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1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2

SENATE CS FOR CS FOR HOUSE BILL NO. 44 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST 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
8 date."

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

10 * Section 1. AS 28 is amended by adding a new chapter to read:

11 CHAPTER 22. MANDATORY MOTOR VEHICLE INSURANCE.

12 ARTICLE 1. INSURANCE REQUIRED.

13 Sec. 28.22.011. MOTOR VEHICLE LIABILITY INSURANCE REQUIRED:
14 EXEMPTIONS. (a) The operator or owner of a motor vehicle subject to
15 registration under AS 28.10.011 when driven on a highway, vehicular
16 way or area, or on other public property in the state, shall be insured
17 under a motor vehicle liability policy that complies with this
18 chapter or a certificate of self-insurance that complies with AS 28.-
19 20.400 unless

20 (1) the motor vehicle is being driven or moved on a highway,
21 vehicular way, or a public parking place in the state that is not
22 connected by a land highway or vehicular way to

23 (A) the land-connected state highway system, or

24 (B) a highway or vehicular way with an average daily
25 traffic volume greater than 499; and

26 (2) the operator has not been cited within the preceding
27 five years for a traffic law violation with a demerit point value of
28 six or more on the point schedule determined under regulations adopted
29 by the department under AS 28.15.221.

1 (b) The department shall annually publish a list of areas that
2 meet the requirements of (a)(1) of this section. This list shall be
3 available for public inspection at each office of the department.

4 (c) In this section, "operator" does not include

5 (1) an employee who operates, during the course and within
6 the scope of employment, a motor vehicle that is owned or leased by
7 the operator's employer; or

8 (2) an emergency service volunteer who operates, during the
9 course and within the scope of responding to an emergency, a motor
10 vehicle not owned by the volunteer.

11 Sec. 28.22.021. REQUIREMENT OF PROOF OF MOTOR VEHICLE LIABILITY
12 INSURANCE. The owner or operator of a motor vehicle required to have
13 motor vehicle liability insurance that complies with this chapter or a
14 certificate of self-insurance that complies with AS 28.20.400, shall
15 show proof of this insurance when that person is involved in an acci-
16 dent that results in bodily injury to or death of a person, or damage
17 to the property of a person exceeding \$500.

18 Sec. 28.22.031. METHOD OF PROOF OF MOTOR VEHICLE LIABILITY
19 INSURANCE. (a) A person involved in an accident who is required
20 under AS 28.22.021 to prove that a motor vehicle liability policy or a
21 certificate of self-insurance was in effect shall, within 15 days
22 after the accident,

23 (1) present a copy of the insurance policy, certificate,
24 bond, or insurance binder that was in effect at the time of the acci-
25 dent to the department for inspection;

26 (2) provide the department with written certification from
27 an insurance company, insurance agent, insurance broker or surplus
28 lines broker confirming that a valid motor vehicle liability policy
29 issued in conformity with this chapter was in effect at the time of

1 the accident; or

2 (3) advise the department in writing that a certificate of
3 self-insurance was in effect at the time of the accident.

4 (b) The department shall develop and implement a program to
5 check the veracity of the documents filed for proof under this sec-
6 tion.

7 Sec. 28.22.041. ADMINISTRATIVE SUSPENSION OF DRIVERS' LICENSES.

8 (a) If a person fails to provide proof required under AS 28.22.021
9 and 28.22.031, the department shall suspend the driver's license of
10 that person for the following periods:

11 (1) not less than 90 days if, within the preceding 10
12 years, the person has not had a driver's license suspended for vio-
13 lation of AS 28.22.011 or former AS 28.22.200;

14 (2) not less than one year if, within the preceding 10
15 years, the person has had a driver's license suspended one or more
16 times for violation of AS 28.22.011 or former AS 28.22.200.

17 (b) The suspension shall be consecutive to any other suspension
18 required by law or imposed by a court.

19 (c) The department may grant limited license privileges for work
20 purposes only to a person whose license has been suspended under this
21 section if

22 (1) the person has filed proof of financial responsibility
23 for the future as required by AS 28.22.061;

24 (2) the person's license has not been suspended two or more
25 times under this section or former AS 28.22.240 in the preceding 10
26 years;

27 (3) the department determines that the person's ability to
28 earn a livelihood would be severely impaired if a limited license
29 privilege is not granted; and

1 (4) the department determines that a limitation can be
2 placed on the license that will enable the person to earn a livelihood
3 without excessive danger to the public.

4 (d) When imposing a limitation under this section the department
5 shall

6 (1) require the surrender of the driver's license; and

7 (2) issue to the licensee a certificate valid for the
8 duration of the limitation.

9 (e) After the termination of a limitation as shown on the cer-
10 tificate issued under (d) of this section, the license of a person on
11 whom a limitation was imposed is suspended until the person receives a
12 new license under AS 28.15.211(c).

13 (f) The department shall notify the licensee that the suspension
14 becomes effective 30 days from the date of the notice and that the
15 licensee has the right, within the 30-day period, to make an oral or
16 written answer controverting any point or issue, or to present evi-
17 dence and arguments for the consideration of the department.

18 (g) Upon receipt of an oral or written answer from the licensee
19 the department shall make findings on the matter under consideration
20 within 15 days and shall notify the person involved of its decision in
21 writing by certified or registered mail. If the department's decision
22 is to sustain an action against the licensee's driver's license, the
23 department shall notify the licensee of the opportunity for a hearing
24 under AS 28.05.121 - 28.05.141. Suspension of a person's license is
25 stayed until final disposition of the hearing under this section.

26 Sec. 28.22.051. FALSIFICATION OF INFORMATION. A person who,
27 with criminal negligence as defined in AS 11.81.900, provides false
28 information required under AS 28.22.021 - 28.22.041 is guilty of a
29 class A misdemeanor.

1 Sec. 28.22.061. PROOF FOR THE FUTURE. (a) A person whose li-
2 cense is suspended under AS 28.22.041 shall file proof of financial
3 responsibility for the future under AS 28.20 before full driving
4 privileges may be restored or limited license privileges are granted
5 under AS 28.22.041(c).

6 (b) A filing of proof of financial responsibility under AS 28.20
7 shall be required for a period of three years following expiration of
8 the suspension of license under AS 28.22.041.

9 ARTICLE 2. GENERAL POLICY PROVISIONS.

10 Sec. 28.22.101. GENERAL COVERAGE REQUIREMENTS; POLICY LIMITS.

11 (a) An owner's motor vehicle liability policy must designate by
12 description or appropriate reference the motor vehicles that it covers
13 and insure the person named against loss from the liability imposed by
14 law for damages that arise from the ownership, maintenance, or use of
15 a designated motor vehicle.

16 (b) An operator's motor vehicle liability policy must insure the
17 person named as insured against loss from the liability imposed by law
18 for damages that arise from the use by the operator of a motor vehicle
19 not owned by the operator.

20 (c) A personal motor vehicle liability policy must insure the
21 person named as insured against loss from liability imposed by law for
22 damages that arise from the ownership, maintenance, or use by the
23 named person of a motor vehicle whether owned or not owned by the
24 person.

25 (d) A motor vehicle liability policy must provide coverage in
26 the United States or Canada, subject to limits exclusive of interest
27 and costs, with respect to each vehicle, as follows:

28 (1) \$50,000 because of bodily injury to or death of one
29 person in one accident, and, subject to the same limit for one person,

1 \$100,000 because of bodily injury to or death of two or more persons
2 in one accident; and

3 (2) \$25,000 because of injury to or destruction of property
4 of others in one accident.

5 (e) A motor vehicle liability policy must provide coverage under
6 AS 28.22.201 - 28.22.231 in the amounts set out in (d) of this section
7 for the protection of the persons insured under the policy who are
8 legally entitled to recover damages from the owner or operator of an
9 uninsured or underinsured motor vehicle because of bodily injury or
10 death, or damage to or destruction of property arising out of the
11 ownership, maintenance, or use of the uninsured or underinsured motor
12 vehicle.

13 (f) A motor vehicle liability policy must state the name and
14 address of the named insured and meet the requirements of AS 21.42.-
15 160 - 21.42.170. In the absence of specific contract language or en-
16 dorsement, the motor vehicle liability policy issued for a person in
17 this state is presumed to meet the minimum requirements of (d) of this
18 section.

19 Sec. 28.22.111. POLICY PROVISIONS THAT ARE IMPLIED. A motor
20 vehicle liability policy is subject to the following provisions which
21 do not need to be set out in the policy:

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

25 (2) the insurance carrier may settle a claim covered by the
26 policy, and if settlement is made in good faith, the amount of settle-
27 ment is deductible from the limits of liability specified in AS 28.-
28 22.101;

29 (3) the policy, the written application for the policy, if

1 any, and every rider or endorsement that does not conflict with the
2 provisions of this chapter constitute the entire contract between the
3 parties.

4 Sec. 28.22.121. EXCESS OR ADDITIONAL COVERAGE. (a) A policy
5 that grants the coverage required for a motor vehicle liability policy
6 may also grant lawful coverage in excess of or in addition to the
7 coverage specified for a policy and the excess or additional coverage
8 is not subject to the provisions of this chapter. With respect to a
9 policy that grants excess or additional coverage, the term "motor
10 vehicle liability policy" applies only to that part of the coverage
11 that is required by this chapter.

12 (b) A policy is excluded from the application of this chapter if
13 the automobile or motor vehicle liability coverage is provided only on
14 an excess or umbrella basis.

15 Sec. 28.22.131. PRORATION. A motor vehicle liability policy may
16 provide for proration of the insurance with other valid and collect-
17 ible insurance.

18 Sec. 28.22.141. OTHER REQUIREMENTS OF POLICY. (a) A policy is
19 not effective under AS 28.22.101 unless it is issued by an insurance
20 company or surety company authorized to do business in this state,
21 except as provided in (b) of this section.

22 (b) A policy is not effective under AS 28.22.101 with respect to
23 a vehicle not registered in the state or a vehicle that was registered
24 in another jurisdiction on 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 of process on its behalf in an action

1 upon the policy arising out of the accident.

2 (c) The requirements for a motor vehicle liability policy may be
3 fulfilled by the policies of one or more insurance carriers that to-
4 gether meet the requirements.

5 (d) A binder issued pending the issuance of a motor vehicle
6 liability policy fulfills the requirements for a policy.

7 ARTICLE 3. UNINSURED AND UNDERINSURED MOTORISTS COVERAGE.

8 Sec. 28.22.201. GENERAL POLICY PROVISIONS. (a) The uninsured
9 and underinsured motorists coverage required under this chapter

10 (1) does not apply to bodily injury, sickness, disease, or
11 death of an insured or damage to or destruction of property of an
12 insured until the limits of liability bonds and policies that apply
13 have been used up by payments or judgments or settlements;

14 (2) must be a single combined coverage; and

15 (3) may be rejected by the insured in writing; if the
16 insured has rejected uninsured or underinsured coverage, the coverage
17 may not be included in a supplemental, renewal or replacement policy
18 unless the insured subsequently requests uninsured or underinsured
19 coverage in writing.

20 (b) If both the owner and operator of a vehicle are unknown,
21 payment under the uninsured and underinsured motorists coverage may be
22 made only where direct contact between the motor vehicles has occur-
23 red. A vehicle and operator that have left the scene of an accident
24 with another vehicle are presumed to be uninsured if the insured
25 person reports the accident to the appropriate authorities within 24
26 hours.

27 (c) The uninsured and underinsured motorists coverage for damage
28 to or destruction of property is subject to a deductible of \$250 in
29 any one accident, but the insurer may offer a deductible other than

1 \$250. This coverage shall be limited to damage to or destruction of
2 the covered motor vehicle. It may not include loss of use of such
3 vehicle.

4 Sec. 28.22.211. MAXIMUM LIABILITY OF CARRIER. (a) The maximum
5 liability of the insurance carrier under the uninsured and underin-
6 sured motorists coverage required under this chapter is the difference
7 between the coverage limit of liability and the amount paid to the
8 insured by or on behalf of the uninsured and underinsured motorist.

9 (b) Amounts payable under the uninsured motorists and underin-
10 sured motorists coverage required under this chapter shall be reduced
11 by

12 (1) amounts paid or to be paid under any workers' compensa-
13 tion law;

14 (2) amounts paid or payable under any valid and collectible
15 automobile medical payments insurance or bodily injury or death lia-
16 bility insurance; and

17 (3) amounts paid by or on behalf of the uninsured or under-
18 insured motorist.

19 Sec. 28.22.221. POLICY COVERAGE AND PRIORITIES. If an insured
20 is entitled to uninsured or underinsured motorists coverage under more
21 than one motor vehicle liability insurance policy, or under more than
22 one coverage if two or more vehicles are insured under one policy, the
23 maximum amount an insured may recover may not exceed the highest limit
24 of any one policy or coverage. Where multiple policies or coverages
25 apply, payment shall be made in the following order of priority,
26 subject to the limit of liability for each applicable policy or cover-
27 age:

28 (1) a policy or coverage covering a motor vehicle occupied
29 by the injured person at the time of the accident;

1 (2) a policy or coverage covering a motor vehicle that came
2 into contact with the insured while a pedestrian; and

3 (3) a policy or coverage covering a motor vehicle not
4 involved in the accident with respect to which the injured person is
5 an insured or a named insured.

6 Sec. 28.22.231. POLICY COVERAGE EXCLUSIONS. The uninsured and
7 underinsured motorists coverage required under this chapter does not
8 apply to bodily injury or death or damage to or destruction of pro-
9 perty of an insured

10 (1) while occupying a motor vehicle owned by, but not
11 insured by, the named insured or the insured's spouse or relative
12 residing in the same household; or

13 (2) through being struck by a vehicle owned by the named
14 insured or the insured's spouse or relative residing in the same
15 household.

16 ARTICLE 4. MISCELLANEOUS PROVISIONS.

17 Sec. 28.22.301. POLICY INTERPRETATION. A provision in this
18 chapter may not be interpreted to prohibit a motor vehicle liability
19 policy from including limitations, conditions, exceptions, exclusions,
20 or other provisions that do not violate the requirements of this
21 chapter or other applicable laws.

22 Sec. 28.22.311. DEFINITION. In this chapter, "motor vehicle
23 liability policy" means an owner's policy, an operator's policy, or a
24 personal policy that

25 (1) meets the requirements of AS 28.22.101; and

26 (2) is issued by an insurance carrier authorized to trans-
27 act business in the state to or for the benefit of the person named as
28 insured.

29 Sec. 28.22.321. SHORT TITLE. This chapter may be cited as the

1 Alaska Mandatory Automobile Insurance Act.

2 * Sec. 2. AS 21.36 is amended by adding a new section to read:

3 Sec. 21.36.045. NOTICE OF LIMITED MOTOR VEHICLE INSURANCE. (a)
4 An insurance policy that provides coverage only against property
5 damage to a motor vehicle and that does not provide liability coverage
6 required under AS 28.22.101(d) must contain the following statement
7 printed in bold face type: "This policy provides insurance only
8 against damage to the motor vehicle. This policy does not insure
9 against bodily injury, death, or property damage liability and does
10 not satisfy the mandatory motor vehicle liability insurance require-
11 ments of AS 28.22.011."

12 (b) If the insured under a policy described in (a) of this
13 section is not the owner of the motor vehicle, the insurer shall
14 provide a copy of the policy to the owner.

15 * Sec. 3. AS 21.89.020(a) is amended to read:

16 (a) An automobile liability policy that insures an owner or
17 operator of a motor vehicle against loss resulting from liability for
18 bodily injury or death, or for property injury or destruction, or
19 both, that is sold in the state, must [SHALL] contain limits in at
20 least the amount prescribed for a motor vehicle liability policy in
21 AS 28.20.440 or AS 28.22.101.

22 * Sec. 4. AS 21.89.020(a) is repealed and reenacted to read:

23 (a) An automobile liability policy that insures an owner or
24 operator of a motor vehicle against loss resulting from liability for
25 bodily injury or death, or for property injury or destruction, or
26 both, that is sold in the state, must contain limits in at least the
27 amount prescribed for a motor vehicle liability policy in AS 28.20.-
28 440.

29 * Sec. 5. AS 21.89.020(c) is amended to read:

1 (c) An insurance company offering automobile liability insurance
2 in this state for bodily injury or death shall offer coverage pre-
3 scribed in AS 28.20.440 and 28.20.445, or AS 28.22, with limits equal
4 to at least the limit purchased voluntarily to cover the insured
5 person's liability for bodily injury or death, for the protection of
6 the persons insured under the policy who are legally entitled to
7 recover damages for bodily injury or death from owners or operators of
8 uninsured or underinsured motor vehicles. The limit written may not
9 be less than the limit in AS 28.20.440 or AS 28.22.101.

10 * Sec. 6. AS 21.89.020(c) is repealed and reenacted to read:

11 (c) An insurance company offering automobile liability insurance
12 in this state for bodily injury or death shall offer coverage pre-
13 scribed in AS 28.20.440 and 28.20.445, with limits equal to at least
14 the limit purchased voluntarily to cover the insured person's liabil-
15 ity for bodily injury or death, for the protection of the persons
16 insured under the policy who are legally entitled to recover damages
17 for bodily injury or death from owners or operators of uninsured or
18 underinsured motor vehicles. The limit written may not be less than
19 the limit in AS 28.20.440.

20 * Sec. 7. AS 21.89.020(d) is amended to read:

21 (d) An insurance company offering automobile liability insurance
22 in this state for injury to or destruction of property shall offer
23 coverage prescribed in AS 28.20.440 and 28.20.445, or AS 28.22, with
24 limits not less than those prescribed in AS 28.20.440 or AS 28.22.101,
25 to cover the insured person's liability for injury to or destruction
26 of property, for the protection of the persons insured under the
27 policy who are legally entitled to recover damages for injury to or
28 destruction of the covered motor vehicle from owners or operators of
29 uninsured or underinsured motor vehicles.

1 * Sec. 8. AS 21.89.020(d) is repealed and reenacted to read:

2 (d) An insurance company offering automobile liability insurance
3 in this state for injury to or destruction of property shall offer
4 coverage prescribed in AS 28.20.440 and 28.20.445, with limits not
5 less than those prescribed in AS 28.20.440 to cover the insured per-
6 son's liability for injury to or destruction of property, for the
7 protection of the persons insured under the policy who are legally
8 entitled to recover damages for injury to or destruction of the
9 covered motor vehicle from owners or operators of uninsured or under-
10 insured motor vehicles.

11 * Sec. 9. AS 21.89.020 is amended by adding new subsections to read:

12 (f) An automobile liability insurance policy must provide

13 (1) that all expenses and fees, not including counsel fees
14 or adjuster fees, incurred because of arbitration or mediation shall
15 be paid as determined by the arbitrator;

16 (2) liability coverage in the amount set out in AS 28.22.-
17 101(d) for motor vehicles rented in the United States or Canada by a
18 person insured under the policy;

19 (3) physical damage coverage for motor vehicles rented in
20 the United States or Canada, if the policy provides physical damage
21 coverage; if the insured declines physical damage coverage the insurer
22 shall offer physical damage coverage for rented vehicles.

23 (g) An insurance company offering automobile liability insurance
24 in this state shall offer a short term policy valid for no more than
25 seven days. The coverage available for the short term policy must be
26 comparable to coverage available for longer term policies.

27 * Sec. 10. AS 21.89.020(f) is repealed and reenacted to read:

28 (f) An automobile liability insurance policy must provide

29 (1) that all expenses and fees, not including counsel fees

1 or adjuster fees, incurred because of arbitration or mediation shall
2 be paid as determined by the arbitrator;

3 (2) liability coverage for motor vehicles rented in the
4 United States or Canada by a person insured under the policy;

5 (3) physical damage coverage for motor vehicles rented in
6 the United States or Canada, if the policy provides physical damage
7 coverage; if the insured declines physical damage coverage the insurer
8 shall offer physical damage coverage for rented vehicles.

9 * Sec. 11. AS 28.10.021 is repealed and reenacted to read:

10 Sec. 28.10.021. APPLICATION FOR REGISTRATION. (a) The owner of
11 a vehicle subject to registration shall apply for registration under
12 this chapter by properly completing the form prescribed by the commis-
13 sioner under AS 28.05.041. Before the issuance of a certificate of
14 registration by the department, the owner shall

15 (1) pay all registration fees and taxes required under this
16 chapter and federal heavy vehicle use taxes required under 26 U.S.C.
17 4481 (Internal Revenue Code of 1954);

18 (2) unless the owner qualifies as a self-insurer under
19 AS 28.20.400 or is exempted from obtaining liability insurance under
20 AS 28.22.011, certify to the department the existence of a motor
21 vehicle liability policy that complies with AS 28.22.011 for the
22 vehicle being registered; in this paragraph, "certify" means to indi-
23 cate by check-off on the vehicle registration form prescribed by the
24 department the existence of a policy of insurance, if a policy is
25 required at that time, and the intention to continue the policy or
26 obtain a policy as required by this subsection; and

27 (3) comply with other applicable statutes and regulations.

28 (b) At the time of application for registration or renewal of
29 registration, the department shall provide the applicant written

1 information explaining the state's financial responsibility and manda-
2 tory motor vehicle insurance laws and applicable penalties for failure
3 to comply with those laws.

4 (c) An employee of the department who processes an application
5 for registration or renewal of registration, other than an application
6 received by mail, shall ask the applicant orally whether the applicant
7 wishes to execute an anatomical gift. The department shall make known
8 to all applicants the procedure for executing a gift under AS 13.50
9 (Uniform Anatomical Gifts Act) by displaying posters in the offices in
10 which applications are taken, by providing a brochure or other written
11 information to each person who applies in person or by mail, and, if
12 requested, by providing oral advice.

13 * Sec. 12. AS 28.10.021(a) is repealed and reenacted to read:

14 (a) The owner of a vehicle subject to registration shall apply
15 for registration under this chapter by properly completing the form
16 prescribed by the commissioner under AS 28.05.041. Before the issu-
17 ance of a certificate of registration by the department, the owner
18 shall

19 (1) pay all registration fees and taxes required under this
20 chapter and federal heavy vehicle use taxes required under 26 U.S.C.
21 4481 (Internal Revenue Code of 1954); and

22 (2) comply with other applicable statutes and regulations.

23 * Sec. 13. AS 28.10.021(b) is repealed and reenacted to read:

24 (b) At the time of application for registration or renewal of
25 registration, the department shall provide the applicant written
26 information explaining the state's financial responsibility law.

27 * Sec. 14. AS 28.10.041(a) is amended to read:

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

29 (1) the application contains a false or fraudulent

1 statement;

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

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

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

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

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

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

16 (8) the vehicle or applicant fails to comply with this
17 chapter or regulations implementing [AUTHORIZED BY] this section;

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

20 (10) the vehicle is subject to a state-approved local emis-
21 sion inspection program adopted by municipal ordinance under AS 46.-
22 03.210, and the vehicle does not meet the standards of that program,
23 unless the vehicle uses a fuel source that does not primarily emit
24 carbon monoxide;

25 (11) the applicant fails to certify to the department the
26 existence of a motor vehicle liability policy that complies with
27 AS 28.22.101 for the vehicle being registered unless the owner of the
28 vehicle qualifies as a self-insurer under AS 28.20.400 or is exempted
29 from obtaining liability insurance under AS 28.22.011.

1 * Sec. 15. AS 28.10.041(a) is repealed and reenacted to read:

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

3 (1) the application contains a false or fraudulent state-
4 ment;

5 (2) the applicant fails to furnish information required by
6 the department;

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

9 (4) the vehicle is determined to be mechanically unsafe to
10 be driven or moved on a highway, vehicular way or area, or other
11 public property in the state;

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

16 (6) the registration of the vehicle has been suspended or
17 revoked for any reason under the laws of the state;

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

19 (8) the vehicle or applicant fails to comply with this
20 chapter or regulations implementing this section;

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

23 (10) the vehicle is subject to a state-approved local emis-
24 sion inspection program adopted by municipal ordinance under AS 46.-
25 03.210, and the vehicle does not meet the standards of that program,
26 unless the vehicle uses a fuel source that does not primarily emit
27 carbon monoxide.

28 * Sec. 16. AS 28.10.051 is amended by adding a new subsection to read:

29 (b) Unless the owner qualifies as a self-insurer under

1 AS 28.20.400, or is exempted from obtaining liability insurance under
2 AS 28.22.011, the department may suspend or revoke the registration of
3 a vehicle that is not insured by a motor vehicle liability policy that
4 complies with AS 28.22.101.

5 * Sec. 17. AS 28.10.421(c) is amended to read:

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

- 17 (1) up to and including 5,000 pounds \$51 [\$50];
18 (2) more than 5,000 pounds to and including 12,000 pounds
19 \$86 [\$85];
20 (3) more than 12,000 pounds to and including 18,000 pounds
21 \$156 [\$155];
22 (4) more than 18,000 pounds \$221 [\$220].

23 * Sec. 18. AS 28.10.421 is amended by adding a new subsection to read:

24 (g) The fees collected by the department under this section
25 shall be deposited in the general fund. The Department of Adminis-
26 tration shall separately account for three percent of the fees col-
27 lected under this section and deposited in the general fund. The
28 annual estimated balance in the account may be used by the legislature
29 to make appropriations for administration of AS 28.10.021(a) and

1 AS 28.22 (Alaska Mandatory Automobile Insurance Act).

2 * Sec. 19. AS 28.10.421(g) is repealed and reenacted to read:

3 (g) The fees collected by the department under this section
4 shall be deposited in the general fund. The Department of Adminis-
5 tration shall separately account for three percent of the fees col-
6 lected under this section and deposited in the general fund. The
7 annual estimated balance in the account may be use by the legislature
8 to make appropriations for administration of AS 28.10.021(a).

9 * Sec. 20. AS 28.10.491(a) is amended to read:

10 (a) Upon conviction, a person is guilty of a felony who

11 (1) alters, forges, or counterfeits a certificate of title
12 or registration, or a registration plate, decal, tab, or sticker of
13 this or another jurisdiction;

14 (2) alters or forges an assignment of a certificate of
15 title or an assignment or release of a security interest on a certifi-
16 cate of title of this or another jurisdiction or on a form the depart-
17 ment prescribes;

18 (3) has possession of or uses a certificate of title or
19 registration, registration plate, decal, tab, or sticker of this or
20 another jurisdiction knowing it to have been altered, forged, or
21 counterfeited;

22 (4) wilfully removes or falsifies a vehicle identification
23 number;

24 (5) wilfully conceals or misrepresents the identity of a
25 vehicle or vehicle equipment;

26 (6) buys, receives, possesses, sells, or disposes of a
27 vehicle or vehicle equipment, knowing that a vehicle identification
28 number or equipment has been unlawfully removed or falsified;

29 (7) removes from the state a vehicle that [WHICH] is the

1 subject of a security interest created under AS 28.01 - 28.35 or under
2 AS 45.01 - 45.09, without the written consent of the secured party,
3 and with intent to defraud the secured party or the state; [OR]

4 (8) represents a motor vehicle or house trailer to be a new
5 vehicle and who sells or procures the sale of that motor vehicle as a
6 new vehicle without presenting a "manufacturer's statement of origin";
7 or [.]

8 (9) makes a false statement or otherwise conceals or with-
9 holds a material fact in an application for registration or certifi-
10 cate of title or falsely affirms with respect to a matter required to
11 be sworn to, affirmed, or furnished under this chapter or regulations
12 adopted under this chapter; except that a person who with criminal
13 negligence as defined in AS 11.81.900, falsely certifies to the de-
14 partment the existence of a motor vehicle liability insurance policy
15 under AS 28.10.021(a)(2), is guilty of a class A misdemeanor.

16 * Sec. 21. AS 28.10.491(a) is repealed and reenacted to read:

17 (a) Upon conviction, a person is guilty of a felony who

18 (1) alters, forges, or counterfeits a certificate of title
19 or registration, or a registration plate, decal, tab, or sticker of
20 this or another jurisdiction;

21 (2) alters or forges an assignment of a certificate of
22 title or an assignment or release of a security interest on a certifi-
23 cate of title of this or another jurisdiction or on a form the depart-
24 ment prescribes;

25 (3) has possession of or uses a certificate of title or
26 registration, registration plate, decal, tab, or sticker of this or
27 another jurisdiction knowing it to have been altered, forged, or
28 counterfeited;

29 (4) wilfully removes or falsifies a vehicle identification

1 number;

2 (5) wilfully conceals or misrepresents the identity of a
3 vehicle or vehicle equipment;

4 (6) buys, receives, possesses, sells, or disposes of a
5 vehicle or vehicle equipment, knowing that a vehicle identification
6 number or equipment has been unlawfully removed or falsified;

7 (7) removes from the state a vehicle that is the subject of
8 a security interest created under AS 28.01 - 28.35 or under AS 45.01 -
9 45.09, without the written consent of the secured party, and with
10 intent to defraud the secured party or the state;

11 (8) represents a motor vehicle or house trailer to be a new
12 vehicle and who sells or procures the sale of that motor vehicle as a
13 new vehicle without presenting a "manufacturer's statement of origin";
14 or

15 (9) makes a false statement or otherwise conceals or with-
16 holds a material fact in an application for registration or certifi-
17 cate of title or falsely affirms with respect to a matter required to
18 be sworn to, affirmed, or furnished under this chapter or regulations
19 adopted under this chapter.

20 * Sec. 22. AS 28.15.061 is amended by adding a new subsection to read:

21 (f) At the time of application for a driver's license or an
22 instruction permit, or renewal of a driver's license or an instruction
23 permit, the department shall provide the applicant written information
24 explaining the state's financial responsibility and mandatory motor
25 vehicle insurance laws and potential penalties for failure to comply
26 with those laws.

27 * Sec. 23. AS 28.15.061(f) is repealed and reenacted to read:

28 (f) At the time of application for a driver's license or an
29 instruction permit, or renewal of a driver's license or an instruction

1 permit, the department shall provide the applicant written information
2 explaining the state's financial responsibility law and potential
3 penalties for failure to comply with that law.

4 * Sec. 24. AS 28.15.081(a) is repealed and reenacted to read:

5 (a) The department shall examine every applicant for a driver's
6 license. The examination must include a test of the applicant's (1)
7 eyesight, (2) ability to read and understand official traffic control
8 devices, (3) knowledge of safe driving practices, (4) knowledge of the
9 effects of alcohol and drugs on drivers and the dangers of driving
10 under the influence of alcohol or drugs, (5) knowledge of the laws on
11 driving while intoxicated, (6) knowledge of the laws on financial
12 responsibility and mandatory motor vehicle liability insurance, and
13 (7) knowledge of the traffic laws and regulations of the state. The
14 examination may include a demonstration of ability to exercise ordi-
15 nary and reasonable control in the driving of a motor vehicle of the
16 type and general class of vehicles for which the applicant seeks a
17 license. However, an applicant who has not been previously issued a
18 driver's license by this or another jurisdiction shall demonstrate
19 ability and shall present medical information that the department
20 reasonably requires to determine fitness to safely drive a motor
21 vehicle of the type and general class of vehicles for which the appli-
22 cant seeks a license.

23 * Sec. 25. AS 28.15.081(a) is repealed and reenacted to read:

24 (a) The department shall examine every applicant for a driver's
25 license. The examination must include a test of the applicant's (1)
26 eyesight, (2) ability to read and understand official traffic control
27 devices, (3) knowledge of safe driving practices, (4) knowledge of the
28 effects of alcohol and drugs on drivers and the dangers of driving
29 under the influence of alcohol or drugs, (5) knowledge of the laws on

1 driving while intoxicated, (6) knowledge of the laws on financial
2 responsibility, and (7) knowledge of the traffic laws and regulations
3 of the state. The examination may include a demonstration of ability
4 to exercise ordinary and reasonable control in the driving of a motor
5 vehicle of the type and general class of vehicles for which the appli-
6 cant seeks a license. However, an applicant who has not been previ-
7 ously issued a driver's license by this or another jurisdiction shall
8 demonstrate ability and shall present medical information that the
9 department reasonably requires to determine fitness to safely drive a
10 motor vehicle of the type and general class of vehicles for which the
11 applicant seeks a license.

12 * Sec. 26. AS 28.15.255(c) is amended to read:

13 (c) In this section, the term "proof of financial responsibility
14 [FOR THE FUTURE]" has the meaning given in AS 28.20.630 [AS 28.20.-
15 230(b)] and may be established as provided in AS 28.20.

16 * Sec. 27. AS 28.20.400(a) is amended to read:

17 (a) A person in whose name more than 25 vehicles are registered
18 in this state may qualify as a self-insurer by obtaining a certificate
19 of self-insurance issued by the department as provided in (b) of this
20 section. A person in whose name fewer than 25 vehicles are registered
21 qualifies as a self-insurer and shall be issued a certificate of
22 self-insurance, if the person provides proof satisfactory to the
23 department that the person has and will continue to have the ability
24 to pay a judgment for property damage, bodily injury, or both, in the
25 amount of at least \$125,000.

26 * Sec. 28. AS 28.20.630 is amended to read:

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

29 (1) "judgment" ["JUDGMENT"] means a judgment that [WHICH]

1 is final by expiration without appeal of the time within which an
2 appeal may be taken, or final by affirmation on appeal, given by a
3 court of a [ANY] state or of the United States, upon a cause of action
4 arising out of the ownership, maintenance, or use of a vehicle of a
5 type subject to registration under the laws of this state, for dam-
6 ages, including damages for care and loss of services, because of
7 bodily injury to or death of a person, or for damages because of
8 injury to or destruction of property, including the loss of use of
9 property, or upon a cause of action on an agreement of settlement for
10 such damages;

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

15 * Sec. 29. Sections 2 and 9 of this Act apply to automobile liability
16 insurance policies entered into or renewed on or after January 1, 1990.

17 * Sec. 30. AS 28.20.230(b) is repealed.

18 * Sec. 31. AS 21.36.045, AS 28.10.051(b), and AS 28.22 are repealed.

19 * Sec. 32. REPORT. The Department of Public Safety shall report to the
20 legislature by the 30th day of the Second Session of the Seventeenth Alaska
21 State Legislature on the effects of the Alaska Mandatory Automobile Insur-
22 ance Act (AS 28.22). The report must include

23 (1) the percentage of persons involved in accidents who are
24 adequately compensated for resulting personal injury or property damage
25 under the Motor Vehicle Safety Responsibility Act (AS 28.20);

26 (2) the number of persons whose driver's license was suspended
27 for failing to comply with the Alaska Mandatory Automobile Insurance Act
28 (AS 28.22) and the disposition of those suspensions;

29 (3) the change, if any, in the percentage of uninsured drivers

1 during the period beginning July 1, 1989, and ending December 31, 1991; and

2 (4) recommended legislative changes.

3 * Sec. 33. Sections 11, 14, and 17 of this Act take effect January 1,
4 1990.

5 * Sec. 34. Sections 1, 2, 3, 5, 7, 9, 16, 18, 20, 22, 24, 26 - 30, and
6 32 of this Act take effect immediately under AS 01.10.070(c).

7 * Sec. 35. Sections 4, 6, 8, 10, 12, 13, 15, 19, 21, 23, 25, and 31 of
8 this Act take effect January 1, 1994.