

SB

127



TONY KNOWLES
MAYOR

ANCHORAGE POLICE DEPARTMENT

4501 SOUTH BRAGAW STREET • ANCHORAGE, ALASKA 99507-1599
TELEPHONE (907) 786-8500



RONALD L OTTE
CHIEF

March 23, 1987

The Honorable Joe Josephson
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

RE: SB 127

Dear Senator Josephson,

We have reviewed SB 127 pursuant to your request and can support the bill as currently drafted.

We do not see any negative impact to law enforcement, at least in the Anchorage area.

The bill would seem to provide an additional measure of protection to the insurance buying consumer, and we certainly support that aspect.

If we can be of any further assistance in this matter, please feel free to contact us.

Sincerely,

Del Smith
Acting Chief of Police

DS:d1

BILL NO: SB 127

DATE: March 13, 1987

TITLE: An Act relating to motor
vehicle insurance

CONTACT: Bill Brown
465-4335

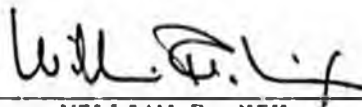
DEPARTMENT OF
PUBLIC SAFETY

Sections 1 and 2 of this bill amend areas of the mandatory insurance law that DMV has experienced problems with in administering the law.

Several drivers have purchased insurance, generally upon purchasing a new vehicle, and after an accident are informed the policy only covered damage to their vehicle to protect the lienholder, and did not include liability coverage required under the mandatory insurance law. Section 1 of this bill is to help alleviate that problem. The department supports this section.

Section 2 will exempt employees who are driving during the course and within the scope of their employment from the provisions of the mandatory insurance law. The department supports this intent, however, would recommend the amendment be in Section AS 28.22.240, and not as included in this bill. It is recommended the amendment read as follows: "(h) If the driver at the time of the accident was driving in the course and within the scope of employment a vehicle owned or leased by the driver's employer, the suspension provisions of this chapter apply to the employer, and do not apply to the driver." Section 2 as proposed in the bill exempts the employee, however, does not authorize action against the employer. The above recommended change will allow action against the uninsured employer.

The Department of Public Safety would support this bill if the mandatory insurance program is adequately funded, but not at the expense of our other programs. Due to FY87 and FY88 budget cuts, it is the current plans of the department to discontinue administration of the program effective July 1, 1987. The reason discontinuing this program was chosen over other programs within the Driver Services Component of the DMV budget is it would have less impact on highway safety than discontinuing other programs.



WILLIAM R. NIX
Acting Commissioner

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____

Bill Version : SB 127

Publish Date : _____

Revision Date: 3-13-87
Title: An Act relating to motor vehicle insurance.

Agency Affected: Public Safety

BRU: Motor Vehicles

Sponsor: Josephson

Components: Driver Services

Requestor: Senate State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		231.2	238.1	245.2	252.6	130.1
TRAVEL						
CONTRACTUAL		25.2	26.8	27.6	28.4	14.7
SUPPLIES		4.0	4.1	4.2	4.3	2.2
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		260.4	269.0	277.0	285.3	147.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		260.4	269.0	277.0	285.3	147.0
FEDERAL FUNDS						
OTHER						
TOTAL		260.4	269.0	277.0	285.3	147.0

POSITIONS:

FULL-TIME		7	7	7	7	7
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Due to FY87 and FY88 operating budget decrements, the positions that administer the mandatory insurance law have not been funded in FY88. This fiscal note reflects what the cost would be if the department were to continue to administer the program until the law is repealed 1-1-92, as amended in this bill.

Prepared by: Bill Brown Phone: 465-4335

Division: Motor Vehicles Date: 3-13-87

Approved by Commissioner: [Signature] Date: 3/16/87

Agency: Public Safety

Distribution (by preparer):

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

JML
3/16/87

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SB 127

PERSONAL SERVICES

DMV originally received 9 positions to administer the mandatory insurance law. Due to a lower than expected number of requests for administrative hearings, and a drop in the number of DWI administrative revocation hearings, two positions (PCN 12-5224 and PCN 12-5227) which were vacated in 1986, are no longer required, thus not included in this fiscal note. The seven current positions for which funding is being requested to continue to administer the mandatory insurance law are as follows:

1 Records & Licensing Supervisor Juneau, 16L	55.4	
1 Clerk IV, Juneau, 9D	30.5	
1 Doc. Proc. Clk III, Juneau, 10B	31.4	
1 Clk Typ III, Juneau, 8C	29.3	
3 Doc. Proc. Clk II, Juneau, 8B	84.6	
	231.2	231.2

CONTRACTUAL

Postage	20.0	
Telephone tolls	.8	
Maintenance of office machines	2.0	
Printing of forms	2.4	
	25.2	25.2

SUPPLIES

Office and microfilm supplies	4.0	4.0
	TOTAL	260.4

A 3% inflation factor was used for FY89 and subsequent years.



Alaska State Legislature

Senate

David

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 4, 1987

William R. Nix
Acting Commissioner
Department of Public Safety
State of Alaska
P.O. Box N
Juneau, Alaska 99811

Dear Commissioner Nix:

I read the Department's position paper on my bill, SB 127, and note your recommendation to change the date in Sections 3 and 4 to July 1, 1987, and the statement of support for the bill "if the recommended amendments are made".

Of course, the very purpose of SB 127 includes, at least by implication, a desire that the mandatory insurance law be administered on a continuous basis after July 1, 1987. Assuming that intent, I would appreciate having the Department review its position paper and its fiscal note. The report of the Department, as I read it, says that the mandatory insurance program has done a lot of good in reducing the number of uninsured drivers on Alaska roads by a factor of about 50%, but that the program has been difficult or costly to administer. I think what I am asking for is a fuller statement of the trade-offs so that the legislature can weigh the pros and cons of SB 127 and continue administration of the mandatory insurance law.

Your comments and suggestions would be most welcomed. I could not in good conscience, knowing how the program has worked to reduce the number of uninsured motorists, incorporate the suggested amendment to the bill. It is rather my intention to press for passage of a bill which would direct the Department to continue administration of the program. I would need to know, though, what amount of money that would cost for FY'88 if administration is continued.

Sincerely,

Joe Josephson
Joe P. Josephson
State Senator

JPJ:rak

BILL NO: SB 127

DATE: February 19, 1987

TITLE: An Act relating to motor
vehicle insurance

CONTACT: Bill Brown
465-4335

DEPARTMENT OF
PUBLIC SAFETY

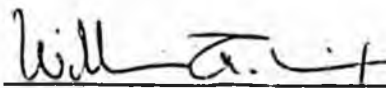
Sections 1 and 2 of this bill amend areas of the mandatory insurance law that DMV has experienced problems with in administering the law.

Several drivers have purchased insurance, generally upon purchasing a new vehicle, and after an accident are informed the policy only covered damage to their vehicle to protect the lienholder, and did not include liability coverage required under the mandatory insurance law. Section 1 of this bill is to help alleviate that problem. The department supports Section 1(a), however, does not feel Section 1(b) is necessary.

Section 2 will exempt employees who are driving during the course and within the scope of their employment from the provisions of the mandatory insurance law. The department supports this intent, however, would recommend the amendment be in Section AS 28.22.240, and not as included in this bill. It is recommended the amendment read as follows: "(h) If the driver at the time of the accident was driving in the course and within the scope of employment a vehicle owned or leased by the driver's employer, the suspension provisions of this chapter apply to the employer, and do not apply to the driver.". Section 2 as proposed in the bill exempts the employee, however, does not authorize action against the employer. The above recommended change will allow action against the uninsured employer.

The Department of Public Safety would support this bill if the department was going to continue to administer the mandatory insurance law. However, due to FY87 and FY88 budget cuts, it is the current plans of the department to discontinue administration of the program effective July 1, 1987. Therefore, the department recommends the date in Section 3 and Section 4 of this bill be changed to July 1, 1987. The reason discontinuing this program was chosen over other programs within the Driver Services Component of the DMV budget is it would have less impact on highway safety than discontinuing other programs.

The department supports this bill if the recommended amendments are made.



WILLIAM R. NIX
Acting Commissioner

RECEIVED
FEB 65 1987

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: SB 127
Publish Date: _____

Revision Date: _____
Title: An Act relating to motor vehicle insurance.

Agency Affected: Public Safety
BRU: Motor Vehicles

Sponsor: Josephson, ...
Requestor: Senate State Affairs

Components: Driver Services

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						
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.

The positions that administer the mandatory insurance law have been deleted from the DMV budget. Thus, it is the department's current intent to discontinue administering this program as of July 1, 1987.

Prepared by: Bill Brown Phone: 465-4335
Division: Motor Vehicles Date: 2-19-87

Approved by Commissioner: [Signature] Date: 2/23/87
Agency: Public Safety

Distribution (by preparer):

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

JMB
2/23/87

STATE OF ALASKA
THE LEGISLATURE

POUCH Y . STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

Senate State Affairs
March 11, 1987