

COMMITTEE REPORT
SENATE

FURTHER:

Date 2/11/70

Mr. President

The Committee on FINANCE considered CSHB 133(Fin)am

transportation safety and financial responsibility; efd

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for CSHB 133(Fin)
- new title
- same title and recommends do pass
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Handwritten Signature]
[Handwritten Signature]
[Handwritten Signature]
[Handwritten Signature]
[Handwritten Signature]
[Handwritten Signature]
[Handwritten Signature]

Chairman

Chairman recommendation



Official Business

Alaska State Legislature

Senate

Committee on Finance

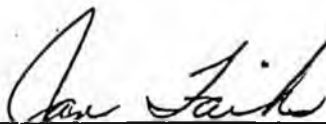
Pouch V
State Capitol
Juneau, Alaska 99811

LETTER OF INTENT
TO ACCOMPANY
SCS FOR CSHB 133 (FINANCE)

It is the intent of the Legislature that a study be undertaken by legislative staff to determine:

- 1) what federal safety regulations are applicable to Alaska intrastate air commerce, and which, if any, ought to be incorporated into the State's certification of compliance program;
- 2) if the hazardous flying conditions in Alaska warrant additional safety training for pilots as a condition of state certification of compliance;
- 3) the effects of phase out or elimination of the federal essential air service program on the reliability of air service to Alaska communities; and
- 4) the efficiency and effectiveness with which the Department of Commerce and Economic Development has established a motor vehicle safety inspection program.

The results of this study shall be reported to the Second Session of the Fourteenth Alaska Legislature not later than the tenth day after it convenes.



Jan Faiks, Co-chairman
Senate Finance Committee

Original sponsor: Rules/Governor

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
IN THE HOUSE

BY THE FINANCE COMMITTEE

SENATE CS FOR CS FOR HOUSE BILL NO. 133 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to transportation safety and financial responsibility; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA;

* Section 1. AS 28.10.041(a) is amended 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 this state;

(5) the department has reasonable grounds to believe that the vehicle was stolen or fraudulently acquired or that the granting of registration would be a fraud against the rightful owner or other 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 this state;

(7) the required fees, taxes, motor freight carrier fees or bus transportation fees have not been paid;

(8) the vehicle or applicant fails to comply with this

1 chapter or regulations authorized by this section;

2 (9) the vehicle is without a certificate of inspection
3 required under AS 42.30.300.

4 * Sec. 2. AS 42.30.200 is amended to read:

5 Sec. 42.30.200. FINANCIAL RESPONSIBILITY. (a) A person who
6 carries passengers or freight for hire intrastate in a motor vehicle
7 or an aircraft, or a person who carries freight in a motor vehicle for
8 commercial purposes, or a person who rents or leases a motor vehicle
9 for the use of another to carry freight shall procure and maintain
10 security in the following minimum amounts:

11 (1) \$200,000 for property damage in a single occurrence;

12 (2) \$500,000 for bodily injury or death in a single occur-
13 rence if a person operates a motor vehicle; and

14 (3) if a person operates an aircraft, an amount per seat
15 for bodily injury or death in a single occurrence that equals the
16 greater of

17 (A) \$100,000; or

18 *\$500,000 if the individual or business has*

19 (B) ~~the amount of the highest judgment or settlement~~
20 *agreed to pay or been ordered to pay over \$100,000 in*
21 *against the person in the preceding 10 years arising out of that*
22 *settlement of any passenger injury or death during the*
23 *person's operation of an aircraft, up to a maximum of \$1,000,000*
24 *preceding ten (10) years.*

25 per seat [AN AMOUNT DETERMINED BY THE DEPARTMENT OF PUBLIC SAFETY

26 AS NECESSARY FOR THE REASONABLE PROTECTION OF THE PUBLIC AGAINST
27 DAMAGES OR INJURY CAUSED BY THE PERSON].

28 (b) Evidence of security required under (a) of this section
29 shall be filed with the department and must be

(1) a policy or certificate of insurance issued by an
insurer acceptable to the department; or

(2) a bond of a surety company licensed to write surety
bonds in the state; or

1 (3) evidence accepted by the department, showing ability to
2 self-insure; or

3 (4) other security approved by the department.

4 (c) The department may authorize department personnel [ENFORCE-
5 MENT OFFICERS] to enforce this section and may adopt procedural regu-
6 lations necessary to implement this section.

7
8 * Sec. 3. AS 42.30.200 is amended by adding new subsections to read:

9 (d) A policy of insurance, surety bond, or other form of secur-
10 ity may not be cancelled on less than 30 days' written notice to the
11 department. This requirement must be clearly stated in the policy or
12 endorsement for an insurance policy submitted as proof of financial
13 responsibility under AS 42.30.225(a)(1). The 30-day notice period is
14 measured from the date on which the department receives notice.

15 (e) A person who violates (a) of this section is guilty of a
16 class B misdemeanor and is punishable by a fine of not less than \$500
17 or more than \$1,000.

18 * Sec. 4. AS 42.30 is amended by adding new sections to read:

19 Sec. 42.30.225. CERTIFICATION OF COMPLIANCE OF AIR CARRIERS.

20 (a) A person may not use an aircraft in air commerce before obtaining
21 an annual certificate of compliance for that aircraft from the depart-
22 ment. The department shall issue or renew a certificate of compliance
23 upon application and presentation of

24 (1) proof of financial responsibility required under
25 AS 42.30.200;

26 (2) proof of compliance with Federal Aviation Administra-
27 tion requirements, and, where applicable, federal certification for
28 scheduled airline service.

29 (b) The annual fee for a certificate of compliance is \$50. The
certificate is valid for a period of 12 months following the date of

1 certification. The certificate shall be displayed on the aircraft so
2 that is is visible to boarding passengers.

3 (c) A federally-certificated interstate air carrier that pro-
4 vides intrastate service between points in the state on an interstate
5 or foreign route, and who uses, for that intrastate service, aircraft
6 based primarily outside the state, shall also obtain a certificate of
7 compliance for each aircraft used in intrastate service.

8 (d) Use of an aircraft in air commerce before obtaining a cer-
9 tificate of compliance required under (a) of this section may be cause
10 for denial of the certificate.

11 (e) A person who has obtained a certificate to use an aircraft
12 in air commerce from the Alaska Transportation Commission before the
13 effective date of this Act is not required to obtain a certificate of
14 compliance under (a) of this section until the date the insurance
15 policy for the aircraft is renewed.

16 (f) The department may authorize department personnel to enforce
17 this section and may adopt procedural regulations necessary to imple-
18 ment this section.

19
20 ARTICLE 6. MOTOR VEHICLE SAFETY INSPECTIONS.

21 Sec. 42.30.300. MOTOR VEHICLE SAFETY INSPECTIONS. (a) After
22 January 1, 1986, a motor vehicle may not be operated without a certi-
23 ficate of inspection. An owner of a motor vehicle shall renew a
24 certificate of inspection at least twice a year at an official in-
25 spection station under AS 42.30.320. An owner of a motor vehicle
26 shall display a sticker of inspection visible from outside the vehicle
27 in a location determined by the department.

28 (b) The commissioner of commerce and economic development may
29 adopt procedural regulations appropriate to achieve reciprocity with
other western states and procedural regulations necessary to implement

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
this section.

Sec. 42.30.310. EXEMPTIONS. A motor vehicle is exempt from the requirements of AS 42.30.300 if it is

(1) owned by the federal government;

(2) used and operated by a person who uses the motor vehicle exclusively for other than commercial purposes; or

(3) is driven or moved on a highway, vehicular way, or a public parking place in the state that is not connected by a land highway or vehicular way to

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

(B) a highway or vehicular way with an average daily traffic volume greater than 499.

Sec. 42.30.320. OFFICIAL INSPECTION STATIONS. (a) A person may not operate an inspection station without a permit from the department. The department shall approve an application for permit to operate an inspection station if

(1) the department determines the inspection station has proper equipment and competent personnel; and

(2) a certified vehicle inspector under AS 42.30.330 is employed at the inspection station.

(b) After the department approves an application for permit to operate an official inspection station under (a) of this section, it shall provide the applicant with a permit and certificates of inspection.

(c) Upon receipt of a permit from the department under (a) of this section, the operator of an official inspection station shall post the permit in a conspicuous place at the location designated by the department.

(d) The department may inspect a motor vehicle or enter the

1 premises of an official inspection station at any time to inspect the
2 work of the certified vehicle inspectors under AS 42.30.330 or to
3 determine if the operator continues to meet the requirements of this
4 section.

5 (e) The department shall suspend or revoke a permit of an opera-
6 tor of an official inspection station if the operator fails to meet
7 the requirements of this section.

8 (f) Upon notice of suspension or revocation of a permit under
9 (e) of this section, the operator of an official inspection station
10 shall immediately terminate all inspection activities, and on demand
11 by the department, return the permit and all certificates of inspec-
12 tion. The department shall issue a receipt for all returned certifi-
13 cates of inspection.

14 (g) If a permit is suspended or revoked under (e) of this sec-
15 tion, the department shall give an operator of an official inspection
16 station a hearing, upon written request filed with the department
17 within 10 days after suspension or revocation.

18 (h) A permit to operate an official inspection station may not
19 be assigned, transferred, or used at a location other than the lo-
20 cation designated by the department.

21 Sec. 42.30.330. CERTIFICATION OF VEHICLE INSPECTORS. (a) A
22 person may not conduct a motor vehicle inspection at an official
23 inspection station under AS 42.30.320 unless certified as a vehicle
24 inspector by the department.

25 (b) The department may suspend or revoke the certification
26 issued to a vehicle inspector under (a) of this section if the vehicle
27 inspector improperly conducts inspections or fails to comply with a
28 provision of this section.

29 (c) If a certificate is revoked or suspended under (b) of this

1
2 section the department shall give a vehicle inspector a hearing upon
3 written request filed with the commissioner within 10 days after
4 denial or suspension.

5 Sec. 42.30.340. ISSUANCE OF CERTIFICATE OF INSPECTION. (a) A
6 person operating an official inspection station shall issue a certifi-
7 cate of inspection to the owner of a motor vehicle after determining
8 the motor vehicle is in a safe and mechanically sound condition.

9 (b) A person operating an official inspection station shall keep
10 a record of each inspection performed at the station, and the depart-
11 ment may audit the records of an official inspection station at any
12 time.

13 Sec. 42.30.350. FALSELY REPRESENTING TO BE AN OFFICIAL STATION.

14 (a) A person may not represent a place as an official inspection
15 station unless the station is operating under a valid permit issued by
16 the department under AS 42.30.320.

17 (b) A person may not issue a certificate of inspection unless
18 the person holds a valid permit under AS 42.30.320.

19 Sec. 42.30.360. COUNTERFEIT CERTIFICATES OF INSPECTION. (a) A

20 person may not make, issue, or knowingly use an imitation or counter-
21 feit of an official certificate of inspection.

22 (b) A person may not knowingly display or issue a certificate
23 of inspection on a motor vehicle unless the motor vehicle has met the
24 requirements of AS 42.30.340.

25 Sec. 42.30.370. VIOLATION A MISDEMEANOR. A person who violates
26 a provision of AS 42.30.300 - 42.30.360 is guilty of a class B misde-
27 meanor.

28 Sec. 42.30.380. DEFINITIONS. (a) In AS 42.30.200 - 42.30.380,

29 (1) "air carrier" means a person undertaking to engage in
air commerce, whether directly or indirectly, or by lease, contract,

1 or any other arrangement, and whether over regular or irregular
2 routes;

3 (2) "air commerce" means carriage by aircraft of persons or
4 freight for commercial purposes or hire in intrastate commerce, in-
5 cluding the carriage by aircraft of persons or freight that move
6 partly by aircraft and partly by other forms of transportation;

7 (3) "aircraft" means a propeller or jet-powered device used
8 or designed for flight in the air;

9 (4) "commercial purposes" means activities for which the
10 person receives direct monetary compensation and does not include
11 activities incidental to and done in furtherance of the person's
12 primary business;

13 (5) "department" means the Department of Commerce and
14 Economic Development;

15 (6) "freight" means commodities, articles, and cargo, of
16 whatever nature or value, excluding garbage and trash;

17 (7) "highway" has the meaning given in AS 28.40.100;

18 (8) "motor vehicle" means

19 (A) a truck of more than 10,000 pounds unladen gross
20 vehicle weight used upon a public highway of this state; and

21 (B) a trailer registered in this state of more than
22 5,000 pounds unladen gross vehicle weight and used upon a public
23 highway of this state;

24 (9) "vehicular way" has the meaning given in AS 28.40.100.

25 (b) In AS 42.30.300 - 42.30.370, "motor vehicle" includes a
26 school bus.

27 * Sec. 5. AS 44.33.020 is amended by adding a new paragraph to read:

28 (27) implement the safety and financial responsibility
29 requirements for motor vehicles and air carriers under AS 42.30.200 -

1
2 42.30.380.

3 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-
4 10.070(c).
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

chapter or regulations authorized by this section;

(9) the vehicle is without a certificate of inspection required under AS 42.30.300.

* Sec. 2. AS 42.30.200 is amended to read:

Sec. 42.30.200. FINANCIAL RESPONSIBILITY. (a) A person who carries passengers or freight for hire intrastate in a motor vehicle or an aircraft, or a person who carries freight in a motor vehicle for commercial purposes, or a person who rents or leases a motor vehicle for the use of another to carry freight shall procure and maintain security in the following minimum amounts:

(1) \$200,000 for property damage in a single occurrence;

(2) \$500,000 for bodily injury or death in a single occurrence if a person operates a motor vehicle; and

(3) if a person operates an aircraft, an amount per seat for bodily injury or death in a single occurrence that equals

(A) \$100,000; or

(B) \$500,000 if the person has agreed to pay or has been ordered to pay \$100,000 or more to another in order to satisfy a settlement or judgment relating to bodily injury or death, caused by the operation of an aircraft within the preceding 10 years [AN AMOUNT DETERMINED BY THE DEPARTMENT OF PUBLIC SAFETY AS NECESSARY FOR THE REASONABLE PROTECTION OF THE PUBLIC AGAINST DAMAGES OR INJURY CAUSED BY THE PERSON].

(b) Evidence of security required under (a) of this section shall be filed with the department and must be

(1) a policy or certificate of insurance issued by an insurer acceptable to the department; or

(2) a bond of a surety company licensed to write surety bonds in the state; or

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/resolution No.: SCSHCSHB 133
Title: An Act . . . to regulate safety of motor carriers
Sponsor: Rules Committee
Requestor: Governor
Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Econ. Dev.
Program Category Affected: Public Safety
BRU, Program or Subprogram(s) Affected: Division of Measurement Standards

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
100 PERSONAL SERVICES	128.5	338.5				
200 TRAVEL	10.0	30.0				
300 CONTRACTUAL	55.0	40.8				
400 SUPPLIES	2.5	3.5				
500 EQUIPMENT	15.0	8.0				
500 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
300 MISCELLANEOUS						
TOTAL OPERATING	211.0	420.8				

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	211.0	420.8				
FEDERAL FUNDS						
OTHER						
TOTAL	211.0	420.8				

POSITIONS:

FULL-TIME	7	7				
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

See attached.

Prepared By: Joseph L. Swanson, Director
Division: Measurement Standards
Approved by Commissioner: Loren H. Lounsbury
Agency: Commerce and Economic Development

Phone: 345-7750
Date: _____
Date: 4/8/85

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

7/1/84

A/B

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST Page 1 of 2 FISCAL DETAIL
Bill/Resolution No.: CSHB133 (Fin) Agency Affected: Dept. Commerce & Ec. Devel
Title: An Act relating to trans. Program Category Affected: Consumer Pro-
tection
Sponsor: _____ BRU, Program or Subprogram(s) Affected:
Requestor: _____ Measurement Standards
Date of Request: _____

safety and financial responsibility

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-				

CAPITAL						
---------	--	--	--	--	--	--

REVENUE	-0-	110.1				
---------	-----	-------	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	-0-	-0-				
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

see attachment

Prepared By: HFC Subcommittee on CSHB 133 Phone: 465-3709
Division: _____ Date: _____

Approved by Commissioner: _____ Date: 3-18-85
Agency: _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

ZERO FISCAL NOTE & ANALYSIS

House Finance Subcommittee Analysis:

No additional General Funds are authorized to implement the duties required of the Division of Measurement Standards by this bill.

The Division of Measurement Standards currently has 39 permanent full-time positions and 9 permanent part-time positions.

The original fiscal note for HB 133, prepared by the Department, estimated 1986 cost to implement the provisions of the bill at \$110.1. Specifically, the Division will be responsible under this bill for receiving the carriers' proof of insurance and proof of FAA certification then issuing a certification that the carrier has complied with this section. It is estimated that between 225 and 250 intra-state carriers will be affected by this bill. The Division's operating budget is sufficient to absorb the additional cost.

Page 2 paragraph (f), line 18 requires the department to charge and collect fees necessary to implement this section. In accordance with this section, the department will collect costs incurred in connection with this program from the air carriers affected (estimated by the department at \$110.1). This revenue will be deposited in the General Fund.

A/B

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: NA 153
Title: "...Public Safety to reg. safety of commerical vehicles..."
Sponsor: _____
Requestor: _____
Date of Request: _____

FISCAL DETAIL

Agency Affected: Public Safety
Program Category Affected: Public Protection
BRU, Program or Subprogram(s) Affected: Division of Motor Vehicles - Commercial Vehicle Safety

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES		250.0	250.0	250.0	250.0	250.0
200 TRAVEL		3.0	3.2	3.4	3.6	3.8
300 CONTRACTUAL		66.0	53.6	56.3	59.1	62.1
400 SUPPLIES		7.0	7.4	7.8	8.2	8.6
500 EQUIPMENT		30.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		356.0	314.2	317.5	320.9	324.5

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
GENERAL FUND						
FEDERAL FUNDS		356.0	314.2	317.5	320.9	324.5
OTHER						
TOTAL		356.0	314.2	317.5	320.9	324.5

POSITIONS:

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
FULL-TIME		6.0	6.0	6.0	6.0	6.0
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Marcia Lynn McKenzie
Division: Administrative Services

Phone: 465-4349
Date: 1/22/85

Approved by Commissioner: Robert J. Sundberg
Agency: Public Safety

Date: 1/29/85

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

7/1/84

100-113-1-1-2 of 8

COST ANALYSIS

The following costs are for administration of permitting, certification, bonding and insurance. These costs are in addition to the positions and funding included in the Governor's budget which are for vehicle safety inspections.

Personal Services \$250.0

1 Administrative Support Center Supervisor	Range 14
4 Administrative Support Technicians	Range 12
1 Accounting Technician II	Range 14

It is anticipated that the positions, located in Anchorage, will be transferred from the ATC component, along with needed office equipment (desks, chairs, etc.). Minimal overtime and negotiated one-time compensatory payments are included.

Travel 3.0

Contractual Services 66.0

Telephone, postage, etc.	\$25.0
Printing of applications, forms, advertisements, etc.	8.0
Space Lease	15.0
Maintenance on data/word processing equipment	1.3
Copier costs	3.0
Professional fees (Dept. of Law)	12.0
Risk Management	1.7

Supplies and Materials 7.0

Office and library supplies

Equipment 30.0

Data/word processors

	<hr style="width: 20%; margin-left: auto; margin-right: 0;"/> TOTAL \$356.0
--	---

For FY 87, space lease costs are transferred to the Department of Administration. A five percent annual inflation adjustment is applied beginning in FY 87.

Alaska State Legislature

SENATOR
JOHN B. "JACK" COGHILL
Chairman

Senator Jan Falks—Vice Chairman
Senator Mitch Abood
Senator Paul Fischer
Senator Joe Josephson

POUCH V
JUNEAU, ALASKA 99811
(907) 465-4921



Senate Committee on Transportation

April 25, 1985

MEMORANDUM

To: Finance committee members
From: Transportation committee staff *jm*
Re: Analysis for SCS CSHB 133 (Trans)

HB 133 was identical to SB 103 when the two bills were introduced by the Governor early in the session. They remained essentially the same through their first committee substitutes, and it was not until House Finance amended HB 133 substantially that the two bills diverged.

The version passed by the House deals only with air commerce, and leaves motor vehicle inspections to further study. This bill was passed by the House on Monday, March 25.

Meanwhile, SB 103 moved from the transportation committee in late February and ran into some difficulties in Senate Finance, where it remains today. Those concerns, primarily that private carriers should not become regulated upon the demise of the ATC, and that the gravel-haulers be covered by the bill, have been explored in subsequent drafts.

The intent of the Transportation CS is to put the three components of the issue - insurance, certification of aircraft, and truck inspections - back together into one bill.

* Sec. 1 allows DIV to refuse to issue a vehicle registration if the vehicle does not have a current certificate of inspection.

* Sec. 2 makes changes to the financial responsibility language passed by the initiative to do the following: exclude vehicles not used for commercial purposes, and include vehicles rented or leased to another to carry freight; set insurance minimums at \$200,000 for property damage, \$500,000 for bodily injury or death, and \$100,000 per seat for aircraft. This insurance requirement would be overseen by DCED. In the House Finance version, this section deals only with aircraft, and leaves motor vehicle insurance in Public Safety. The

House financial responsibility language further allows the DCED commissioner to set the insurance minimums, but mandates not less than \$200,000 per seat for bodily injury or death, and \$25,000 for property damage. The \$200,000 resulted from a floor amendment in the House on reconsideration.

* Sec. 3 would amend the insurance language by adding sections to require 30-day notice of cancellation, and to make a violation of the insurance requirement a Class B misdemeanor, with a fine of at least \$500, and not more than \$1000. The comparable House language increases the crime to a Class A misdemeanor, with a fine of between \$1000 and \$5000.

House Finance also added language at this point to allow the department to charge and collect fees for this service - a provision that is apparently misplaced. It was intended to have been for the certification of compliance of aircraft.

* Sec. 4 of the Senate CS establishes the certificate of compliance for aircraft, which is substantially different from the House version. The House has eliminated: The \$50.00 fee; the requirement that the certificate be displayed for boarding passengers to read; the requirement that interstate carriers obtain the certificate and the provision allowing current ATC-authorized carriers to continue to use their aircraft without certification until their insurance must be renewed. The elimination of this last provision will mean that immediately following the effective date of this Act, every air carrier will have to obtain the certificate of compliance, or fly in violation of the law.

The next portion of Sec. 4 establishes the motor vehicle safety inspection program, for which no comparable language exists in the House bill. The language of the new CS is substantially the same as that contained in our CS for SB 103, with the following modifications:

- Non-commercial users are exempted from inspection (P.4, L.29)
- Rural areas are exempted from inspection (P.5, L.2)
- The definition of "commercial purposes" is changed to exclude "activities incidental to and done in furtherance of the person's primary business" (P.8, L5)
- A definition for "vehicular way" is provided (P.8, L.20)
- School buses are included in the inspection requirement (P.8, L.21)

* Sec. 5 provides an immediate effective date, as is also provided in the House version.

Offered: 4/9/85
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE

Finance
BY THE ~~TRANSPORTATION~~ COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 133 (~~Transportation~~)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to transportation safety and finan-
7 cial responsibility; and providing for an effective
8 date."

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

10 * Section 1. AS 28.10.041(a) is amended to read:

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

12 (1) the application contains a false or fraudulent state-
13 ment;

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

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

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

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

25 (6) the registration of the vehicle has been suspended or
26 revoked for any reason under the laws of this state;

27 (7) the required fees, taxes, motor freight carrier fees or
28 bus transportation fees have not been paid;

29 (8) the vehicle or applicant fails to comply with this

1 chapter or regulations authorized by this section;

2 (9) the vehicle is without a certificate of inspection
3 required under AS 42.30.300.

4 * Sec. 2. AS 42.30.200 is amended to read:

5 Sec. 42.30.200. FINANCIAL RESPONSIBILITY. (a) A person who
6 carries passengers or freight for hire intrastate in a motor vehicle
7 or an aircraft, or a person who carries freight in a motor vehicle for
8 commercial purposes, or a person who rents or leases a motor vehicle
9 for the use of another to carry freight shall procure and maintain
10 security in the following minimum amounts:

11 (1) \$200,000 for property damage in a single occurrence;

12 (2) \$500,000 for bodily injury or death in a single occur-
13 rence if a person operates a motor vehicle; and

14 (3) \$100,000 per seat for bodily injury or death in a
15 single occurrence if a person operates an aircraft [AN AMOUNT DE-
16 TERMINED BY THE DEPARTMENT OF PUBLIC SAFETY AS NECESSARY FOR THE
17 REASONABLE PROTECTION OF THE PUBLIC AGAINST DAMAGES OR INJURY CAUSED
18 BY THE PERSON].

19 (b) Evidence of security required under (a) of this section
20 shall be filed with the department and must be

21 (1) a policy or certificate of insurance issued by an
22 insurer acceptable to the department; or

23 (2) a bond of a surety company licensed to write surety
24 bonds in the state; or

25 (3) evidence accepted by the department, showing ability to
26 self-insure; or

27 (4) other security approved by the department.

28 (c) The department may authorize department personnel [ENFORCE-
29 MENT OFFICERS] to enforce this section and may adopt procedural

*or the amount
of the maximum
seat award
resulting from
a loss by
that carrier
or pilot
during the
preceding
ten (10) years
up to a
maximum
of \$1 million
per seat
if applicable*

1 regulations necessary to implement this section.

2 * Sec. 3. AS 42.30.200 is amended by adding new subsections to read:

3 (d) A policy of insurance, surety bond, or other form of secur-
4 ity may not be cancelled on less than 30 days' written notice to the
5 department. This requirement must be clearly stated in the policy or
6 endorsement for an insurance policy submitted as proof of financial
7 responsibility under AS 42.30.225(a)(1). The 30-day notice period is
8 measured from the date on which the department receives notice.

9 (e) A person who violates (a) of this section is guilty of a
10 class B misdemeanor and is punishable by a fine of not less than \$500
11 or more than \$1,000.

12 * Sec. 4. AS 42.30 is amended by adding new sections to read:

13 Sec. 42.30.225. CERTIFICATION OF COMPLIANCE OF AIR CARRIERS.

14 (a) A person may not use an aircraft in air commerce before obtaining
15 an annual certificate of compliance for that aircraft from the depart-
16 ment. The department shall issue or renew a certificate of compliance
17 upon application and presentation of

18 (1) proof of financial responsibility required under
19 AS 42.30.200;

20 (2) proof of compliance with Federal Aviation Administra-
21 tion requirements, and, where applicable, federal certification for
22 scheduled airline service.

23 (b) The annual fee for a certificate of compliance is \$50. The
24 certificate is valid for a period of 12 months following the date of
25 certification. The certificate shall be displayed on the aircraft so
26 that it is visible to boarding passengers.

27 (c) A federally-certificated interstate air carrier that pro-
28 vides intrastate service between points in the state on an interstate
29 or foreign route, and who uses, for that intrastate service, aircraft

1 based primarily outside the state, shall also obtain a certificate of
2 compliance for each aircraft used in intrastate service.

3 (d) Use of an aircraft in air commerce before obtaining a cer-
4 tificate of compliance required under (a) of this section may be cause
5 for denial of the certificate.

6 (e) A person who has obtained a certificate to use an aircraft
7 in air commerce from the Alaska Transportation Commission before the
8 effective date of this Act is not required to obtain a certificate of
9 compliance under (a) of this section until the date the insurance
10 policy for the aircraft is renewed.

11 (f) The department may authorize department personnel to enforce
12 this section and may adopt procedural regulations necessary to imple-
13 ment this section.

14 ARTICLE 6. MOTOR VEHICLE SAFETY INSPECTIONS.

15 Sec. 42.30.300. MOTOR VEHICLE SAFETY INSPECTIONS. (a) ^{After Jan 1, 1986,} A motor
16 vehicle may not be operated without a certificate of inspection. An
17 owner of a motor vehicle shall renew a certificate of inspection at
18 least twice a year at an official inspection station under AS 42.30.-
19 320. An owner of a motor vehicle shall display a sticker of inspec-
20 tion visible from outside the vehicle in a location determined by the
21 department.

22 (b) The commissioner of commerce and economic development may
23 adopt procedural regulations appropriate to achieve reciprocity with
24 other western states and procedural regulations necessary to implement
25 this section.

26 Sec. 42.30.310. EXEMPTIONS. A motor vehicle is exempt from the
27 requirements of AS 42.30.300 if it is

- 28 (1) owned by the federal government;
29 (2) owned and operated by a person who uses the motor

1 vehicle exclusively for other than commercial purposes; or
2 (3) is driven or moved on a highway, vehicular way, or a
3 public parking place in the state that is not connected by a land
4 highway or vehicular way to
5 (A) the land-connected state highway system, or
6 (B) a highway or vehicular way with an average daily
7 traffic volume greater than 499.

8 Sec. 42.30.320. OFFICIAL INSPECTION STATIONS. (a) A person may
9 not operate an inspection station without a permit from the depart-
10 ment. The department shall approve an application for permit to
11 operate an inspection station if
12 (1) the department determines the inspection station has
13 proper equipment and competent personnel; and
14 (2) a certified vehicle inspector under AS 42.30.330 is
15 employed at the inspection station.

16 (b) After the department approves an application for permit to
17 operate an official inspection station under (a) of this section, it
18 shall provide the applicant with a permit and certificates of inspec-
19 tion.

20 (c) Upon receipt of a permit from the department under (a) of
21 this section, the operator of an official inspection station shall
22 post the permit in a conspicuous place at the location designated by
23 the department.

24 (d) The department may inspect a motor vehicle or enter the
25 premises of an official inspection station at any time to inspect the
26 work of the certified vehicle inspectors under AS 42.30.330 or to
27 determine if the operator continues to meet the requirements of this
28 section.

29 (e) The department shall suspend or revoke a permit of an

1 operator of an official inspection station if the operator fails to
2 meet the requirements of this section.

3 (f) Upon notice of suspension or revocation of a permit under
4 (e) of this section, the operator of an official inspection station
5 shall immediately terminate all inspection activities, and on demand
6 by the department, return the permit and all certificates of inspec-
7 tion. The department shall issue a receipt for all returned certifi-
8 cates of inspection.

9 (g) If a permit is suspended or revoked under (e) of this sec-
10 tion, the department shall give an operator of an official inspection
11 station a hearing, upon written request filed with the department
12 within 10 days after suspension or revocation.

13 (h) A permit to operate an official inspection station may not
14 be assigned, transferred, or used at a location other than the lo-
15 cation designated by the department.

16 Sec. 42.30.330. CERTIFICATION OF VEHICLE INSPECTORS. (a) A
17 person may not conduct a motor vehicle inspection at an official
18 inspection station under AS 42.30.320 unless certified as a vehicle
19 inspector by the department.

20 (b) The department may suspend or revoke the certification
21 issued to a vehicle inspector under (a) of this section if the vehicle
22 inspector improperly conducts inspections or fails to comply with a
23 provision of this section.

24 (c) If a certificate is revoked or suspended under (b) of this
25 section the department shall give a vehicle inspector a hearing upon
26 written request filed with the commissioner within 10 days after
27 denial or suspension.

28 Sec. 42.30.340. ISSUANCE OF CERTIFICATE OF INSPECTION. (a) A
29 person operating an official inspection station shall issue a

1 certificate of inspection to the owner of a motor vehicle after deter-
2 mining the motor vehicle is in a safe and mechanically sound
3 condition.

4 (b) A person operating an official inspection station shall keep
5 a record of each inspection performed at the station, and the depart-
6 ment may audit the records of an official inspection station at any
7 time.

8 Sec. 42.30.350. FALSELY REPRESENTING TO BE AN OFFICIAL STATION.

9 (a) A person may not represent a place as an official inspection
10 station unless the station is operating under a valid permit issued by
11 the department under AS 42.30.320.

12 (b) A person may not issue a certificate of inspection unless
13 the person holds a valid permit under AS 42.30.320.

14 Sec. 42.30.360. COUNTERFEIT CERTIFICATES OF INSPECTION. (a) A
15 person may not make, issue, or knowingly use an imitation or counter-
16 feit of an official certificate of inspection.

17 (b) A person may not knowingly display or issue a certificate
18 of inspection on a motor vehicle unless the motor vehicle has met the
19 requirements of AS 42.30.340.

20 Sec. 42.30.370. VIOLATION A MISDEMEANOR. A person who violates
21 a provision of AS 42.30.300 - 42.30.360 is guilty of a class B misde-
22 meanor.

23 Sec. 42.30.380. DEFINITIONS. (a) In AS 42.30.200 - 42.30.380,

24 (1) "air carrier" means a person undertaking to engage in
25 air commerce, whether directly or indirectly, or by lease, contract,
26 or any other arrangement, and whether over regular or irregular
27 routes;

28 (2) "air commerce" means carriage by aircraft of persons or
29 freight, for compensation or hire, in intrastate commerce, *including*
for commercial purposes
SCS CSHB 133(Trsp)

1 the carriage by aircraft of persons or freight that move partly by
2 aircraft and partly by other forms of transportation;

3 (3) "aircraft" means a propeller or jet-powered device used
4 or designed for flight in the air;

5 (4) "commercial purposes" means activities for which the
6 person receives direct monetary compensation and does not include
7 activities incidental to and done in furtherance of the person's
8 primary business;

9 (5) "department" means the Department of Commerce and
10 Economic Development;

11 (6) "freight" means commodities, articles, and cargo, of
12 whatever nature or value, excluding garbage and trash;

13 (7) "highway" has the meaning given in AS 28.40.100;

14 (8) "motor vehicle" means

15 (A) a truck of more than 10,000 pounds unladen gross
16 vehicle weight used upon a public highway of this state; and

17 (B) a trailer registered in this state of more than
18 5,000 pounds unladen gross vehicle weight and used upon a public
19 highway of this state;

20 (9) "vehicular way" has the meaning given in AS 28.40.100.

21 (b) In AS 42.30.300 - 42.30.370, "motor vehicle" includes a
22 school bus.

23 * Sec. 5. AS 44.33.020 is amended by adding a new paragraph to read:

24 (27) implement the safety and financial responsibility
25 requirements for motor vehicles and air carriers under AS 42.30.200 -
26 42.30.380.

27 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-
28 10.070(c).

HOUSE JOURNAL

HOUSE FINANCE COMMITTEE
LETTER OF INTENT
For
CSHB 133 (Finance)

It is the intent of the Legislature that a study be undertaken by legislative staff to determine:

- 1) what federal safety regulations are applicable to Alaska intrastate air commerce, and which, if any, ought to be incorporated into the State's certification of compliance program;
- 2) if the hazardous flying conditions in Alaska warrant additional safety training for pilots as a condition of state certification of compliance; and
- 3) the effects of phase out or elimination of the federal essential air service program on the reliability of air service to Alaska communities.

+4) SB103



Al Adams, Chairman
House Finance Committee

Adopted by House 3/25/85
HOUSE LETTER OF INTENT

Alaska State Legislature

SENATOR
JOHN B. "JACK" COGHILL
Chairman

Senator Jan Fulk—Vice Chairman
Senator Mitch Aboud
Senator Paul Fischer
Senator Joe Josephson



POUCH V
JUNEAU, ALASKA 99811
(907) 465-4921

Senate Committee on Transportation

LETTER OF INTENT

to Accompany CSSB 103 (Trans)

It is the intent of the Legislature that a study be undertaken by legislative staff to determine 1.) the effects of deregulation on air transportation service to the bush, and what measures, if any, the Legislature ought to address to ensure a minimally acceptable level of service to those areas of the state; 2.) the effects of early phase-out of the 406 Essential Air Service subsidies by the federal government on air service to rural Alaska; 3.) what federal safety regulations are applicable to Alaska intrastate air commerce, and which, if any, ought to be incorporated into the State's certification of compliance program; and 4.) the efficiency and effectiveness with which the Department of Commerce and Economic Development has established a motor vehicle safety inspection program. The results of this study shall be reported to the Second Session of the Fourteenth Alaska Legislature not later than the tenth day after it convenes.

SENATE COMMITTEE ON TRANSPORTATION

A large, stylized handwritten signature in black ink, appearing to read "John B. Coghill".

Senator John B. Coghill, Chairman

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 25, 1985

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill authorizing the Department of Public Safety (DPS) to regulate the safety of motor carrier and air carrier operations. This bill amends AS 42.30.200, enacted by the Alaska Transportation Commission (ATC) initiative in the last general election, and creates several new sections in AS 42.30.

The intent of this legislation is to allow DPS to maintain an adequate level of safety requirements for commercial air and motor vehicle operations after the ATC's authority to do so is abolished. This is consistent with the portion of the initiative's statement of purpose that acknowledges that "other government agencies can insure safety standards while allowing persons to contract freely for services." The initiative has already authorized DPS to establish financial responsibility requirements and to enforce them. AS 42.30.200. This bill goes further by adding other sections to AS 42.30 to require registration of air and certain motor carriers and compliance with motor vehicle safety regulations or federal aircraft safety rules for those carriers.

The bill forbids certain motor carriers and air carriers to operate in Alaska without complying with its provisions. Proposed AS 42.30.195. The definitions for motor and air carriers, motor vehicles, aircraft, etc. are found in proposed AS 42.30.270, and were adapted from the definitions in the Motor Freight Carrier Act (AS 42.10.420) and the Air Commerce Act of 1960 (AS 02.05.250). The definitions differ from their predecessors in two ways: the four categories of motor carriers formerly recognized have been deleted and the term "motor carrier" now includes buses. Proposed AS 42.30.197 incorporates the provisions of AS 42.10.020 exempting certain vehicles from coverage, and adds exemptions

for school buses and for buses with a seating capacity of fewer than 16 persons.

The financial responsibility statute enacted by the initiative is clarified by a few amendments. AS 42.30.200. To conform the statute's terminology to other sections of the bill, the phrase "a person who carries passengers or freight for hire intrastate" is changed to "a person operating as a motor carrier or a person engaged in air commerce." A provision from AS 02.05.136 has been added, requiring 30 days' notice to DPS before insurance or surety bonds may be cancelled. The requirement that regulations be adopted under AS 42.30.200 was also added.

Proposed AS 42.30.205 gives the department the discretionary power to adopt regulations requiring carriers to obtain bonding. This provision is modeled after AS 42.10.100 and is intended to protect the public that uses the carrier's services. In keeping with the practice set up by AS 42.10.113, motor carriers are required to place their identification on their motor vehicles. Proposed AS 42.30.210.

The bill creates a new system of carrier registration. Unlike the ATC's system of issuing permits or certificates based on public convenience and necessity, this registration plan does not economically regulate entry into air or motor commerce. An intrastate motor carrier that is required to register will be registered if three simple conditions are met: the carrier shows proof of financial responsibility (which AS 42.30.200 already requires) and bonding (if required by regulation), and provides proof of compliance with safety regulations. Proposed AS 42.30.215. This latter element will be met by having all vehicles inspected by the department, or an authorized representative, once every six months, as provided in proposed AS 42.30.230(b). The inspections would be performed free of charge by a non-uniformed DPS employee. An interstate motor carrier will register its Interstate Commerce Commission (ICC) authority under proposed AS 42.30.220 just as it did under AS 42.10.135. Interstate carriers will be required to comply with Alaska's safety regulations and obtain bonding, if directed by regulation, but they will not be subject to this bill's insurance or inspection rules because those matters are governed by federal authority. An air carrier registers by providing proof of insurance, bonding, and compliance with federal safety laws. Proposed AS 42.30.225. As was set out in AS 02.05.090, air carriers must also register each aircraft used and pay an annual aircraft registration fee. Proposed AS 42.30.225(e) and (f).

Proposed AS 42.30.235 gives DPS the ability to adopt regulations, under the Administrative Procedure Act, to carry out the bill's provisions. Other than the definitions portion, the remainder of the bill deals with enforcement and penalties for operating in violation of the provisions of this bill. If any carrier operates without the necessary insurance or bonding, or if an air carrier fails to register its aircraft, the carrier's registration can be summarily suspended, with an administrative hearing provided within 10 days. Proposed AS 42.30.240(a). This is similar to the ATC's stop-order authority in AS 42.07.181. There are three other bases for revocation, although they are not grounds for pre-hearing suspension: intentional misrepresentation of a material fact in obtaining registration; intentional failure to comply with the provisions of this bill or regulations adopted under them; and failure to pay applicable fees. Proposed AS 42.30.240(b). Carriers with a suspended registration may cure the defect any time before the hearing, or after a hearing and before registration is revoked. Proposed AS 42.30.240(c). However, if registration is revoked for any reason, the carrier must pay fees and reapply to become registered again. Revocations are appealable to the superior court. Proposed AS 42.30.240(d).

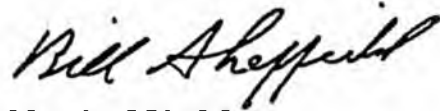
In addition to the ability to administratively handle violations by lifting a carrier's registration, DPS may also pursue enforcement actions in court. Under proposed AS 42.30.245(a)(4), designated representatives of the department may issue citations for violation of the commercial motor vehicle safety regulations. The department may pursue an action in superior court to enforce its statutes and regulations (proposed AS 42.30.245(b)) and seek a misdemeanor conviction or payment of civil penalties where applicable. Proposed AS 42.30.250 and 42.30.255. A knowing act or omission in violation of any of this bill's provisions is a misdemeanor punishable by a fine of not more than \$500, and payment of the costs of prosecution. Proposed AS 42.30.250 (modeled after AS 42.10.393 and AS 02.05.230). Carriers who operate without the necessary insurance or bonding while their registration is suspended, or who operate without obtaining registration or while registration is revoked, are subject to a civil penalty equal to the amount of revenue earned as a result of their operation, or up to \$1,000, whichever is greater. Proposed AS 42.30.255 (comparable to AS 42.10.394 and AS 02.05.231). Aircraft or motor vehicles used in commerce before registration is obtained, or after registration is revoked, may be seized by DPS. The court may order the aircraft or vehicle forfeited to the state, or may release it to the offending carrier upon payment of civil or criminal penalties. Proposed

AS 42.30.245(c).

The initiative's action in abolishing the ATC and in effecting the economic deregulation of the transportation industry in Alaska creates a new era for both Alaska's residents and its industry. I believe that it is important that the legislative and executive branches of government cooperate to the fullest extent to establish a program that achieves the intent of the initiative and provides an adequate level of safety to protect the general public. I am willing to explore with the legislature other approaches to accomplishing this objective.

I urge prompt consideration of this measure before February 28, 1985 so that the roads and skies will remain safe for business and the public.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield".

Bill Sheffield
Governor

Offered: 3/20/85
For Today's Calendar

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 133 (Finance) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to transportation safety and finan-
7 cial responsibility; and providing for an effective
8 date."

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

10 * Section 1. AS 42.30.200(a) is amended to read:

11 (a) Except as provided in AS 42.30.300 - 42.30.310, a [A] person
12 who carries passengers or freight for hire intrastate shall procure
13 and maintain security in an amount determined by the Department of
14 Public Safety as necessary for the reasonable protection of the public
15 against damages or injury caused by the person.

16 * Sec. 2. AS 42.30 is amended by adding new sections to read:

17 Sec. 42.30.300. AIR CARRIER FINANCIAL RESPONSIBILITY. (a) A
18 person who uses an aircraft in air commerce shall procure and maintain
19 security in an amount determined by the department as necessary for
20 the reasonable protection of the public against damages or injury
21 caused by the person, except that the amount determined by the
22 department may not be less than

23 (1) \$200,000 per seat for bodily injury or death in a
24 single occurrence; and

25 (2) \$25,000 for property damage in a single occurrence.

26 (b) Evidence of security required under (a) of this section must
27 be

28 (1) a policy or certificate of insurance issued by an
29 insurer acceptable to the department;

1 (2) a bond of a surety company licensed to write surety
2 bonds in the state;

3 (3) evidence accepted by the department, showing ability to
4 self-insure; or

5 (4) other security approved by the department.

6 (c) The department may authorize department personnel to enforce
7 this section and may adopt regulations necessary to implement this
8 section.

9 (d) A policy of insurance, a surety bond, or other form of
10 security submitted as proof of financial responsibility under AS 42.-
11 30.310(a)(1) may not be cancelled on less than 30 days' written notice
12 to the department. This requirement must be clearly stated in the
13 policy, endorsement, or bond agreement. The 30-day notice period is
14 measured from the date on which the department receives notice.

15 (e) A person who violates (a) of this section is guilty of a
16 class A misdemeanor and is punishable by a fine of not less than
17 \$1,000 or more than \$5,000.

18 (f) The department shall charge and collect fees necessary to
19 implement this section.

20 Sec. 42.30.310. CERTIFICATION OF COMPLIANCE. (a) A person may
21 not use an aircraft in air commerce before obtaining a certificate of
22 compliance for that aircraft. The department shall issue a certifi-
23 cate of compliance upon application and presentation of

24 (1) proof of financial responsibility required under
25 AS 42.30.300;

26 (2) proof of compliance with Federal Aviation Administra-
27 tion requirements, and, where applicable, federal certification for
28 scheduled airline service.

29 (b) A person who receives a certificate of compliance under (a)

1 of this section shall renew the certificate annually.

2 (c) Each aircraft owned or leased by a person subject to the
3 provisions of this section must have a certificate of compliance
4 issued by the department before the aircraft is used in air commerce.
5 The certificate is valid for a period of 12 months following the date
6 of certification.

7 (d) The department may authorize department personnel to enforce
8 this section and may adopt regulations necessary to implement this
9 section.

10 Sec. 42.30.390. DEFINITIONS. In AS 42.30.200 - 42.30.390,

11 (1) "air commerce" means carriage by aircraft of persons or
12 freight, for compensation or hire, in intrastate commerce, including
13 the carriage by aircraft of persons or freight that move partly by
14 aircraft and partly by other forms of transportation;

15 (2) "aircraft" means a propeller or jet-powered device used
16 or designed for flight in the air;

17 (3) "department" means the Department of Commerce and
18 Economic Development;

19 (4) "freight" means all commodities, articles, and cargo of
20 whatever nature or value, excluding garbage and trash.

21 * Sec. 3. AS 44.33.020 is amended by adding a new paragraph to read:

22 (27) implement the financial responsibility requirements for
23 air carriers under AS 42.30.200 - 42.30.390.

24 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
25 10.070(c).

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

3/26/85

Date APRIL 8, 1985

Mr. President

The Committee on TRANSPORTATION considered CSHB 133(Fin) am
transportation safety and financial responsibility; efd.

and (a majority of the committee) (the committee) reports it back with
the following recommendations:

- do pass
- do pass with attached amendment
- replace with/or adopt S CS for SHB 133 (TRANS)
- new title
- same title and recommends may do pass
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
SS# 29
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

1 Paul Fische

1 Joe Josephson

MEMBERS HAVING
OTHER RECOMMENDATIONS

2 Mike Wood do pass
if air & truck bills are
separated

3 Jim Hill do pass

1 [Signature]
Chairman
DO PASS
Chairman recommendation