

SB

103

File 3

# Alaska State Legislature

SENATOR  
JOHN B. "JACK" COGHILL  
Chairman

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



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## Senate Committee on Transportation

### MEMORANDUM

To: Committee members  
From: Chairman Coghill  
Date: Wednesday, February 6, 1985  
Re: Draft CS for SB 103

The attached draft is considerably different from the last draft the committee discussed in that the new one considers certification of air carriers, as well as motor vehicle safety, and takes a different approach to vehicle inspections. The proposed CS can be broken down into three components: a revision of the financial responsibility language enacted by the initiative; a simple certification process for air carriers; and a mechanism providing state certification of motor vehicle safety inspection stations and mechanics.

In section 1, the initiative language is amended by moving oversight responsibility to Commerce, rather than Public Safety, and authorizing the department to adopt regulations implementing the section. Section 2 then adds language to require that the insuring company give the department 30-days notice before cancelling a policy; it sets out a violation of the financial responsibility requirement as a class B misdemeanor; and it specifies that the section apply only to persons carrying freight or passengers for hire in certain vehicles and aircraft. The intention of this last provision is to exempt taxicabs, hot air balloons, ultralights, etc.

Section 3 establishes a certificate of compliance under DCED for air carriers. This annual certificate would be issued for each aircraft used in air commerce, and would be issued upon application and showing proof of financial responsibility and proof of compliance with FAA requirements. The certificate would have to be displayed for boarding passengers to read, and interstate carriers would be required to obtain the certificates for the aircraft they use intrastate. The certificate could be revoked if it was shown that the aircraft had been used in commerce before the certificate was obtained; however, current ATC-authorized carriers would not have to certify their aircraft until the renewal dates on their insurance policies. This is to avoid an annual crush of renewals on the department.

The cs then defines "air carrier", "air commerce", "aircraft", "department", "freight", and "property".

Section 4 adds to the duties of the commissioner of Commerce and Economic Development the duty to implement the financial responsibility requirements of the initiative.

Section 5 of the current draft provides an immediate effective date.

The third component of the issue, truck safety inspections, is currently being written into the cs by legal services, so a rough draft of the proposal is included.

The essence of this approach, noticeably divergent from the previous truck inspection program as proposed by the division of measurement standards, is to place the responsibility and mechanism for inspection into the private sector.

The proposal would require trucks and trailers to be inspected once a year, and would exempt government vehicles.

A program of certification for official inspection stations and qualified mechanics would be established, with the authority in DCED to revoke or suspend the permits of station operators and inspectors who were not conducting their permitted functions as required. A hearing board would be established to hear appeals of permit-holders whose permits had been revoked or suspended.

The draft further describes how the certificate would be issued, and that records of inspections would be kept and could be audited by the state.

Sanctions are provided for falsely representing to be an inspection station, use of counterfeit certificates of inspection and misuse of certificates. Violation of the section would be a misdemeanor.

A final section defines "motor vehicle".

*Motor Carrier*

1 IN THE SENATE

BY COGHILL

2 SENATE BILL NO.

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 is amended to read:

11 Sec. 42.30.200. FINANCIAL RESPONSIBILITY. (a) A person who  
12 carries passengers or freight for hire intrastate shall procure and  
13 maintain security in an amount determined by the Department of Com-  
14 merce and Economic Development [PUBLIC SAFETY] as necessary for the  
15 reasonable protection of the public against damages or injury caused  
16 by the person.

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

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

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

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

25 (4) other security approved by the department.

26 (c) The department may authorize enforcement officers to enforce  
27 this section and shall <sup>may</sup> <sup>procedural</sup> adopt regulations necessary to implement this  
28 section.

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

1 provides intrastate service between points in the state on an inter-  
2 state or foreign route, and who uses, for that intrastate service,  
3 aircraft based primarily outside the state, must also obtain a certif-  
4 icate of compliance for each aircraft used in intrastate service.

5 (e) Use of an aircraft in air commerce prior to obtaining a  
6 certificate of compliance required under (a) of this section may be  
7 cause for suspension or revocation of the certificate.

8 (f) An air carrier, who before the effective date of this Act,  
9 obtained a certificate to operate from the Alaska Transportation  
10 Commission, is not required to obtain a certificate of compliance  
11 under (a) of this section until the date on which the insurance policy  
12 on each aircraft must be renewed.

13 (g) The department may authorize <sup>Dept</sup> enforcement officers to enforce  
14 this section and <sup>may</sup> ~~shall~~ <sup>procedural</sup> adopt regulations necessary to implement this  
15 section.

16 Sec. 42.30.270. DEFINITIONS. In AS 42.30.200 - 42.30.270,

17 (1) "air carrier" means a person undertaking to engage in  
18 air commerce, whether directly or indirectly, or by lease, contract,  
19 or any other arrangement, and whether over regular or irregular  
20 routes;

21 (2) "air commerce" means carriage by aircraft of persons or  
22 property, for compensation or hire, in intrastate commerce, including  
23 the carriage by aircraft of persons or property that move partly by  
24 aircraft and partly by other forms of transportation;

25 (3) "aircraft" means a device used or designed for flight  
26 in the air;

27 (4) "department" means the Department of Commerce and  
28 Economic Development;

29 (5) "freight" has the same meaning as "property";

1                   (6) "property" means all commodities, articles, and cargo,  
2 of whatever nature or value, excluding garbage, refuse, trash, or  
3 other waste material.

4 \* Sec. 4. AS 44.33.020 is amended by adding a new paragraph to read:

5                   (27) implement the financial responsibility requirements for  
6 motor vehicles and air carriers under AS 42.30.200 - 43.30.270.

7 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.-  
8 10.070(c).

DRAFT

\* Sec. \_\_\_\_ AS 42.30 is amended by adding new sections to read:

ARTICLE 6. MOTOR VEHICLE SAFETY INSPECTIONS

Sec. 42.30.300. MOTOR VEHICLE SAFETY INSPECTIONS. (a) The Department of Commerce and Economic Development shall require that every motor vehicle in this state be inspected at least once a year and that an official certificate of inspection and approval be obtained for each vehicle passing inspection.

(b) The commissioner of the Department of Commerce and Economic Development may adopt procedural regulations necessary to implement this section.

7. Sec. 42.30.310. EXEMPTIONS. A motor vehicle is exempt from the requirements of AS 42.30.300 if it is owned and operated by the United States, the state, or a borough, city, town or municipality in the state or by a department of any of them.

Sec. 42.30.320. OFFICIAL INSPECTION STATIONS. (a) The department shall issue permits and furnish instructions and all necessary forms to official stations for the inspection of motor vehicles as requested and the issuance of official certificates of inspection and approval.

(b) Application for permit shall be made upon an official form and shall be granted only when the department is satisfied that the station is properly equipped and has competent personnel to make inspections and adjustments. No official inspection station permit shall be issued or renewed unless a certified official inspection mechanic is employed at that station. The department before issuing a permit may require the applicant to file a bond conditioned that it will make compensation for any damage to a vehicle occurring during an inspection or adjustment due to negligence on the part of an applicant or its employees.

(c) No permit for an official inspection station shall be assigned or transferred or used at any location other than the location

designated and an official inspection station permit shall be posted in a conspicuous place at the designated location.

(d) The department shall supervise and inspect official inspection stations and shall suspend or revoke any permit issued to a station which it finds not properly equipped, staffed or conducted.

(e) Upon notice of suspension or revocation of a license the operator shall immediately terminate all inspection activities, and on demand by the department return all inspection stickers, license and supplies. The department shall issue a receipt for all unused inspection stickers.

(f) An operator of an official inspection station whose permit has been suspended or revoked under this section shall be given a hearing, provided a written request is filed with the department within ten days after suspension or revocation.

Sec. 42.30.330. CERTIFICATION OF MECHANICS. (a) No mechanic shall conduct motor vehicle inspections at an official inspection station unless certified as to training, qualifications and competence by the department.

(b) The department shall supervise mechanics certified under this section and may suspend the certification issued to a mechanic if it finds that the mechanic has improperly conducted inspections or has violated or failed to comply with any of the provisions of this section or regulations adopted under it.

(c) Any mechanic whose certificate has been denied or suspended under this section shall be given a hearing, provided a written request is filed with the commissioner within ten days after denial or suspension.

Sec. 42.30.340. HEARING BOARD. (a) There is hereby created the Safety Inspection Station and Mechanic's Hearing Board, consisting of the commissioner of the Department of Commerce and Economic Development,

# UKAFI

the commissioner of the Department of Transportation and Public Facilities, and the Attorney General, or their designees.

(b) The hearing board shall be convened at the request of the commissioner of the Department of Commerce and Economic Development and shall hear all evidence and information regarding the suspension and revocation of an official inspection station license. The hearing board shall make written findings and conclusions pursuant to which an order shall be issued affirming, denying or modifying the action taken by the department.

(c) The order of the hearing board shall be subject to judicial review in the manner provided by law.

Sec. 42.30.350. ISSUANCE OF CERTIFICATE OF INSPECTION. (a) The person operating an official inspection station shall issue a certificate of inspection and approval upon an official form to the owner of a motor vehicle only upon inspecting the motor vehicle and determining that its equipment is in good condition and proper adjustment and that it is mechanically sound.

(b) The person operating an official inspection station shall make a record of each inspection performed at the station and the department may audit the records of an official inspection station at any time.

Sec. 42.30.360. FALSELY REPRESENTING TO BE AN OFFICIAL STATION.

(a) No person shall in any manner represent any place as an official inspection station unless the station is operating under a valid permit issued by the department.

(b) No person shall issue a certificate of inspection and approval unless holding a valid permit to do so.

Sec. 42.30.370. COUNTERFEIT CERTIFICATES OF INSPECTION. (a) No person shall make, issue, or knowingly use any imitation or counterfeit of an official certificate of inspection.

(b) No person shall display or cause or permit to be displayed upon any vehicle any certificate of inspection and approval knowing the certificate is fictitious or issued for another vehicle or issued without an inspection having been made.

Sec. 42.30.380. VIOLATION A MISDEMEANOR. A person who violates this section is guilty of a class B misdemeanor.

Sec. 42.30.390. DEFINITIONS. In AS 42.30.300 - 42.30.380 "motor vehicle" means

- (1) a truck of more than 10,000 pounds unladen gross vehicle weight used upon any public highway of this state; and
- (2) a trailer of more than 5,000 pounds unladen gross vehicle weight used upon any public highway of this state.

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## Senate Committee on Transportation

### DAILY AGENDA

Senate Transportation Committee

February 6, 1985 3:30 p.m.

Room 205, Capitol Building-Butrovich Room

### TOPICS

Commissioner Knapp, Department of Transportation

Consolidation of Road Building Authority

Briefing on SB 103

# Alaska State Legislature

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## Senate Committee on Transportation

SENATE TRANSPORTATION COMMITTEE  
465-4921

Butrovich Room 3:30  
Capitol Room 205 M-W-F

Monday, February 11, 1985  
Alaska Railroad Overview  
Frank Turpin, Railroad Corporation President

Wednesday, February 13, 1985  
SB 103 Regulation of Safety on Motor and Air Carriers

Friday, February 15, 1985  
Overview of Alaska Ferry System-Ferry Terminals

*Joe Komp*

# Alaska State Legislature

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## Senate Committee on Transportation

SENATE TRANSPORTATION COMMITTEE  
465-4745

Butrovich Room 3:30  
Capitol Room 205 M-W-F

Monday, February 4, 1985

\*\*SB 103 Regulation of Safety on Motor and Air Carriers

Wednesday, February 6, 1985

Commissioner Knapp, Department of Transportation  
Consolidation of Overlapping Road Building Authority

Friday, February 8, 1985

\*\*SB 82 Relating to Weights and Measures  
Overview on Highway Shoulder Widening

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## Senate Committee on Transportation

### MEMORANDUM

TO: Committee Members  
FROM: Senator Coghill  
DATE: February 13, 1985  
RE: CS SB 103

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#### Sectional Analysis of 2/13 Draft of CS for SB 103

##### Section 1

Amends the language of the initiative to set the required insurance amounts by statute at \$200,000 for property damage, \$500,000 bodily injury for motor vehicles and \$300,000 per seat bodily injury for aircraft.

Subsection (c) changes "enforcement officers" to "department personnel", and allows the department to adopt necessary regulations.

##### Section 2

Adds three new subsections to the financial responsibility section to: (d) disallow cancellation of insurance without 30 day notice to the department; (e) make a violation of the requirement to have insurance a class B misdemeanor with a minimum \$500 fine; and (f) applies the section only to certain types of vehicles and aircraft.

##### Section 3

Establishes a certification of compliance for air carriers. This establishes a certificate of compliance under DCED for air carriers. This annual certificate would be issued for each aircraft used in air commerce, and would be issued upon application and showing proof of financial responsibility and proof of compliance with FAA requirements. The certificate

would have to be displayed for boarding passengers to read, and interstate carriers would be required to obtain the certificates for the aircraft they use intrastate. The certificate could be revoked if it was shown that the aircraft had been used in commerce before the certificate was obtained; however, current ATC-authorized carriers would not have to certify their aircraft until the renewal dates on their insurance policies. This is to avoid an annual crush of renewal on the department.

Article 6 is added to AS 42.30 establishing a program of motor vehicle inspections.

.300 requires all motor vehicles to be inspected once a year, with an annually renewable certificate of inspection. The certificate would be carried in the vehicle, and stickers placed on the outside. The commissioner could adopt regulations to implement the program.

.310 exempts US government vehicles

.320 describes the process for permitting inspection stations, allows the department to monitor a station's work, and suspend or revoke the permit if necessary. A process is then established by which a suspension or revocation may be appealed.

.330 Describes the process for certifying a vehicle inspectors.

.340 Establishes a hearing board within DCED to mitigate disputed revocations and suspensions.

.350 Describes how certificates of inspection will be issued, and that a station operator will keep records, auditable by the department.

.360 prohibits falsely representing to be an official inspection station.

.370 prohibits the manufacture, issuance or use of counterfeit certificates of inspection.

.380 makes it a class B misdemeanor to violate the section.

.390 Defines "air commerce", "aircraft", "department", "freight", and "motor vehicle".

#### Section 4

Adds implementation of the financial responsibility requirements to the duties of the commissioner of DCED.

#### Section 5

Provides an immediate effective date.