

SB

1999

BILL NO: SB 199

DATE: April 3, 1987

TITLE: An Act relating to
motor vehicle dealers

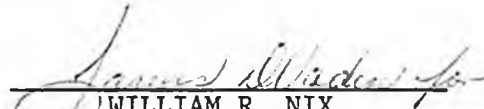
CONTACT: Charles R. Hosack
269-5551

DEPARTMENT OF
PUBLIC SAFETY

This bill would exempt anyone who sells only new or used trailers designed to carry a single boat from the requirement to register as a vehicle dealer. Currently these dealers are required to register every two years, pay a \$50.00 registration fee, and post a \$10,000 surety bond.

This is very special interest legislation that would only affect a small number of dealers. Due to the small impact the department does not oppose this bill, however, two potential problem areas should be pointed out. First, since these dealers would not be required to post a bond, there is no protection for the public in case of title problems. The Division of Motor Vehicles could take no action, and the only remedy available for action against the dealer would be through civil court. Second, this bill exempts only a special segment of dealers, and this could be seen as an injustice to a dealer who sells only snowmachine trailers, or a department store that sells only small utility trailers.

The department is neutral on this bill.


WILLIAM R. NIX
Acting Commissioner

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____

Bill Version: SB 199
Publish Date: _____

Revision Date: _____
Title: An Act relating to motor vehicle
dealers
Sponsor: Duncan
Requestor: Senate Labor & Commerce

Agency Affected: Public Safety
BRU: Motor Vehicles
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

No fiscal impact. There would be a slight reduction in revenue, estimated at less than \$1,000 annually.

Prepared by: Bill Brown
Division: Motor Vehicles

Phone: 465-4335
Date: 4-2-87

Approved by Commissioner: [Signature]
Agency: Public Safety

Date: 4/2/87

Distribution (by preparer):

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

JNB
4-2-87

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version : SB 198
Publish Date : _____

REQUEST: _____

Revision Date: _____ Agency Affected: Comm. & Econ. Dev.

Title: An Act relating to dishonored checks amending Alaska Rules of Civil Procedure 79 & 82
BRU: _____

Sponsor: _____ Components: _____

Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Willis F. Kirkpatrick, Director Phone: 465-2521
Division: Division of Banking, Securities & Corporations Date: March 25, 1987

Approved by Commissioner: Anthony Smith, Commissioner Date: March 25, 1987
Agency: Department of Commerce and Economic Development

Distribution (by preparer):

- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary
- 5683W32587a

~~PROBLEM:~~ Small businesses do not have the financial resources to challenge state government when a state agency in exercising a regulatory function, takes an action which seriously impacts or prohibits a business from operating their business. If a business takes the state to task because of some adverse action and wins, they still lose because of the high legal fees and other costs which they still must pay.

~~SOLUTION:~~ Amend Alaska law to provide that the state would have to reimburse a small business who successfully challenges the action of a state agency in exercising a regulatory function for all costs incurred to challenge the state either through an administrative hearing or in court.

For all of the above problems, NFIB/Alaska has legislation drafted which would remedy the problem. Please contact Gary Jenkins at 586-4100 for more information or for a copy of the draft legislation.

ISSUES ON WHICH NFIB ALASKA MEMBERS HAVE NOT YET VOTED.

~~PROBLEM:~~ The 1986 legislature adopted amendments to the contractor bonding provisions of the law which doubled the amount of the bonding required for general and speciality contractors. While the intent of the change in the law was to deal with some specific problems, the result has been that this increase will put many small contractors who are still in business and trying to survive, out of business because they are unable to obtain bonding at the new higher amounts required. Thus, the question the legislature must deal with is, are the benefits to be gained by the state from the higher bonding requirements justified in light of the fact that 10 to 20% of the small contractors will be forced out of business because they are unable to obtain the bonding? Failure of the legislature to act on this issue will result in an increasing number of individuals operating outside of the law without a license.

~~SOLUTION:~~ Amend to law to reduce the bonding requirement on small contractors. Perhaps the amount of bonding could be based on the volume of business which the contractor had in the prior year or will be qualified to bid on in the coming year. For example, if the bond amount for a General Contractor were set at 1% of the gross amount that the contractor could bid, the bond for a contractor bidding jobs under \$100,000 would be \$1,000; for \$200,000, a bond of \$2,000 and so forth. That way, as the exposure increases, so would the amount of the required bond.

~~PROBLEM:~~ The motor vehicle dealer statute is written in such a way that it includes a business selling only boat trailers for personal boats. To legally operate as a motor vehicle dealer in Alaska, a dealer is supposed to have a \$10,000 bond. This appears a little excessive for a business selling only boat trailers, especially since a dealer selling motorcycles is required to have only a \$3,000 bond.

~~SOLUTION:~~ Amend the law to delete the bonding requirement for those businesses selling only boat trailers.