

Offered: 5/5/88
Referred: Rules

5-0340J

Original sponsors: Donley, Collins
and Davidson

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 SENATE CS FOR CS FOR HOUSE BILL NO. 44 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act relating to motor vehicle liability insurance
7 and vehicle registration; and providing for an effective date."
8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 21.36 is amended by adding a new section to read:
11 Sec. 21.36.045. NOTICE OF LIMITED MOTOR VEHICLE INSURANCE. (a)
12 An insurance policy that provides coverage only against property
13 damage to a motor vehicle and that does not provide liability coverage
14 as required under AS 28.22.010(d) must contain the following statement
15 printed in bold face type: "This policy provides insurance only
16 against damage to the motor vehicle. This policy does not insure
17 against bodily injury, death, or property damage liability and does
18 not satisfy the mandatory motor vehicle liability insurance requirements
19 of AS 28.22.010."
20 (b) If the insured under (a) of this section is not the owner of
21 the motor vehicle, a copy of the policy shall be provided to the
22 owner.
23 * Sec. 2. AS 21.89.020 is amended by adding a new subsection to read:
24 (f) An automobile liability insurance policy must provide that
25 all expenses and fees, not including counsel fees, incurred because of
26 arbitration or mediation shall be paid as determined by the arbitrator.
27
28 * Sec. 3. AS 28.10.021(a) is amended to read:
29 (a) The owner of a vehicle subject to registration shall apply

1 for registration under this chapter by properly completing the form
2 prescribed by the commissioner under AS 28.05.041. Before the issu-
3 ance of a certificate of registration by the department, the owner
4 shall

5 (1) pay all registration fees and taxes required under this
6 chapter and federal heavy vehicle use taxes required under 26 U.S.C.
7 4481 (Internal Revenue Code of 1954);

8 (2) unless the owner qualifies as a self-insurer under
9 AS 28.20.400, or is exempted from obtaining liability insurance under
10 AS 28.22.200, certify to the department the existence of a motor
11 vehicle liability policy that complies with AS 28.22.200 for the
12 vehicle being registered; in this paragraph, "certify" means to indi-
13 cate by check-off on the vehicle registration form prescribed by the
14 department the existence of a policy of insurance, if a policy is
15 required at that time, and the intention to continue the policy or
16 obtain a policy as required by this subsection; and

17 (3) [SHALL] comply with [ANY] other applicable statutes and
18 regulations.

19 * Sec. 4. AS 28.10.041(a) is amended to read:

20 (a) The department may refuse to register a vehicle if

21 (1) the application contains a false or fraudulent state-
22 ment;

23 (2) the applicant fails to furnish information required by
24 the department;

25 (3) the applicant is not entitled to the issuance of a
26 certificate of title or registration under this chapter;

27 (4) the vehicle is determined to be mechanically unsafe to
28 be driven or moved on a highway, vehicular way or area, or other
29 public property in the [THIS] state;

1 (5) the department has reasonable grounds to believe that
2 the vehicle was stolen or fraudulently acquired or that the granting
3 of registration would be a fraud against the rightful owner or other
4 person having a valid lien upon the vehicle;

5 (6) the registration of the vehicle has been suspended or
6 revoked for any reason under the laws of the [THIS] state;

7 (7) the required fees or taxes have not been paid;

8 (8) the vehicle or applicant fails to comply with this
9 chapter or regulations authorized by this section;

10 (9) the vehicle is without a certificate of inspection
11 required under AS 28.32.010;

12 (10) the vehicle is subject to a state-approved local
13 emission inspection program adopted by municipal ordinance under
14 AS 46.03.210, and the vehicle does not meet the standards of that
15 program, unless the vehicle uses a fuel source that does not primarily
16 emit carbon monoxide;

17 (11) the applicant fails to certify to the department the
18 existence of a motor vehicle liability policy that complies with
19 AS 28.22.010 for the vehicle being registered, unless the owner of the
20 vehicle qualifies as a self-insurer under AS 28.20.400, or is exempted
21 from obtaining liability insurance under AS 28.22.200.

22 * Sec. 5. AS 28.10.051 is amended by adding a new subsection to read:

23 (b) Unless the owner qualifies as a self-insurer under AS 28.-
24 20.400, or is exempted from obtaining liability insurance under
25 AS 28.22.200, the department may suspend or revoke the registration of
26 a vehicle that is not insured by a motor vehicle liability policy that
27 complies with AS 28.22.010.

28 * Sec. 6. AS 28.10.421(c) is amended to read:

29 (c) The annual registration fees under this subsection are

1 imposed and are based upon the actual unladen weight as established by
2 the manufacturer's advertised weight or upon the actual weight which
3 the owner shall furnish, subject to the approval of the commissioner
4 or the commissioner's representative, for a vehicle, including a motor
5 vehicle pulling a trailer or semi-trailer, used or maintained for the
6 transportation of passengers for hire, excepting taxicabs and buses
7 under (b) of this section, or for the transportation of property for
8 hire or for other commercial use, including a commercial vehicle such
9 as a trailer, semi-trailer, truck, wrecker, tow car, hearse, ambu-
10 lance, and tractor, as follows:

- 11 (1) up to and including 5,000 pounds \$51 [\$50];
- 12 (2) more than 5,000 pounds to and including 12,000 pounds .
13 \$86 [\$85];
- 14 (3) more than 12,000 pounds to and including 18,000 pounds
15 \$156 [\$155];
- 16 (4) more than 18,000 pounds \$221 [\$220].

17 * Sec. 7. AS 28.10.421 is amended by adding a new subsection to read:

18 (f) The fees collected by the department under this section
19 shall be deposited in the general fund. The Department of Adminis-
20 tration shall separately account for three percent of the fees col-
21 lected under this section and deposited in the general fund. The
22 annual estimated balance in the account may be used by the legislature
23 to make appropriations for administration of AS 28.10.021(a) and
24 AS 28.22 (Alaska Mandatory Automobile Insurance Act).

25 * Sec. 8. AS 28.15.255(c) is amended to read:

26 (c) In this section, the term "proof of financial responsibility
27 [FOR THE FUTURE]" has the meaning given in AS 28.20.630 [AS 28.20.-
28 230(b)] and may be established as provided in AS 28.20.

29 * Sec. 9. AS 28.20.400(a) is amended to read:

1 (a) A person in whose name more than 25 vehicles are registered
2 in this state may qualify as a self-insurer by obtaining a certificate
3 of self-insurance issued by the department as provided in (b) of this
4 section. A person in whose name fewer than 25 vehicles are registered
5 qualifies as a self-insurer and shall be issued a certificate of
6 self-insurance, if the person provides proof satisfactory to the
7 department that the person has and will continue to have the ability
8 to pay a judgment for property damage, bodily injury, or both, in the
9 amount of at least \$125,000.

10 * Sec. 10. AS 28.20.630 is amended to read:

11 Sec. 28.20.630. DEFINITIONS [DEFINITION]. In this chapter,
12 unless the context otherwise requires,

13 (1) "judgment" ["JUDGMENT"] means a judgment that [WHICH]
14 is final by expiration without appeal of the time within which an
15 appeal may be taken, or final by affirmation on appeal, given by a
16 court of a [ANY] state or of the United States, upon a cause of action
17 arising out of the ownership, maintenance, or use of a vehicle of a
18 type subject to registration under the laws of this state, for dam-
19 ages, including damages for care and loss of services, because of
20 bodily injury to or death of a person, or for damages because of
21 injury to or destruction of property, including the loss of use of
22 property, or upon a cause of action on an agreement of settlement for
23 such damages;

24 (2) "proof of financial responsibility" means an owner's
25 motor vehicle liability policy that covers all vehicles owned by the
26 person that are subject to registration in this state, or if the
27 person does not own a vehicle, proof required under AS 28.20.390.

28 * Sec. 11. AS 28.22.200 is amended by adding a new subsection to read:

29 (c) In this section, "operator" does not include an employee who

1 operates, during the course and within the scope of the employment, a
2 motor vehicle that is owned or leased by the operator's employer.

3 * Sec. 12. AS 28.22 is amended by adding a new section to read:

4 Sec. 28.22.610. SHORT TITLE. This chapter may be cited as the
5 Alaska Mandatory Automobile Insurance Act.

6 * Sec. 13. Sections 1 and 2 of this Act apply to automobile liability
7 insurance policies entered into or renewed on or after January 1, 1989.

8 * Sec. 14. AS 28.20.230(b) is repealed.

9 * Sec. 15. Sections 17, 18, 19, 20, and 23 of ch. 70, SLA 1984, are
10 repealed.

11 * Sec. 16. Sections 1 - 14 of this Act take effect January 1, 1989.

12 * Sec. 17. Section 15 of this Act takes effect immediately under
13 AS 01.10.070(c).