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Original sponsors: Donley, Boucher, Gruenberg, et al.

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 44 (Finance) am S

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 effec-
8 tive 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 in-
17 sured 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 high-
21 way, 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; or

1 (3) the motor vehicle is registered under AS 28.10.181(k).
2 (b) The department shall annually publish a list of areas that
3 meet the requirements of (a)(1) of this section. This list shall be
4 available for public inspection at each office of the department.
5 (c) In this section, "operator" does not include
6 (1) an employee who operates, during the course and within
7 the scope of employment, a motor vehicle that is owned or leased by
8 the operator's employer; or
9 (2) an emergency service volunteer who operates, during the
10 course and within the scope of responding to an emergency, a motor
11 vehicle not owned by the volunteer.
12 Sec. 28.22.021. REQUIREMENT OF PROOF OF MOTOR VEHICLE LIABILITY
13 INSURANCE. The owner or operator of a motor vehicle required to have
14 motor vehicle liability insurance that complies with this chapter or a
15 certificate of self-insurance that complies with AS 28.20.400, shall
16 show proof of this insurance when that person is involved in an acci-
17 dent that results in bodily injury to or death of a person, or damage
18 to the property of a person exceeding $500.
19 Sec. 28.22.031. METHOD OF PROOF OF MOTOR VEHICLE LIABILITY
20 INSURANCE. (a) A person involved in an accident who is required
21 under AS 28.22.021 to prove that a motor vehicle liability policy or a
22 certificate of self-insurance was in effect shall, within 15 days
23 after the accident,
24 (1) present a copy of the insurance policy, certificate,
25 bond, or insurance binder that was in effect at the time of the acci-
26 dent to the department for inspection;
27 (2) provide the department with written certification from
28 an insurance company, insurance agent, insurance broker or surplus
29 lines broker confirming that a valid motor vehicle liability policy

1 issued in conformity with this chapter was in effect at the time of
2 the accident; or
3 (3) advise the department in writing that a certificate of
4 self-insurance was in effect at the time of the accident.
5 (b) The department shall develop and implement a program to
6 check the veracity of the documents filed for proof under this sec-
7 tion.
8 Sec. 28.22.041. ADMINISTRATIVE SUSPENSION OF DRIVERS' LICENSES.
9 (a) Except as provided in (h) of this section, if a person fails to
10 provide proof required under AS 28.22.021 and 28.22.031, the depart-
11 ment shall suspend the driver's license of that person for the follow-
12 ing periods:
13 (1) not less than 90 days if, within the preceding 10
14 years, the person has not had a driver's license suspended for vio-
15 lation of AS 28.22.011 or former AS 28.22.200;
16 (2) not less than one year if, within the preceding 10
17 years, the person has had a driver's license suspended one or more
18 times for violation of AS 28.22.011 or former AS 28.22.200.
19 (b) The suspension shall be consecutive to any other suspension
20 required by law or imposed by a court.
21 (c) The department may grant limited license privileges for work
22 purposes only to a person whose license has been suspended under this
23 section if
24 (1) the person has filed proof of financial responsibility
25 for the future as required by AS 28.22.061;
26 (2) the person's license has not been suspended two or more
27 times under this section or former AS 28.22.240 in the preceding 10
28 years;
29 (3) the department determines that the person's ability to

1 earn a livelihood would be severely impaired if a limited license
2 privilege is not granted; and
3 (4) the department determines that a limitation can be
4 placed on the license that will enable the person to earn a livelihood
5 without excessive danger to the public.
6 (d) When imposing a limitation under this section the department
7 shall
8 (1) require the surrender of the driver's license; and
9 (2) issue to the licensee a certificate valid for the
10 duration of the limitation.
11 (e) After the termination of a limitation as shown on the cer-
12 tificate issued under (d) of this section, the license of a person on
13 whom a limitation was imposed is suspended until the person receives a
14 new license under AS 28.15.211(c).
15 (f) The department shall notify the licensee that the suspension
16 becomes effective 30 days from the date of the notice and that the
17 licensee has the right, within the 30-day period, to make an oral or
18 written answer controverting any point or issue, or to present evi-
19 dence and arguments for the consideration of the department.
20 (g) Upon receipt of an oral or written answer from the licensee
21 the department shall make findings on the matter under consideration
22 within 15 days and shall notify the person involved of its decision in
23 writing by certified or registered mail. If the department's decision
24 is to sustain an action against the licensee's driver's license, the
25 department shall notify the licensee of the opportunity for a hearing
26 under AS 28.05.121 - 28.05.141. Suspension of a person's license is
27 stayed until final disposition of the hearing under this section.
28 (h) Subsection (a) does not apply to a person who is required to
29 provide proof under AS 28.22.021 if the person

1 (1) is involved in an accident that results in property
2 damage of less than $1,000 and the damage occurs only to the property
3 of the person required to show proof of insurance;
4 (2) not later than 15 days after the accident, provides
5 proof of motor vehicle liability insurance that complies with this
6 chapter or a certificate of self-insurance that complies with AS 28.-
7 20.400 to the department; and
8 (3) establishes by a preponderance of the evidence that the
9 failure to have in effect motor vehicle liability insurance or to
10 self-insure as required by this chapter at the time of the accident
11 was due to circumstances beyond the control of the person.
12 Sec. 28.22.051. FALSIFICATION OF INFORMATION. A person who,
13 with criminal negligence as defined in AS 11.81.900, provides false
14 information required under AS 28.22.021 - 28.22.041 is guilty of a
15 class A misdemeanor.
16 Sec. 28.22.061. PROOF FOR THE FUTURE. (a) A person whose li-
17 cense is suspended under AS 28.22.041 shall file proof of financial
18 responsibility for the future under AS 28.20 before full driving
19 privileges may be restored or limited license privileges are granted
20 under AS 28.22.041(c).
21 (b) A filing of proof of financial responsibility under AS 28.20
22 shall be required for a period of three years following expiration of
23 the suspension of license under AS 28.22.041.
24 ARTICLE 2. GENERAL POLICY PROVISIONS.
25 Sec. 28.22.101. GENERAL COVERAGE REQUIREMENTS; POLICY LIMITS.
26 (a) An owner's motor vehicle liability policy must designate by
27 description or appropriate reference the motor vehicles that it covers
28 and insure the person named against loss from the liability imposed by
29 law for damages that arise from the ownership, maintenance, or use of

1 a designated motor vehicle.

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

6 (c) A personal motor vehicle liability policy must insure the
7 person named as insured against loss from liability imposed by law for
8 damages that arise from the ownership, maintenance, or use by the
9 named person of a motor vehicle whether owned or not owned by the
10 person.

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

14 (1) $50,000 because of bodily injury to or death of one
15 person in one accident, and, subject to the same limit for one person,
16 $100,000 because of bodily injury to or death of two or more persons
17 in one accident; and

18 (2) $25,000 because of injury to or destruction of property
19 of others in one accident.

20 (e) A motor vehicle liability policy must provide coverage under
21 AS 28.22.201 - 28.22.231 in the amounts set out in (d) of this section
22 for the protection of the persons insured under the policy who are
23 legally entitled to recover damages from the owner or operator of an
24 uninsured or underinsured motor vehicle because of bodily injury or
25 death, or damage to or destruction of property arising out of the
26 ownership, maintenance, or use of the uninsured or underinsured motor
27 vehicle.

28 (f) A motor vehicle liability policy must state the name and
29 address of the named insured and meet the requirements of

1 AS 21.42.160 - 21.42.170. In the absence of specific contract lan-
2 guage or endorsement, the motor vehicle liability policy issued for a
3 person in this state is presumed to meet the minimum requirements of
4 (d) of this section.
5 Sec. 28.22.111. POLICY PROVISIONS THAT ARE IMPLIED. A motor
6 vehicle liability policy is subject to the following provisions which
7 do not need to be set out in the policy:
8 (1) satisfaction by the insured of a judgment for injury or
9 damages is not a condition precedent to the right or duty of the
10 insurance carrier to make payment on account of injury or damage;
11 (2) the insurance carrier may settle a claim covered by the
12 policy, and if settlement is made in good faith, the amount of settle-
13 ment is deductible from the limits of liability specified in AS 28.-
14 22.101;
15 (3) the policy, the written application for the policy, if
16 any, and every rider or endorsement that does not conflict with the
17 provisions of this chapter constitute the entire contract between the
18 parties.
19 Sec. 28.22.121. EXCESS OR ADDITIONAL COVERAGE. (a) A policy
20 that grants the coverage required for a motor vehicle liability policy
21 may also grant lawful coverage in excess of or in addition to the
22 coverage specified for a policy and the excess or additional coverage
23 is not subject to the provisions of this chapter. With respect to a
24 policy that grants excess or additional coverage, the term "motor
25 vehicle liability policy" applies only to that part of the coverage
26 that is required by this chapter.
27 (b) A policy is excluded from the application of this chapter if
28 the automobile or motor vehicle liability coverage is provided only on
29 an excess or umbrella basis.

1 Sec. 28.22.131. PRORATION. A motor vehicle liability policy may
2 provide for proration of the insurance with other valid and collect-
3 ible insurance.
4 Sec. 28.22.141. OTHER REQUIREMENTS OF POLICY. (a) A policy is
5 not effective under AS 28.22.101 unless it is issued by an insurance
6 company or surety company authorized to do business in this state,
7 except as provided in (b) of this section.
8 (b) A policy is not effective under AS 28.22.101 with respect to
9 a vehicle not registered in the state or a vehicle that was registered
10 in another jurisdiction on the effective date of the policy or the
11 most recent renewal of it, unless the insurance or surety company
12 issuing the policy is authorized to do business in the state, or if
13 the company is not authorized to do business in the state, unless it
14 executes a power of attorney authorizing the director of the division
15 of insurance to accept service of process on its behalf in an action
16 upon the policy arising out of the accident.
17 (c) The requirements for a motor vehicle liability policy may be
18 fulfilled by the policies of one or more insurance carriers that to-
19 gether meet the requirements.
20 (d) A binder issued pending the issuance of a motor vehicle
21 liability policy fulfills the requirements for a policy.
22 ARTICLE 3. UNINSURED AND UNDERINSURED MOTORISTS COVERAGE.
23 Sec. 28.22.201. GENERAL POLICY PROVISIONS. (a) The uninsured
24 and underinsured motorists coverage required under this chapter
25 (1) does not apply to bodily injury, sickness, disease, or
26 death of an insured or damage to or destruction of property of an
27 insured until the limits of liability bonds and policies that apply
28 have been used up by payments or judgments or settlements;
29 (2) must be a single combined coverage; and

1 (3) may be rejected by the insured in writing; if the
2 insured has rejected uninsured or underinsured coverage, the coverage
3 may not be included in a supplemental, renewal or replacement policy
4 unless the insured subsequently requests uninsured or underinsured
5 coverage in writing.
6 (b) If both the owner and operator of a vehicle are unknown,
7 payment under the uninsured and underinsured motorists coverage may be
8 made only where direct contact between the motor vehicles has occur-
9 red. A vehicle and operator that have left the scene of an accident
10 with another vehicle are presumed to be uninsured if the insured
11 person reports the accident to the appropriate authorities within 24
12 hours.
13 (c) The uninsured and underinsured motorists coverage for damage
14 to or destruction of property is subject to a deductible of $250 in
15 any one accident, but the insurer may offer a deductible other than
16 $250. This coverage shall be limited to damage to or destruction of
17 the covered motor vehicle. It may not include loss of use of such
18 vehicle.
19 Sec. 28.22.211. MAXIMUM LIABILITY OF CARRIER. (a) The maximum
20 liability of the insurance carrier under the uninsured and underin-
21 sured motorists coverage required under this chapter is the difference
22 between the coverage limit of liability and the amount paid to the
23 insured by or on behalf of the uninsured and underinsured motorist.
24 (b) Amounts payable under the uninsured motorists and underin-
25 sured motorists coverage required under this chapter shall be reduced
26 by
27 (1) amounts paid or to be paid under any workers' compensa-
28 tion law;
29 (2) amounts paid or payable under any valid and collectible

1 automobile medical payments insurance or bodily injury or death liability insurance; and

3 (3) amounts paid by or on behalf of the uninsured or underinsured motorist.

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

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

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

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

21 Sec. 28.22.231. POLICY COVERAGE EXCLUSIONS. The uninsured and underinsured motorists coverage required under this chapter does not apply to bodily injury or death or damage to or destruction of property of an insured

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

28 (2) through being struck by a vehicle owned by the named insured or the insured's spouse or relative residing in the same

1 household.

2 ARTICLE 4. MISCELLANEOUS PROVISIONS.

3 Sec. 28.22.301. POLICY INTERPRETATION. A provision in this
4 chapter may not be interpreted to prohibit a motor vehicle liability
5 policy from including limitations, conditions, exceptions, exclusions,
6 or other provisions that do not violate the requirements of this
7 chapter or other applicable laws.

8 Sec. 28.22.311. DEFINITION. In this chapter, "motor vehicle
9 liability policy" means an owner's policy, an operator's policy, or a
10 personal policy that

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

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

15 Sec. 28.22.321. SHORT TITLE. This chapter may be cited as the
16 Alaska Mandatory Automobile Insurance Act.

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

18 Sec. 21.36.045. NOTICE OF LIMITED MOTOR VEHICLE INSURANCE. (a)
19 An insurance policy that provides coverage only against property
20 damage to a motor vehicle and that does not provide liability coverage
21 required under AS 28.22.101(d) must contain the following statement
22 printed in bold face type: "This policy provides insurance only
23 against damage to the motor vehicle. This policy does not insure
24 against bodily injury, death, or property damage liability and does
25 not satisfy the mandatory motor vehicle liability insurance require-
26 ments of AS 28.22.011."

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

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

2 (a) An automobile liability policy that insures an owner or
3 operator of a motor vehicle against loss resulting from liability for
4 bodily injury or death, or for property injury or destruction, or
5 both, that is sold in the state, must [SHALL] contain limits in at
6 least the amount prescribed for a motor vehicle liability policy in
7 AS 28.20.440 or AS 28.22.101.

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

9 (a) An automobile liability policy that insures an owner or
10 operator of a motor vehicle against loss resulting from liability for
11 bodily injury or death, or for property injury or destruction, or
12 both, that is sold in the state, must contain limits in at least the
13 amount prescribed for a motor vehicle liability policy in AS 28.20.-
14 440.

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

16 (c) An insurance company offering automobile liability insurance
17 in this state for bodily injury or death shall offer coverage pre-
18 scribed in AS 28.20.440 and 28.20.445, or AS 28.22, with limits equal
19 to at least the limit purchased voluntarily to cover the insured
20 person's liability for bodily injury or death, for the protection of
21 the persons insured under the policy who are legally entitled to
22 recover damages for bodily injury or death from owners or operators of
23 uninsured or underinsured motor vehicles. The limit written may not
24 be less than the limit in AS 28.20.440 or AS 28.22.101.

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

26 (c) An insurance company offering automobile liability insurance
27 in this state for bodily injury or death shall offer coverage pre-
28 scribed in AS 28.20.440 and 28.20.445, with limits equal to at least
29 the limit purchased voluntarily to cover the insured person's

1 liability for bodily injury or death, for the protection of the per-
2 sons insured under the policy who are legally entitled to recover
3 damages for bodily injury or death from owners or operators of unin-
4 sured or underinsured motor vehicles. The limit written may not be
5 less than the limit in AS 28.20.440.
6 * Sec. 7. AS 21.89.020(d) is amended to read:
7 (d) An insurance company offering automobile liability insurance
8 in this state for injury to or destruction of property shall offer
9 coverage prescribed in AS 28.20.440 and 28.20.445, <u>or AS 28.22,</u> with
10 limits not less than those prescribed in AS 28.20.440 <u>or AS 28.22.101,</u>
11 to cover the insured person's liability for injury to or destruction
12 of property, for the protection of the persons insured under the
13 policy who are legally entitled to recover damages for injury to or
14 destruction of the covered motor vehicle from owners or operators of
15 uninsured or underinsured motor vehicles.
16 * Sec. 8. AS 21.89.020(d) is repealed and reenacted to read:
17 (d) An insurance company offering automobile liability insurance
18 in this state for injury to or destruction of property shall offer
19 coverage prescribed in AS 28.20.440 and 28.20.445, with limits not
20 less than those prescribed in AS 28.20.440 to cover the insured per-
21 son's liability for injury to or destruction of property, for the
22 protection of the persons insured under the policy who are legally
23 entitled to recover damages for injury to or destruction of the
24 covered motor vehicle from owners or operators of uninsured or under-
25 insured motor vehicles.
26 * Sec. 9. AS 21.89.020 is amended by adding new subsections to read:
27 (f) An automobile liability insurance policy must provide
28 (1) that all expenses and fees, not including counsel fees
29 or adjuster fees, incurred because of arbitration or mediation shall

be paid as determined by the arbitrator;

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

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

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

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

(f) An automobile liability insurance policy must provide

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

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

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

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

Sec. 28.10.021. APPLICATION FOR REGISTRATION. (a) The owner of a vehicle subject to registration shall apply for registration under this chapter by properly completing the form prescribed by the commissioner under AS 28.05.041. Before the issuance of a certificate of registration by the department, the owner shall

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

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

(3) comply with other applicable statutes and regulations.

(b) At the time of application for registration or renewal of registration, the department shall provide the applicant written information explaining the state's financial responsibility and mandatory motor vehicle insurance laws and applicable penalties for failure to comply with those laws, and shall inform the applicant that additional information regarding motor vehicle insurance is available from the division of insurance.

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

1 * Sec. 12. AS 28.10.021(a) is repealed and reenacted to read:
2 (a) The owner of a vehicle subject to registration shall apply
3 for registration under this chapter by properly completing the form
4 prescribed by the commissioner under AS 28.05.041. Before the issu-
5 ance of a certificate of registration by the department, the owner
6 shall
7 (1) pay all registration fees and taxes required under this
8 chapter and federal heavy vehicle use taxes required under 26 U.S.C.
9 4481 (Internal Revenue Code of 1954); and
10 (2) comply with other applicable statutes and regulations.
11 * Sec. 13. AS 28.10.021(b) is repealed and reenacted to read:
12 (b) At the time of application for registration or renewal of
13 registration, the department shall provide the applicant written
14 information explaining the state's financial responsibility law.
15 * Sec. 14. AS 28.10.041(a) is amended to read:
16 (a) The department may refuse to register a vehicle if
17 (1) the application contains a false or fraudulent state-
18 ment;
19 (2) the applicant fails to furnish information required by
20 the department;
21 (3) the applicant is not entitled to the issuance of a
22 certificate of title or registration under this chapter;
23 (4) the vehicle is determined to be mechanically unsafe to
24 be driven or moved on a highway, vehicular way or area, or other
25 public property in the [THIS] state;
26 (5) the department has reasonable grounds to believe that
27 the vehicle was stolen or fraudulently acquired or that the granting
28 of registration would be a fraud against the rightful owner or other
29 person having a valid lien upon the vehicle;

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

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

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

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

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

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

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

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

(1) the application contains a false or fraudulent statement;

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

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

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

(5) the department has reasonable grounds to believe that

1 the vehicle was stolen or fraudulently acquired or that the granting
2 of registration would be a fraud against the rightful owner or other
3 person having a valid lien upon the vehicle;
4 (6) the registration of the vehicle has been suspended or
5 revoked for any reason under the laws of the state;
6 (7) the required fees or taxes have not been paid;
7 (8) the vehicle or applicant fails to comply with this
8 chapter or regulations implementing this section;
9 (9) the vehicle is without a certificate of inspection
10 required under AS 28.32.010;
11 (10) the vehicle is subject to a state-approved local emis-
12 sion inspection program adopted by municipal ordinance under AS 46.-
13 03.210, and the vehicle does not meet the standards of that program,
14 unless the vehicle uses a fuel source that does not primarily emit
15 carbon monoxide.
16 * Sec. 16. AS 28.10.051 is amended by adding a new subsection to read:
17 (b) Unless the owner qualifies as a self-insurer under AS 28.-
18 20.400, or is exempted from obtaining liability insurance under
19 AS 28.22.011, the department may suspend or revoke the registration of
20 a vehicle that is not insured by a motor vehicle liability policy that
21 complies with AS 28.22.101.
22 * Sec. 17. AS 28.10.421(c) is amended to read:
23 (c) The annual registration fees under this subsection are
24 imposed and are based upon the actual unladen weight as established by
25 the manufacturer's advertised weight or upon the actual weight which
26 the owner shall furnish, subject to the approval of the commissioner
27 or the commissioner's representative, for a vehicle, including a motor
28 vehicle pulling a trailer or semi-trailer, used or maintained for the
29 transportation of passengers for hire, excepting taxicabs and buses

1 under (b) of this section, or for the transportation of property for
2 hire or for other commercial use, including a commercial vehicle such
3 as a trailer, semi-trailer, truck, wrecker, tow car, hearse, ambu-
4 lance, and tractor, as follows:
5 (1) up to and including 5,000 pounds . . . . . $51 [$50];
6 (2) more than 5,000 pounds to and including 12,000 pounds
7 . . . . . $86 [$85];
8 (3) more than 12,000 pounds to and including 18,000 pounds
9 . . . . . $156 [$155];
10 (4) more than 18,000 pounds . . . . . $221 [$220].
11 * Sec. 18. AS 28.10.421 is amended by adding a new subsection to read:
12 (g) The fees collected by the department under this section
13 shall be deposited in the general fund. The Department of Adminis-
14 tration shall separately account for three percent of the fees col-
15 lected under this section and deposited in the general fund. The
16 annual estimated balance in the account may be used by the legislature
17 to make appropriations for administration of AS 28.10.021(a) and
18 AS 28.22 (Alaska Mandatory Automobile Insurance Act).
19 * Sec. 19. AS 28.10.421(g) is repealed and reenacted to read:
20 (g) The fees collected by the department under this section
21 shall be deposited in the general fund. The Department of Adminis-
22 tration shall separately account for three percent of the fees col-
23 lected under this section and deposited in the general fund. The
24 annual estimated balance in the account may be used by the legislature
25 to make appropriations for administration of AS 28.10.021(a).
26 * Sec. 20. AS 28.10.491(a) is amended to read:
27 (a) Upon conviction, a person is guilty of a felony who
28 (1) alters, forges, or counterfeits a certificate of title
29 or registration, or a registration plate, decal, tab, or sticker of

1 this or another jurisdiction;

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

6 (3) has possession of or uses a certificate of title or
7 registration, registration plate, decal, tab, or sticker of this or
8 another jurisdiction knowing it to have been altered, forged, or
9 counterfeited;

10 (4) wilfully removes or falsifies a vehicle identification
11 number;

12 (5) wilfully conceals or misrepresents the identity of a
13 vehicle or vehicle equipment;

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

17 (7) removes from the state a vehicle that [WHICH] is the
18 subject of a security interest created under AS 28.01 - 28.35 or under
19 AS 45.01 - 45.09, without the written consent of the secured party,
20 and with intent to defraud the secured party or the state; [OR]

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

25 (9) makes a false statement or otherwise conceals or with-
26 holds a material fact in an application for registration or certifi-
27 cate of title or falsely affirms with respect to a matter required to
28 be sworn to, affirmed, or furnished under this chapter; except that a person who with criminal

1 negligence as defined in AS 11.81.900, falsely certifies to the de-
2 partment the existence of a motor vehicle liability insurance policy
3 under AS 28.10.021(a)(2), is guilty of a class A misdemeanor.
4 * Sec. 21. AS 28.10.491(a) is repealed and reenacted to read:
5 (a) Upon conviction, a person is guilty of a felony who
6 (1) alters, forges, or counterfeits a certificate of title
7 or registration, or a registration plate, decal, tab, or sticker of
8 this or another jurisdiction;
9 (2) alters or forges an assignment of a certificate of
10 title or an assignment or release of a security interest on a certifi-
11 cate of title of this or another jurisdiction or on a form the depart-
12 ment prescribes;
13 (3) has possession of or uses a certificate of title or
14 registration, registration plate, decal, tab, or sticker of this or
15 another jurisdiction knowing it to have been altered, forged, or
16 counterfeited;
17 (4) wilfully removes or falsifies a vehicle identification
18 number;
19 (5) wilfully conceals or misrepresents the identity of a
20 vehicle or vehicle equipment;
21 (6) buys, receives, possesses, sells, or disposes of a
22 vehicle or vehicle equipment, knowing that a vehicle identification
23 number or equipment has been unlawfully removed or falsified;
24 (7) removes from the state a vehicle that is the subject of
25 a security interest created under AS 28.01 - 28.35 or under AS 45.01 -
26 45.09, without the written consent of the secured party, and with
27 intent to defraud the secured party or the state;
28 (8) represents a motor vehicle or house trailer to be a new
29 vehicle and who sells or procures the sale of that motor vehicle as a

1 new vehicle without presenting a "manufacturer's statement of origin";
2 or
3 (9) makes a false statement or otherwise conceals or with-
4 holds a material fact in an application for registration or certifi-
5 cate of title or falsely affirms with respect to a matter required to
6 be sworn to, affirmed, or furnished under this chapter or regulations
7 adopted under this chapter.
8 * Sec. 22. AS 28.15.061 is amended by adding a new subsection to read:
9 (f) At the time of application for a driver's license or an
10 instruction permit, or renewal of a driver's license or an instruction
11 permit, the department shall provide the applicant written information
12 explaining the state's financial responsibility and mandatory motor
13 vehicle insurance laws and potential penalties for failure to comply
14 with those laws.
15 * Sec. 23. AS 28.15.061(f) is repealed and reenacted to read:
16 (f) At the time of application for a driver's license or an
17 instruction permit, or renewal of a driver's license or an instruction
18 permit, the department shall provide the applicant written information
19 explaining the state's financial responsibility law and potential
20 penalties for failure to comply with that law.
21 * Sec. 24. AS 28.15.081(a) is repealed and reenacted to read:
22 (a) The department shall examine every applicant for a driver's
23 license. The examination must include a test of the applicant's (1)
24 eyesight, (2) ability to read and understand official traffic control
25 devices, (3) knowledge of safe driving practices, (4) knowledge of the
26 effects of alcohol and drugs on drivers and the dangers of driving
27 under the influence of alcohol or drugs, (5) knowledge of the laws on
28 driving while intoxicated, (6) knowledge of the laws on financial
29 responsibility and mandatory motor vehicle liability insurance, and

(7) knowledge of the traffic laws and regulations of the state. The examination may include a demonstration of ability to exercise ordinary and reasonable control in the driving of a motor vehicle of the type and general class of vehicles for which the applicant seeks a license. However, an applicant who has not been previously issued a driver's license by this or another jurisdiction shall demonstrate ability and shall present medical information that the department reasonably requires to determine fitness to safely drive a motor vehicle of the type and general class of vehicles for which the applicant seeks a license.

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

(a) The department shall examine every applicant for a driver's license. The examination must include a test of the applicant's (1) eyesight, (2) ability to read and understand official traffic control devices, (3) knowledge of safe driving practices, (4) knowledge of the effects of alcohol and drugs on drivers and the dangers of driving under the influence of alcohol or drugs, (5) knowledge of the laws on driving while intoxicated, (6) knowledge of the laws on financial responsibility, and (7) knowledge of the traffic laws and regulations of the state. The examination may include a demonstration of ability to exercise ordinary and reasonable control in the driving of a motor vehicle of the type and general class of vehicles for which the applicant seeks a license. However, an applicant who has not been previously issued a driver's license by this or another jurisdiction shall demonstrate ability and shall present medical information that the department reasonably requires to determine fitness to safely drive a motor vehicle of the type and general class of vehicles for which the applicant seeks a license.

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

1 (c) In this section, the term "proof of financial responsibility
2 [FOR THE FUTURE]" has the meaning given in AS 28.20.630 [AS 28.20.-
3 230(b)] and may be established as provided in AS 28.20.
4 * Sec. 27. AS 28.20.400(a) is amended to read:
5 (a) A person in whose name more than 25 vehicles are registered
6 in this state may qualify as a self-insurer by obtaining a certificate
7 of self-insurance issued by the department as provided in (b) of this
8 section. A person in whose name fewer than 25 vehicles are registered
9 qualifies as a self-insurer and shall be issued a certificate of
10 self-insurance, if the person provides proof satisfactory to the
11 department that the person has and will continue to have the ability
12 to pay a judgment for property damage, bodily injury, or both, in the
13 amount of at least $125,000.
14 * Sec. 28. AS 28.20.630 is amended to read:
15 Sec. 28.20.630. DEFINITIONS [DEFINITION]. In this chapter,
16 unless the context otherwise requires,
17 (1) "judgment" ["JUDGMENT"] means a judgment that [WHICH]
18 is final by expiration without appeal of the time within which an
19 appeal may be taken, or final by affirmation on appeal, given by a
20 court of a [ANY] state or of the United States, upon a cause of action
21 arising out of the ownership, maintenance, or use of a vehicle of a
22 type subject to registration under the laws of this state, for dam-
23 ages, including damages for care and loss of services, because of
24 bodily injury to or death of a person, or for damages because of
25 injury to or destruction of property, including the loss of use of
26 property, or upon a cause of action on an agreement of settlement for
27 such damages;
28 (2) "proof of financial responsibility" means an owner's
29 motor vehicle liability policy that covers all vehicles owned by the

1 person that are subject to registration in this state, or if the
2 person does not own a vehicle, proof required under AS 28.20.390.
3 * Sec. 29. Sections 2 and 9 of this Act apply to automobile liability
4 insurance policies entered into or renewed on or after January 1, 1990.
5 * Sec. 30. AS 28.20.230(b) is repealed.
6 * Sec. 31. AS 21.36.045, AS 28.10.051(b), and AS 28.22 are repealed.
7 * Sec. 32. REPORT. The Department of Public Safety shall report to the
8 legislature by the 30th day of the Second Session of the Seventeenth Alaska
9 State Legislature on the effects of the Alaska Mandatory Automobile Insur-
10 ance Act (AS 28.22). The report must include
11 (1) the percentage of persons involved in accidents who are
12 adequately compensated for resulting personal injury or property damage
13 under the Motor Vehicle Safety Responsibility Act (AS 28.20);
14 (2) the number of persons whose driver's license was suspended
15 for failing to comply with the Alaska Mandatory Automobile Insurance Act
16 (AS 28.22) and the disposition of those suspensions;
17 (3) the change, if any, in the percentage of uninsured drivers
18 during the period beginning July 1, 1989, and ending December 31, 1991; and
19 (4) recommended legislative changes.
20 * Sec. 33. Sections 11, 14, and 17 of this Act take effect January 1,
21 1990.
22 * Sec. 34. Sections 1, 2, 3, 5, 7, 9, 16, 18, 20, 22, 24, 26 - 30, and
23 32 of this Act take effect immediately under AS 01.10.070(c).
24 * Sec. 35. Sections 4, 6, 8, 10, 12, 13, 15, 19, 21, 23, 25, and 31 of
25 this Act take effect January 1, 1994.