not have been obligated to make under the terms of  
15 the policy except for the provisions of this chapter.

16                   (i) A motor vehicle liability policy may provide for proration  
17 of the insurance with other valid and collectible insurance.

18                   (j) The requirements for a motor vehicle liability policy may be  
19 fulfilled by the policies of one or more insurance carriers that  
20 together meet the requirements.

21                   (k) A binder issued pending the issuance of a motor vehicle  
22 liability policy fulfills the requirements for a policy.

23                   (l) The insurance carrier shall provide notice to the department  
24 of the termination of coverage commenced during the preceding 180 days  
25 under (a) of this section within 10 days of actual knowledge of the  
26 termination or the receipt of written notice of intent to terminate.  
27 The department may notify the insurance carrier of a person with  
28 previous policy abuses and require notice of termination of coverage  
29 for the person. If the person whose coverage terminates fails to

1 provide the department with evidence satisfactory to it of the exis-  
2 tence of (1) a motor vehicle liability policy issued in conformity  
3 with AS 28.22.010; or (2) a certificate of self-insurance issued in  
4 conformity with AS 28.20.400; or (3) cash, securities or a bond de-  
5 posited or filed with the department on the terms and conditions that  
6 will provide the same benefits available under a required motor vehi-  
7 cle liability policy, the department shall suspend the driver's  
8 license and all registration certificates and registration plates  
9 issued to the owner of the motor vehicle until the person has provided  
10 the department with such evidence.

11 (m) An insurance carrier authorized to transact business in the  
12 state that issues a motor vehicle liability policy to the owner of a  
13 motor vehicle under this section shall provide the owner with a card  
14 indicating the existence of the policy. The operator of the motor  
15 vehicle shall at all times carry in the vehicle the card indicating  
16 the existence of the policy.

17 Sec. 28.22.020. REQUIREMENTS OF POLICY. (a) A policy is not  
18 effective under AS 28.22.010 unless it is issued by an insurance  
19 company or surety company authorized to do business in this state,  
20 except as provided in (b) of this section, and unless it complies with  
21 the limit requirements established in AS 28.22.010(b)(2).

22 (b) A policy is not effective under AS 28.22.010 with respect to  
23 a vehicle not registered in the state or a vehicle that was registered  
24 in another jurisdiction at the effective date of the policy or the  
25 most recent renewal of it, unless the insurance or surety company  
26 issuing the policy is authorized to do business in the state, or if  
27 the company is not authorized to do business in the state, unless it  
28 executes a power of attorney authorizing the director of the division  
29 of insurance to accept service on its behalf of notice or process in

1 an action upon the policy arising out of the accident.

2 Sec. 28.22.500. DRIVING VEHICLE WITHOUT EVIDENCE OF MOTOR  
3 VEHICLE LIABILITY POLICY. (a) A person may not drive or move, nor  
4 may an owner knowingly permit to be driven or moved, on a highway or  
5 vehicular way or area, a vehicle required to be insured under a motor  
6 vehicle liability policy that complies with AS 28.22.010 or a certifi-  
7 cate of self-insurance that complies with AS 28.20.400 unless a motor  
8 vehicle liability policy is in effect for the motor vehicle. Cash,  
9 securities, or a bond that will provide the same benefits available  
10 under a required motor vehicle liability policy may be deposited or  
11 filed with the department in lieu of a motor vehicle liability policy  
12 or certificate of self-insurance.

13 (b) If a peace officer has probable cause to believe a motor  
14 vehicle was used in the violation of (a) of this section, a citation  
15 will be issued. The citation will be voided if the driver or owner of  
16 a vehicle cited under this section appears at an Alaska State Trooper  
17 Office or an office of the police agency that issued the citation  
18 before the court appearance date indicated on the citation and pro-  
19 vides evidence showing that a motor vehicle liability policy that  
20 complies with AS 28.22.010 or a certificate of self-insurance that  
21 complies with AS 28.20.400 was in effect at the time the citation was  
22 issued or that cash, securities or a bond had been deposited or filed  
23 with the department at the time the citation was issued and meets  
24 conditions that will provide the same benefits available under a  
25 required motor vehicle policy.

26 (c) A person who violates (a) of this section commits a class B  
27 misdemeanor. Upon conviction the court shall impose a fine of not  
28 less than \$250 and may impose a fine up to the maximum amount  
29 established by AS 12.55.035 for a person convicted of a class B misde-

1 meanor. The court may not suspend the minimum fine imposed under this  
2 subsection.

3 (d) In addition to the fine required under (c) of this section,  
4 the court shall impose the following sentence on a person convicted of  
5 violating (a) of this section:

6 (1) For a person not previously convicted of an offense  
7 under (a) of this section

8 (A) suspension of that person's driver's license for  
9 not less than 10 days or more than 30 days; and

10 (B) suspension of the registration of the subject  
11 motor vehicle until proof of compliance with AS 28.10.011(b) is  
12 furnished to the department.

13 (2) For a person once previously convicted of an offense  
14 under (a) of this section within 10 years

15 (A) suspension of the person's driver's license for  
16 not less than 30 days nor more than 90 days with no limited  
17 license privileges during the minimum period of suspension; and

18 (B) suspension of the registration of the subject  
19 motor vehicle for not less than 30 days and thereafter until  
20 proof of compliance with AS 28.10.011(b) is furnished to the  
21 department.

22 (3) For a person twice or more previously convicted of an  
23 offense under (a) of this section within 10 years, suspension of that  
24 person's driver's license for not less than 90 days nor more than one  
25 year with no limited license privileges during the minimum suspension  
26 and, in addition, either:

27 (A) suspension of the registration of the subject  
28 motor vehicle for not less than 90 days and thereafter until  
29 proof of compliance with AS 28.10.011(b) is furnished to the

1 department; or

2 (B) forfeiture of the person's motor vehicle under  
3 AS 28.22.510.

4 Sec. 28.22.510. FORFEITURE OF MOTOR VEHICLE. (a) Upon a per-  
5 son's conviction of an offense under AS 28.22.500, if the convicted  
6 person was twice or more previously convicted within the last 10 years  
7 of violating AS 28.22.500 or a statute in another jurisdiction with  
8 elements substantially similar to AS 28.22.500, the state may move the  
9 court to order the forfeiture of a motor vehicle. Upon receipt of a  
10 motion for forfeiture, the court shall schedule a hearing on the  
11 matter and shall notify the state of the time and place set for the  
12 hearing.

13 (b) After receiving notice of the time and place of the hearing,  
14 the state shall provide to every person who has an ascertainable  
15 ownership or security interest in the motor vehicle written notice  
16 that includes

17 (1) a description of the motor vehicle;

18 (2) the time and place of the forfeiture hearing;

19 (3) the legal authority under which the motor vehicle may  
20 be forfeited;

21 (4) notice of the right to intervene to protect the inter-  
22 est in the motor vehicle.

23 (c) At the hearing, a person who claims an ownership or security  
24 interest in the motor vehicle must establish by a preponderance of  
25 evidence that

26 (1) the petitioner has an interest in the motor vehicle  
27 acquired in good faith;

28 (2) a person other than the petitioner was convicted of  
29 violating AS 28.22.500; and

1           (3) before parting with the motor vehicle, the petitioner  
2 did not know or have reasonable cause to believe that it would be used  
3 in the commission of an offense.

4           (d) If a person satisfies the requirements of (c) of this sec-  
5 tion, the court shall order that an amount equal to the value of the  
6 petitioner's interest in the motor vehicle be paid to the petitioner  
7 from the proceeds of the sale of the motor vehicle, or shall order  
8 that the motor vehicle be released to the petitioner together with  
9 title to the motor vehicle.

10          (e) Upon forfeiture of a motor vehicle, the court shall require  
11 the surrender of the registration and certificate of title of that  
12 motor vehicle for delivery by the court to the department unless the  
13 title is released to a petitioner under (d) of this section.

14          (f) If not released under (d) of this section, a motor vehicle  
15 forfeited under this section may be disposed of at the discretion of  
16 the department.

17          Sec. 28.22.520. UNUSED MOTOR VEHICLES. (a) A person may termi-  
18 nate or suspend a motor vehicle liability policy covering a vehicle  
19 that is unused. A person exercising this option shall remove the  
20 unused vehicle's plates and deliver them to the nearest department  
21 office. Except as provided in (c) of this section, when the vehicle  
22 is to be used the person shall present evidence satisfactory to the  
23 department of a motor vehicle liability policy that complies with  
24 AS 28.22.010 or a certificate of self-insurance that complies with  
25 AS 28.20.400 covering the vehicle and person, at which time the  
26 department shall reissue vehicle plates to the person. Cash, securi-  
27 ties or a bond that will provide the same benefits available under a  
28 required motor vehicle policy may be deposited or filed with the  
29 department in lieu of a motor vehicle liability policy or certificate

1 of self-insurance.

2 (b) The department shall retain, for a period not to exceed one  
3 year, special vehicle plates turned in under this section and reissue  
4 the identical plates to the person in accordance with this chapter.

5 (c) When the vehicle is to be driven or transported only for the  
6 purposes for which registration is not required under AS 28.10.151,  
7 the department shall issue a special permit that shall be effective  
8 for a 30-day period. Presentation of evidence of financial responsi-  
9 bility as required by (a) of this section is not required for issuance  
10 of this special permit.

11 (d) A person seeking a special permit under (c) of this section  
12 must present evidence satisfactory to the department that the vehicle  
13 will be operated only as allowed by AS 28.10.151.

14 Sec. 28.22.530. ANNUAL REPORT. Beginning in 1988, the Depart-  
15 ment of Commerce and Economic Development and Department of Public  
16 Safety shall submit a joint report to the legislature no later than  
17 February 1 of each year on the administration of this chapter. The  
18 report shall include

19 (1) a review of this chapter's effect on the number of  
20 uninsured motorists before and after it was adopted;

21 (2) the administrative problems and costs of enforcing this  
22 chapter for the courts and involved departments; and

23 (3) the effect of the program on motor vehicle liability  
24 premiums in the state.

25 \* Sec. 23. Sections 2, 4 and 18 of this Act take effect January 1,  
26 1984.

27 \* Sec. 24. Section 11 of this Act takes effect January 1, 1986.

28 \* Sec. 25. Except for secs. 2, 4, 11 and 18, this Act takes effect  
29 July 1, 1985.