

HB

44

SENATE COMMITTEE REPORT

FURTHER

4/8/89
Mr. President:

DATE TURNED INTO OFFICE 5/3/89

Finance Committee considered CSHB 44 (L&C) am
motor vehicle liability insurance and vehicle registration; efd

and recommended

- replace with 5 CS CSHB 44 (FIN) same title
- or adopt _____ CS _____ new title
- attached amendment(s) and technical title change (HB only)
- Senate Finance letter of intent adopted

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

FISCAL NOTE(S) zero fiscal impact appropriation no FN
 new DOR (showing revenue) updated previous DD 17.7 Update Attached
Gourts 52.0
Dale 8
Sanctions 23.0
D 150 8
 same as previous fiscal note(s) published

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Line 1
[Signature]
[Signature]
[Signature]

[Signature]
Thom & Shuff No Kee
Paul Frost No Kee

Chairman signature and recommendation

Committee Backup attached

[Signature] Co-CHAIR
 xln-D 57

FISCAL NOTE

REQUEST:

Revision Date: 05/05/89
Title: An Act relating to motor vehicle liability insurance
Sponsor: Rep. Donley
Requestor: Senate Finance

Agency Affected: Public Safety
BRU: Motor Vehicles
Component: Field Services

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	-0-	16.3	32.6	32.6	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	1.2	2.5	2.5	-0-	-0-
SUPPLIES	-0-	.2	.4	.4	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	17.7	35.5	35.5	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	96.1	154.9	154.9	154.9	154.9
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5/5/89
New Revenue
etc.

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	17.7	35.5	35.5	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	17.7	35.5	35.5	-0-	-0-

POSITIONS:

FULL-TIME	-0-	1	1	1	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS: (Attach a separate page if necessary)

PROGRAM SUMMARY: HB 44 reinstates mandatory motor vehicle liability insurance requirements, which were repealed effective January 1, 1989. HB 44 requires that a person certify, at the time of application for registration of a motor vehicle, that he or she has motor vehicle liability insurance. This is a new requirement, not present under the prior law. One Motor Vehicle Representative II position (range 9B) will be needed to screen and process registration applications submitted by mail. This position is

4/20/89
5/4/89

Prepared by: Bill Brown
Division: Motor Vehicles

Phone: 465-4335
Date: 5-4-89

Approved by Commissioner: Arthur English
Agency: Department of Public Safety

Date: 5-4-89

Adopted

Department of Public Safety
Fiscal Note/Analysis for:
SCSCSHB44 (Finance)
An Act relating to motor vehicles liability insurance...
Page 2 of 3

requested for the renewal by mail program in Anchorage for the first two and one-half fiscal years. It is anticipated that after the program is in effect for a couple of years there will be less rejected applications, and the position will no longer be required. As a result of experience gained in the Emission Inspection Program, we know that the renewal by mail form will not always be adequately completed in regard to certifying insurance is in existence. Thus, some forms will need to be returned to the applicant. Of the 431,049 registrations in 1987, 99,614 were renewals by mail. It is estimated 10% of the renewals by mail will be incomplete in regard to certification of insurance.

EXPENDITURES:

Personal Services	
1 Motor Vehicle Rep. II, Anc, 9B	16.3
Contractual	
Postage 4,980 x .25	1.2
Commodities	
Envelopes/office supplies	<u>.2</u>
	17.7

Expenditures for FY 90 based on one-half fiscal year because of bill reflecting certifying insurance at time of registration to be effective January 1, 1990.

REVENUE:

Part of the increase in revenue is based on the change in fees contained in section 17 of the bill. In 1987, 43,163 vehicles were registered under AS 28.10.421(c). With section 17 being effective January 1, 1990, an estimated 21,581 would be registered in FY 90, for an increase in fees of \$21,581. The estimated increase in FY 91 and subsequent years for this increase in fees is \$43,200.

The remainder of the estimated increase in revenue is based on the requirement that to have driving privileges reinstated following any suspension a person must pay a \$100 reinstatement fee. The revenue from this fee was inadvertently not included in previous fiscal notes on this bill. It is estimated that there will be 1,117 individuals suspended under the mandatory insurance law annually who will not have been suspended or revoked for any other reason and who will apply for reinstatement. The FY 90 figure is based on the fact the first opportunity for reinstatement under the new law would be approximately November 1, 1989, for the following reasons: accident reports are processed approximately 30 days after the accident date; suspensions are effective approximately 30 days from date of notice; and the minimum suspension period is for 90 days. The increase in revenue for the reinstatement fee is estimated to be \$74,500 in FY 90, and \$111,700 in FY 91 through FY 94.

Position Title Motor Vehicle Representative II		No. of Positions 1	Range/Step 9B	Barg. Unit GGU
Time Status PFT	Staff Months 6	Location Anchorage		Election District 7-15
Justification				
<p>Process registration applications received under the mail-out renewal program. Inspect applications returned for completeness. Return applications that are incomplete with instructions on how to correct. Perform data entry for properly completed applications and send renewal registration and tabs to applicant.</p> <p>Figures are for six months, because of effective date of January 1, 1990, for the sections of the bill dealing with certifying at time of registration.</p>				
Type of Expenditure		Amount		
1	2	3		
Salary*	10,710	////////////////////		
Benefits*	5,581	////////////////////		
Premium Pay (Included in Above)	////////////////////	////////////////////		
Other	////////////////////	////////////////////		
Total Personal Services	////////////////////	16,291		
Travel				
Contractual		1,250		
Commodities		200		
Equipment				
Other				
Total Cost		17,741		
Funding Source for Total Cost				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	17,741		
Program Receipts/GF	1005			
I-A Receipts	1007			
CIP Receipts	1061			
Other				
* Personal Services Salary and Benefits Costs are from PACS Scenario #2.				

REQUEST FOR
NEW POSITION

AGENCY .. Department of Public Safety
BRU Motor Vehicles
COMPONENT Field Services

Page 3 of 3
Revised Date

FY 90

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SCS CS HB 44 (FIN)
PUBLISH DATE: _____

FISCAL NOTE

REQUEST: _____

Revision Date: 5/3/89
Title: An Act relating to vehicle
liability insurance and registration
Sponsor: Donley, Boucher & Gruenberg
Requestor: Senate Finance

Agency Affected: Revenue
BRU: Income & Excise Audit
Components: Operating

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
	0	0	0	0	0	0
REVENUE						
	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: See Attached.

Prepared By: Steven E. Ketter
Division: Income and Excise Audit

Phone: (907) 465-2320
Date: May 4, 1989

Approved by Commissioner: Hugh Malone
Agency: Department of Revenue

Date: May 4, 1989

Distribution (by preparer):

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

Adopted

Bill Analysis
SCS CS HB 44(FIN)
Prepared by:
Steven E. Kettel, Director
Department of Revenue
Income and Excise Audit Division
May 4, 1989

Bill Analysis

The Department of Revenue will be responsible for depositing and managing the funds received from fees and fines collected under this proposal. We have no ability to estimate the amount of those revenues.

The Department does not expect to need additional resources to carry out the provisions of this bill.

FISCAL NOTE

REQUEST:

Revision Date 4/8/89 Agency Affected: Alaska Court System
 Title: An Act relating to vehicle liability insurance and registration BRU: Trial Courts
 Sponsor: Donley, Boucher, Gruenberg Components: _____
 Requestor: Senate Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
Personal Services	52.0	52.0	52.0	52.0	52.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
TOTAL OPERATING	52.0	52.0	52.0	52.0	52.0	0.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

General Funds	52.0	52.0	52.0	52.0	52.0	0.0
Federal Funds						
Other						
TOTAL	52.0	52.0	52.0	52.0	52.0	0.0

POSITIONS:

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See attached analysis.

Prepared by: Jan Strandberg, General Counsel
 Division: Alaska Court System
 Approved by: Arthur H. Snowden, II, Administrative Director
 Agency: Alaska Court System

Phone: 284-8228
 Date: 04/08/89
 Date: 04/08/89

Distribution (by preparer):

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

Changes in SCS CS HB 44 (Fin) have no fiscal impact. This fiscal note is appropriate. 5/3/89_e) Page 1 of 3

Adopted

Alaska Court System

SCS CS HB 44

Fiscal Analysis

Personal Services:

	Salary	Benefits	Total
2 - Court Clerk I, Range 8B Anchorage, PFT, 12 months	\$40,488	\$19,484	\$59,972
1 - Court Clerk I, Range 8B Fairbanks, PFT, 12 months	22,836	10,308	33,144 -----
Total Personal Services and On-Going Cost			93,116

Less funding received with the passage of CCSHB 7, 1984
legislative session (on-going funding) ** (41,158)

Net On-Going Cost (***) \$51,958

** Court was funded for 3 positions the first half-year of operating this program in fiscal 1985. The net on-going cost of this legislation is the cost of supplementing current funding to full-time status.

*** FY 94 Cost: Personal services cost \$93,116 times 50% = \$46,558 minus existing funding of \$41,158 = \$5,400 net cost.

Alaska Court System

SCS CS HB 44

Fiscal Analysis

This bill provides for the administrative suspension of a driving license when a driver is involved in an accident or a serious traffic violation and does not have liability insurance. The Department of Law has previously estimated that this bill would result in an annual addition of 1,300 driving with license suspended cases. The workload is concentrated in Anchorage and Fairbanks.

The clerical impact of the additional caseload is on the criminal sections in Anchorage and Fairbanks. Each new case is set up in a case file, calendar notices are sent out, judgment and hearing records are prepared and distributed, and cases are tracked and coordinated with the jails and the Department of Motor Vehicles. Two court clerks in Anchorage and one court clerk in Fairbanks are needed to perform these functions.

FISCAL NOTE

REQUEST:

Revision Date: April 7, 1989
Title: "An Act relating to motor vehicle liability insurance..."
Sponsor: Senate Labor & Commerce
Requestor: Senate Labor & Commerce

Agency Affected: Department of Law
BRU: Prosecution
Components: All

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Please see the attached analysis.

Prepared by: Richard I. Pegues, Director Phone: 465-3672
Division: Administrative Services Date: April 7, 1989
Approved by Commissioner: Douglas B. Bailey, Attorney General Date: April 7, 1989
Agency: Department of Law

Distribution (by preparer):

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

Changes in SCS CSHB 44 (Fin) have no fiscal impact. This fiscal note is appropriate. 5/3/89 *pl*

Adopted

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SCSCS HB 44(L&C)

The Senate committee substitute for HB 44 amends AS 28 by adding a new chapter that will require mandatory minimum motor vehicle liability insurance coverage within the state. Except for Section 11, which requires that the owner of a vehicle subject to the bill's mandatory insurance requirements must certify the existence of the required insurance at the time of registration, most of the bill's other provisions reestablish the motor vehicle liability insurance requirements that were in effect prior to January 1, 1989. Under AS 28.10.491(a)(9), making a false statement certifying the existence of motor vehicle liability insurance in a registration application is a class A misdemeanor.

In 1986, the Division of Motor Vehicles suspended the licenses of 3,487 drivers because they did not have the minimum mandatory liability insurance coverage required by former AS 28.22. Unfortunately, there is no accurate means to predict the number of vehicle owners who might falsely certify that they had the required insurance when they register a vehicle, if the certification provisions of Section 11 are adopted. If this number is great (more than a hundred or so - statewide), the department would have to seek and receive additional resources before any large number of offenses could be prosecuted. The department's current reduced resources, and the likelihood of further reductions, would make it impossible for the department to do otherwise.

FISCAL NOTE

REQUEST:

Revision Date: 1/31/89
Title: "An Act relating to motor vehicle liability insurance."
Sponsor: Rep. Donley
Requestor:

Agency Affected: Corrections
BRU:
Components:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	0	23.0	23.0	23.0	23.0	23.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	23.0	23.0	23.0	23.0	23.0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	23.0	23.0	23.0	23.0	23.0
FEDERAL FUNDS						
OTHER						
TOTAL	0	23.0	23.0	23.0	23.0	23.0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary) In 1988 the Dept. of Public Safety reported 2,020 individuals had their licenses suspended as a result of driving with no insurance. We estimate a similar figure for 1990. Of that 2,020, we estimate 5% would be charged with DWLS. That 5% translates into approximately 100 people, serving approximately 7 days in jail at \$32.96 per day = \$23,072.00.

Susan E. Knighton

Prepared by: Susan E. Knighton, Director Phone: 465-3376
Division: Administrative Services Date: 4-7-89
Approved by: *Susan Humphrey-Barnett* Date: 4-7-89
Agency: Corrections

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and E
Impacted Agency(ies)

Changes in SCS CSHB 44 (Fin) have no fiscal impact. This fiscal note is appropriate. 5/3/89 *W*

Adopted

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Econ. Dev.
 Title: An Act relating to motor vehicle liability insurance and vehicle registration. BRU: Insurance
 Sponsor: Donley, Boucher, Gruenberg, et al Components: _____
 Requestor: (S) Labor & Commerce Cmte.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
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
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Bob Sims Phone: 465-2517
 Division: Insurance Date: 1-09-89

Approved by Commissioner: Larry Mercu/ieff Date: 1-09-89
 Agency: Commerce and Economic Development

Distribution (by preparer)
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management &
 Impacted Agency(ies)

Changes in SCS CSHB 44 (Fin) have no fiscal impact. This fiscal note is appropriate. 5/3/89 *ML*

le no
is

Adopted



Official Business

Alaska State Legislature

SENATE

5/3/89

Sen. Zharoff
Adopted

P.O. Box V
State Capitol
Juneau, Alaska 99811

HB 44

SENATE FINANCE COMMITTEE

Letter of Intent

SCS CSHB 44 (Fin)

It is the intent of the Legislature that the Division of Insurance review and correct any rating inequities that exist in the charges made on a policy of automobile insurance for a youthful member of a household when that youthful driver is not furnished an automobile for his or her regular use and the youthful driver:

1. is a full time student at a school more than 100 miles from the household residence location, or
2. is on active duty in the military service of the United States and is stationed more than 100 miles from the household residence location.

Adopted

5/3/89
Zhanoff

6-0101M
Ford
5/2/89

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

1 IN THE HOUSE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 44 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to motor vehicle liability insurance
7 and vehicle registration; and providing for an effec-
8 tive date."

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

10 * Section 1. AS 28 is amended by adding a new chapter to read:

11 CHAPTER 22. MANDATORY MOTOR VEHICLE INSURANCE.

12 ARTICLE 1. INSURANCE REQUIRED.

13 , Sec. 28.22.011. MOTOR VEHICLE LIABILITY INSURANCE REQUIRED:
14 EXEMPTIONS. (a) The operator or owner of a motor vehicle subject to
15 registration under AS 28.10.011 when driven on a highway, vehicular
16 way or area, or on other public property in the state, shall be in-
17 sured under a motor vehicle liability policy that complies with this
18 chapter or a certificate of self-insurance that complies with AS 28.-
19 20.400 unless

20 (1) the motor vehicle is being driven or moved on a high-
21 way, vehicular way, or a public parking place in the state that is not
22 connected by a land highway or vehicular way to

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

24 (B) a highway or vehicular way with an average daily
25 traffic volume greater than 499; and

26 (2) the operator has not been cited within the preceding
27 five years for a traffic law violation with a demerit point value of
28 six or more on the point schedule determined under regulations adopted
29 by the department under AS 28.15.221.

1 (b) The department shall annually publish a list of areas that
2 meet the requirements of (a)(1) of this section. This list shall be
3 available for public inspection at each office of the department.

4 (c) In this section, "operator" does not include

5 (1) an employee who operates, during the course and within
6 the scope of employment, a motor vehicle that is owned or leased by
7 the operator's employer; or

8 (2) an emergency service volunteer who operates, during the
9 course and within the scope of responding to an emergency, a motor
10 vehicle not owned by the volunteer.

11 Sec. 28.22.021. REQUIREMENT OF PROOF OF MOTOR VEHICLE LIABILITY
12 INSURANCE. The owner or operator of a motor vehicle required to have
13 motor vehicle liability insurance that complies with this chapter or a
14 certificate of self-insurance that complies with AS 28.20.400, shall
15 show proof of this insurance when that person is involved in an acci-
16 dent that results in bodily injury to or death of a person, or damage
17 to the property of a person exceeding \$500.

18 Sec. 28.22.031. METHOD OF PROOF OF MOTOR VEHICLE LIABILITY
19 INSURANCE. (a) A person involved in an accident who is required
20 under AS 28.22.021 to prove that a motor vehicle liability policy or a
21 certificate of self-insurance was in effect shall, within 15 days
22 after the accident,

23 (1) present a copy of the insurance policy, certificate,
24 bond, or insurance binder that was in effect at the time of the acci-
25 dent to the department for inspection;

26 (2) provide the department with written certification from
27 an insurance company, insurance agent, insurance broker or surplus
28 lines broker confirming that a valid motor vehicle liability policy
29 issued in conformity with this chapter was in effect at the time of

1 the accident; or

2 (3) advise the department in writing that a certificate of
3 self-insurance was in effect at the time of the accident.

4 (b) The department shall develop and implement a program to
5 check the veracity of the documents filed for proof under this sec-
6 tion.

7 Sec. 28.22.041. ADMINISTRATIVE SUSPENSION OF DRIVERS' LICENSES.

8 (a) Except as provided in (h) of this section, if a person fails to
9 provide proof required under AS 28.22.021 and 28.22.031, the depart-
10 ment shall suspend the driver's license of that person for the follow-
11 ing periods:

12 (1) not less than 90 days if, within the preceding 10
13 years, the person has not had a driver's license suspended for vio-
14 lation of AS 28.22.011 or former AS 28.22.200;

15 (2) not less than one year if, within the preceding 10
16 years, the person has had a driver's license suspended one or more
17 times for violation of AS 28.22.011 or former AS 28.22.200.

18 (b) The suspension shall be consecutive to any other suspension
19 required by law or imposed by a court.

20 (c) The department may grant limited license privileges for work
21 purposes only to a person whose license has been suspended under this
22 section if

23 (1) the person has filed proof of financial responsibility
24 for the future as required by AS 28.22.061;

25 (2) the person's license has not been suspended two or more
26 times under this section or former AS 28.22.240 in the preceding 10
27 years;

28 (3) the department determines that the person's ability to
29 earn a livelihood would be severely impaired if a limited license

1 privilege is not granted; and

2 (4) the department determines that a limitation can be
3 placed on the license that will enable the person to earn a livelihood
4 without excessive danger to the public.

5 (d) When imposing a limitation under this section the department
6 shall

7 (1) require the surrender of the driver's license; and

8 (2) issue to the licensee a certificate valid for the
9 duration of the limitation.

10 (e) After the termination of a limitation as shown on the cer-
11 tificate issued under (d) of this section, the license of a person on
12 whom a limitation was imposed is suspended until the person receives a
13 new license under AS 28.15.211(c).

14 (f) The department shall notify the licensee that the suspension
15 becomes effective 30 days from the date of the notice and that the
16 licensee has the right, within the 30-day period, to make an oral or
17 written answer controverting any point or issue, or to present evi-
18 dence and arguments for the consideration of the department.

19 (g) Upon receipt of an oral or written answer from the licensee
20 the department shall make findings on the matter under consideration
21 within 15 days and shall notify the person involved of its decision in
22 writing by certified or registered mail. If the department's decision
23 is to sustain an action against the licensee's driver's license, the
24 department shall notify the licensee of the opportunity for a hearing
25 under AS 28.05.121 - 28.05.141. Suspension of a person's license is
26 stayed until final disposition of the hearing under this section.

27 (h) Subsection (a) does not apply to a person who is required to
28 provide proof under AS 28.22.021 if the person

29 (1) is involved in an accident that results in property

1 damage of less than \$1,000 and the damage occurs only to the property
2 of the person required to show proof of insurance;

3 (2) not later than 15 days after the accident, provides
4 proof of motor vehicle liability insurance that complies with this
5 chapter or a certificate of self-insurance that complies with AS 28.-
6 20.400 to the department; and

7 (3) establishes by a preponderance of the evidence that the
8 failure to have in effect motor vehicle liability insurance or to
9 self-insure as required by this chapter at the time of the accident
10 was due to circumstances beyond the control of the person.

11 Sec. 28.22.051. FALSIFICATION OF INFORMATION. A person who,
12 with criminal negligence as defined in AS 11.81.900, provides false
13 information required under AS 28.22.021 - 28.22.041 is guilty of a
14 class A misdemeanor.

15 Sec. 28.22.061. PROOF FOR THE FUTURE. (a) A person whose li-
16 cense is suspended under AS 28.22.041 shall file proof of financial
17 responsibility for the future under AS 28.20 before full driving
18 privileges may be restored or limited license privileges are granted
19 under AS 28.22.041(c).

20 (b) A filing of proof of financial responsibility under AS 28.20
21 shall be required for a period of three years following expiration of
22 the suspension of license under AS 28.22.041.

23 ARTICLE 2. GENERAL POLICY PROVISIONS.

24 Sec. 28.22.101. GENERAL COVERAGE REQUIREMENTS; POLICY LIMITS.

25 (a) An owner's motor vehicle liability policy must designate by
26 description or appropriate reference the motor vehicles that it covers
27 and insure the person named against loss from the liability imposed by
28 law for damages that arise from the ownership, maintenance, or use of
29 a designated motor vehicle.

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

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

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

13 (1) \$50,000 because of bodily injury to or death of one
14 person in one accident, and, subject to the same limit for one person,
15 \$100,000 because of bodily injury to or death of two or more persons
16 in one accident; and

17 (2) \$25,000 because of injury to or destruction of property
18 of others in one accident.

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

27 (f) A motor vehicle liability policy must state the name and
28 address of the named insured and meet the requirements of AS 21.42.-
29 160 - 21.42.170. In the absence of specific contract language or

1 endorsement, the motor vehicle liability policy issued for a person in
2 this state is presumed to meet the minimum requirements of (d) of this
3 section.

4 Sec. 28.22.111. POLICY PROVISIONS THAT ARE IMPLIED. A motor
5 vehicle liability policy is subject to the following provisions which
6 do not need to be set out in the policy:

7 (1) satisfaction by the insured of a judgment for injury or
8 damages is not a condition precedent to the right or duty of the
9 insurance carrier to make payment on account of injury or damage;

10 (2) the insurance carrier may settle a claim covered by the
11 policy, and if settlement is made in good faith, the amount of settle-
12 ment is deductible from the limits of liability specified in AS 28.-
13 22.101;

14 (3) the policy, the written application for the policy, if
15 any, and every rider or endorsement that does not conflict with the
16 provisions of this chapter constitute the entire contract between the
17 parties.

18 Sec. 28.22.121. EXCESS OR ADDITIONAL COVERAGE. (a) A policy
19 that grants the coverage required for a motor vehicle liability policy
20 may also grant lawful coverage in excess of or in addition to the
21 coverage specified for a policy and the excess or additional coverage
22 is not subject to the provisions of this chapter. With respect to a
23 policy that grants excess or additional coverage, the term "motor
24 vehicle liability policy" applies only to that part of the coverage
25 that is required by this chapter.

26 (b) A policy is excluded from the application of this chapter if
27 the automobile or motor vehicle liability coverage is provided only on
28 an excess or umbrella basis.

29 Sec. 28.22.131. PRORATION. A motor vehicle liability policy may

1 provide for proration of the insurance with other valid and collect-
2 ible insurance.

3 Sec. 28.22.141. OTHER REQUIREMENTS OF POLICY. (a) A policy is
4 not effective under AS 28.22.101 unless it is issued by an insurance
5 company or surety company authorized to do business in this state,
6 except as provided in (b) of this section.

7 (b) A policy is not effective under AS 28.22.101 with respect to
8 a vehicle not registered in the state or a vehicle that was registered
9 in another jurisdiction on the effective date of the policy or the
10 most recent renewal of it, unless the insurance or surety company
11 issuing the policy is authorized to do business in the state, or if
12 the company is not authorized to do business in the state, unless it
13 executes a power of attorney authorizing the director of the division
14 of insurance to accept service of process on its behalf in an action
15 upon the policy arising out of the accident.

16 (c) The requirements for a motor vehicle liability policy may be
17 fulfilled by the policies of one or more insurance carriers that to-
18 gether meet the requirements.

19 (d) A binder issued pending the issuance of a motor vehicle
20 liability policy fulfills the requirements for a policy.

21 ARTICLE 3. UNINSURED AND UNDERINSURED MOTORISTS COVERAGE.

22 Sec. 28.22.201. GENERAL POLICY PROVISIONS. (a) The uninsured
23 and underinsured motorists coverage required under this chapter

24 (1) does not apply to bodily injury, sickness, disease, or
25 death of an insured or damage to or destruction of property of an
26 insured until the limits of liability bonds and policies that apply
27 have been used up by payments or judgments or settlements;

28 (2) must be a single combined coverage; and

29 (3) may be rejected by the insured in writing; if the

1 insured has rejected uninsured or underinsured coverage, the coverage
2 may not be included in a supplemental, renewal or replacement policy
3 unless the insured subsequently requests uninsured or underinsured
4 coverage in writing.

5 (b) If both the owner and operator of a vehicle are unknown,
6 payment under the uninsured and underinsured motorists coverage may be
7 made only where direct contact between the motor vehicles has occur-
8 red. A vehicle and operator that have left the scene of an accident
9 with another vehicle are presumed to be uninsured if the insured
10 person reports the accident to the appropriate authorities within 24
11 hours.

12 (c) The uninsured and underinsured motorists coverage for damage
13 to or destruction of property is subject to a deductible of \$250 in
14 any one accident, but the insurer may offer a deductible other than
15 \$250. This coverage shall be limited to damage to or destruction of
16 the covered motor vehicle. It may not include loss of use of such
17 vehicle.

18 Sec. 28.22.211. MAXIMUM LIABILITY OF CARRIER. (a) The maximum
19 liability of the insurance carrier under the uninsured and underin-
20 sured motorists coverage required under this chapter is the difference
21 between the coverage limit of liability and the amount paid to the
22 insured by or on behalf of the uninsured and underinsured motorist.

23 (b) Amounts payable under the uninsured motorists and underin-
24 sured motorists coverage required under this chapter shall be reduced
25 by

26 (1) amounts paid or to be paid under any workers' compensa-
27 tion law;

28 (2) amounts paid or payable under any valid and collectible
29 automobile medical payments insurance or bodily injury or death

1 liability insurance; and

2 (3) amounts paid by or on behalf of the uninsured or under-
3 insured motorist.

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

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

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

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

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

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

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

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ARTICLE 4. MISCELLANEOUS PROVISIONS.

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

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

(1) meets the requirements of AS 28.22.101; and

(2) is issued by an insurance carrier authorized to transact business in the state to or for the benefit of the person named as insured.

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

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

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

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

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

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

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

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

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

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

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

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

1 insured under the policy who are legally entitled to recover damages
2 for bodily injury or death from owners or operators of uninsured or
3 underinsured motor vehicles. The limit written may not be less than
4 the limit in AS 28.20.440.

5 * Sec. 7. AS 21.89.020(d) is amended to read:

6 (d) An insurance company offering automobile liability insurance
7 in this state for injury to or destruction of property shall offer
8 coverage prescribed in AS 28.20.440 and 28.20.445, or AS 28.22, with
9 limits not less than those prescribed in AS 28.20.440 or AS 28.22.101,
10 to cover the insured person's liability for injury to or destruction
11 of property, for the protection of the persons insured under the
12 policy who are legally entitled to recover damages for injury to or
13 destruction of the covered motor vehicle from owners or operators of
14 uninsured or underinsured motor vehicles.

15 * Sec. 8. AS 21.89.020(d) is repealed and reenacted to read:

16 (d) An insurance company offering automobile liability insurance
17 in this state for injury to or destruction of property shall offer
18 coverage prescribed in AS 28.20.440 and 28.20.445, with limits not
19 less than those prescribed in AS 28.20.440 to cover the insured per-
20 son's liability for injury to or destruction of property, for the
21 protection of the persons insured under the policy who are legally
22 entitled to recover damages for injury to or destruction of the
23 covered motor vehicle from owners or operators of uninsured or under-
24 insured motor vehicles.

25 * Sec. 9. AS 21.89.020 is amended by adding new subsections to read:

26 (f) An automobile liability insurance policy must provide

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

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

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

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

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

13 (f) An automobile liability insurance policy must provide

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

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

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

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

24 Sec. 28.10.021. APPLICATION FOR REGISTRATION. (a) The owner of
25 a vehicle subject to registration shall apply for registration under
26 this chapter by properly completing the form prescribed by the commis-
27 sioner under AS 28.05.041. Before the issuance of a certificate of
28 registration by the department, the owner shall

29 (1) pay all registration fees and taxes required under this

1 chapter and federal heavy vehicle use taxes required under 26 U.S.C.
2 4481 (Internal Revenue Code of 1954);

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

12 (3) comply with other applicable statutes and regulations.

13 (b) At the time of application for registration or renewal of
14 registration, the department shall provide the applicant written
15 information explaining the state's financial responsibility and manda-
16 tory motor vehicle insurance laws and applicable penalties for failure
17 to comply with those laws, and shall inform the applicant that addi-
18 tional information regarding motor vehicle insurance is available from
19 the division of insurance.

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

29 * Sec. 12. AS 28.10.021(a) is repealed and reenacted to read:

1 (a) The owner of a vehicle subject to registration shall apply
2 for registration under this chapter by properly completing the form
3 prescribed by the commissioner under AS 28.05.041. Before the issu-
4 ance of a certificate of registration by the department, the owner
5 shall

6 (1) pay all registration fees and taxes required under this
7 chapter and federal heavy vehicle use taxes required under 26 U.S.C.
8 4481 (Internal Revenue Code of 1954); and

9 (2) comply with other applicable statutes and regulations.

10 * Sec. 13. AS 28.10.021(b) is repealed and reenacted to read:

11 (b) At the time of application for registration or renewal of
12 registration, the department shall provide the applicant written
13 information explaining the state's financial responsibility law.

14 * Sec. 14. AS 28.10.041(a) is amended to read:

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

16 (1) the application contains a false or fraudulent state-
17 ment;

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

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

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

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

29 (6) the registration of the vehicle has been suspended or

1 revoked for any reason under the laws of the [THIS] state;

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

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

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

7 (10) the vehicle is subject to a state-approved local emis-
8 sion inspection program adopted by municipal ordinance under AS 46.-
9 03.210, and the vehicle does not meet the standards of that program,
10 unless the vehicle uses a fuel source that does not primarily emit
11 carbon monoxide;

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

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

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

19 (1) the application contains a false or fraudulent state-
20 ment;

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

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

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

28 (5) the department has reasonable grounds to believe that
29 the vehicle was stolen or fraudulently acquired or that the granting

1 of registration would be a fraud against the rightful owner or other
2 person having a valid lien upon the vehicle;

3 (6) the registration of the vehicle has been suspended or
4 revoked for any reason under the laws of the state;

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

6 (8) the vehicle or applicant fails to comply with this
7 chapter or regulations implementing this section;

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

10 (10) the vehicle is subject to a state-approved local emis-
11 sion inspection program adopted by municipal ordinance under AS 46.-
12 03.210, and the vehicle does not meet the standards of that program,
13 unless the vehicle uses a fuel source that does not primarily emit
14 carbon monoxide.

15 * Sec. 16. AS 28.10.051 is amended by adding a new subsection to read:

16 (b) Unless the owner qualifies as a self-insurer under AS 28.-
17 20.400, or is exempted from obtaining liability insurance under
18 AS 28.22.011, the department may suspend or revoke the registration of
19 a vehicle that is not insured by a motor vehicle liability policy that
20 complies with AS 28.22.101.

21 * Sec. 17. AS 28.10.421(c) is amended to read:

22 (c) The annual registration fees under this subsection are
23 imposed and are based upon the actual unladen weight as established by
24 the manufacturer's advertised weight or upon the actual weight which
25 the owner shall furnish, subject to the approval of the commissioner
26 or the commissioner's representative, for a vehicle, including a motor
27 vehicle pulling a trailer or semi-trailer, used or maintained for the
28 transportation of passengers for hire, excepting taxicabs and buses
29 under (b) of this section, or for the transportation of property for

1 hire or for other commercial use, including a commercial vehicle such
2 as a trailer, semi-trailer, truck, wrecker, tow car, hearse, ambu-
3 lance, and tractor, as follows:

- 4 (1) up to and including 5,000 pounds \$51 [\$50];
5 (2) more than 5,000 pounds to and including 12,000 pounds
6 \$86 [\$85];
7 (3) more than 12,000 pounds to and including 18,000 pounds
8 \$156 [\$155];
9 (4) more than 18,000 pounds \$221 [\$220].

10 * Sec. 18. AS 28.10.421 is amended by adding a new subsection to read:

11 (g) The fees collected by the department under this section
12 shall be deposited in the general fund. The Department of Adminis-
13 tration shall separately account for three percent of the fees col-
14 lected under this section and deposited in the general fund. The
15 annual estimated balance in the account may be used by the legislature
16 to make appropriations for administration of AS 28.10.021(a) and
17 AS 28.22 (Alaska Mandatory Automobile Insurance Act).

18 * Sec. 19. AS 28.10.421(g) is repealed and reenacted to read:

19 (g) The fees collected by the department under this section
20 shall be deposited in the general fund. The Department of Adminis-
21 tration shall separately account for three percent of the fees col-
22 lected under this section and deposited in the general fund. The
23 annual estimated balance in the account may be used by the legislature
24 to make appropriations for administration of AS 28.10.021(a).

25 * Sec. 20. AS 28.10.491(a) is amended to read:

26 (a) Upon conviction, a person is guilty of a felony who
27 (1) alters, forges, or counterfeits a certificate of title
28 or registration, or a registration plate, decal, tab, or sticker of
29 this or another jurisdiction;

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

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

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

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

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

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

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

24 (9) makes a false statement or otherwise conceals or with-
25 holds a material fact in an application for registration or certifi-
26 cate of title or falsely affirms with respect to a matter required to
27 be sworn to, affirmed, or furnished under this chapter or regulations
28 adopted under this chapter; except that a person who with criminal
29 negligence as defined in AS 11,81.900, falsely certifies to the

1 department the existence of a motor vehicle liability insurance policy
2 under AS 28.10.021(a)(2), is guilty of a class A misdemeanor.

3 * Sec. 21. AS 28.10.491(a) is repealed and reenacted to read:

4 (a) Upon conviction, a person is guilty of a felony who

5 (1) alters, forges, or counterfeits a certificate of title
6 or registration, or a registration plate, decal, tab, or sticker of
7 this or another jurisdiction;

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

12 (3) has possession of or uses a certificate of title or
13 registration, registration plate, decal, tab, or sticker of this or
14 another jurisdiction knowing it to have been altered, forged, or
15 counterfeited;

16 (4) wilfully removes or falsifies a vehicle identification
17 number;

18 (5) wilfully conceals or misrepresents the identity of a
19 vehicle or vehicle equipment;

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

23 (7) removes from the state a vehicle that is the subject of
24 a security interest created under AS 28.01 - 28.35 or under AS 45.01 -
25 45.09, without the written consent of the secured party, and with
26 intent to defraud the secured party or the state;

27 (8) represents a motor vehicle or house trailer to be a new
28 vehicle and who sells or procures the sale of that motor vehicle as a
29 new vehicle without presenting a "manufacturer's statement of origin";

1 or

2 (9) makes a false statement or otherwise conceals or with-
3 holds a material fact in an application for registration or certifi-
4 cate of title or falsely affirms with respect to a matter required to
5 be sworn to, affirmed, or furnished under this chapter or regulations
6 adopted under this chapter.

7 * Sec. 22. AS 28.15.061 is amended by adding a new subsection to read:

8 (f) At the time of application for a driver's license or an
9 instruction permit, or renewal of a driver's license or an instruction
10 permit, the department shall provide the applicant written information
11 explaining the state's financial responsibility and mandatory motor
12 vehicle insurance laws and potential penalties for failure to comply
13 with those laws.

14 * Sec. 23. AS 28.15.061(f) is repealed and reenacted to read:

15 (f) At the time of application for a driver's license or an
16 instruction permit, or renewal of a driver's license or an instruction
17 permit, the department shall provide the applicant written information
18 explaining the state's financial responsibility law and potential
19 penalties for failure to comply with that law.

20 * Sec. 24. AS 28.15.081(a) is repealed and reenacted to read:

21 (a) The department shall examine every applicant for a driver's
22 license. The examination must include a test of the applicant's (1)
23 eyesight, (2) ability to read and understand official traffic control
24 devices, (3) knowledge of safe driving practices, (4) knowledge of the
25 effects of alcohol and drugs on drivers and the dangers of driving
26 under the influence of alcohol or drugs, (5) knowledge of the laws on
27 driving while intoxicated, (6) knowledge of the laws on financial
28 responsibility and mandatory motor vehicle liability insurance, and
29 (7) knowledge of the traffic laws and regulations of the state. The

1 examination may include a demonstration of ability to exercise ordi-
2 nary and reasonable control in the driving of a motor vehicle of the
3 type and general class of vehicles for which the applicant seeks a
4 license. However, an applicant who has not been previously issued a
5 driver's license by this or another jurisdiction shall demonstrate
6 ability and shall present medical information that the department
7 reasonably requires to determine fitness to safely drive a motor
8 vehicle of the type and general class of vehicles for which the appli-
9 cant seeks a license.

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

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

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

29 (c) In this section, the term "proof of financial responsibility

1 [FOR THE FUTURE]" has the meaning given in AS 28.20.630 [AS 28.20.-
2 230(b)] and may be established as provided in AS 28.20.

3 * Sec. 27. AS 28.20.400(a) is amended to read:

4 (a) A person in whose name more than 25 vehicles are registered
5 in this state may qualify as a self-insurer by obtaining a certificate
6 of self-insurance issued by the department as provided in (b) of this
7 section. A person in whose name fewer than 25 vehicles are registered
8 qualifies as a self-insurer and shall be issued a certificate of
9 self-insurance, if the person provides proof satisfactory to the
10 department that the person has and will continue to have the ability
11 to pay a judgment for property damage, bodily injury, or both, in the
12 amount of at least \$125,000.

13 * Sec. 28. AS 28.20.630 is amended to read:

14 Sec. 28.20.630. DEFINITIONS [DEFINITION]. In this chapter,
15 unless the context otherwise requires,

16 (1) "judgment" ["JUDGMENT"] means a judgment that [WHICH]
17 is final by expiration without appeal of the time within which an
18 appeal may be taken, or final by affirmation on appeal, given by a
19 court of a [ANY] state or of the United States, upon a cause of action
20 arising out of the ownership, maintenance, or use of a vehicle of a
21 type subject to registration under the laws of this state, for dam-
22 ages, including damages for care and loss of services, because of
23 bodily injury to or death of a person, or for damages because of
24 injury to or destruction of property, including the loss of use of
25 property, or upon a cause of action on an agreement of settlement for
26 such damages;

27 (2) "proof of financial responsibility" means an owner's
28 motor vehicle liability policy that covers all vehicles owned by the
29 person that are subject to registration in this state, or if the

1 person does not own a vehicle, proof required under AS 28.20.390.

2 * Sec. 29. Sections 2 and 9 of this Act apply to automobile liability
3 insurance policies entered into or renewed on or after January 1, 1990.

4 * Sec. 30. AS 28.20.230(b) is repealed.

5 * Sec. 31. AS 21.36.045, AS 28.10.051(b), and AS 28.22 are repealed.

6 * Sec. 32. REPORT. The Department of Public Safety shall report to the
7 legislature by the 30th day of the Second Session of the Seventeenth Alaska
8 State Legislature on the effects of the Alaska Mandatory Automobile Insur-
9 ance Act (AS 28.22). The report must include

10 (1) the percentage of persons involved in accidents who are
11 adequately compensated for resulting personal injury or property damage
12 under the Motor Vehicle Safety Responsibility Act (AS 28.20);

13 (2) the number of persons whose driver's license was suspended
14 for failing to comply with the Alaska Mandatory Automobile Insurance Act
15 (AS 28.22) and the disposition of those suspensions;

16 (3) the change, if any, in the percentage of uninsured drivers
17 during the period beginning July 1, 1989, and ending December 31, 1991; and

18 (4) recommended legislative changes.

19 * Sec. 33. Sections 11, 14, and 17 of this Act take effect January 1,
20 1990.

21 * Sec. 34. Sections 1, 2, 3, 5, 7, 9, 16, 18, 20, 22, 24, 26 - 30, and
22 32 of this Act take effect immediately under AS 01.10.070(c).

23 * Sec. 35. Sections 4, 6, 8, 10, 12, 13, 15, 19, 21, 23, 25, and 31 of
24 this Act take effect January 1, 1994.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

4/27/89
Grenk
POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM

February 21, 1989

SUBJECT: Mandatory motor vehicle insurance - CSHB
44(L&C)am

TO: Senator Eliason

FROM: Michael Ford *m.f.*
Legislative Counsel

You requested a brief explanation of the attached amendment, regarding motor vehicle liability insurance for rented vehicles. The amendment would require that in the event that a person has multiple insurance coverage, insurance provided under AS 21.89.020(f)(2) would apply before coverage from another insurance policy would apply.

Please contact me if you have further questions.

MF:kb
wkk2/033

A M E N D M E N T

OFFERED IN THE SENATE

BY ELIASON

TO: CSHB 44(L&C) am

Page 13, line 9, after "policy;":

Insert "coverage required under this paragraph is primary if multiple coverage exists;"

PAYLESS CAR RENTAL

Fairbanks International Airport Terminal
Post Office Box 61500 / Fairbanks, Alaska 99706
Telephone (907) 474-0177

January 16, 1989

Senator Steve Frank
Juneau, Alaska

Dear Senator Frank,

I spoke with your representative Mr. Rick Solie this morning concerning HB 44. I understand this is before the Senate Labor and Commerce Committee at the present time.

My interest concerns an amendment to Sec. 6. AS 21.89.020 (f) (2). It appears that the intent is to have the person who rents a motor vehicle will have this liability insurance as primary over the rental car agencies liability policy.

Even though I support this amendment, a more comprehensive solution which would benefit Alaskan rental car agencies should be included.

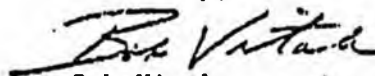
Enclosed is a copy of a Florida Statute imprinted on a rental agreement used in Florida defines what should be done in Alaska. Florida is a leading state for the business of renting cars especially to tourist. This law reflects the need to reduce the cost of rental cars. If you are aware of some of the rates in Florida, some as low as \$49.00 a week, you can see why this law was enacted. They know how to provide for the tourist industry in that state.

But the reality is that the people affected by this proposal already have insurance and would expect to have their own insurance company pay for any mistakes resulting in liability. Nobuto mentioned that people tend to be more careful when they know they have some responsibility.

I would appreciate very much if this amendment could be review and be enacted. If you have any additional questions, please call me anytime.

Your interest will be greatly appreciated.

Sincerely,



Bob Vitale
President
ALASKA DIAL-A-CAR, Inc.

Encl

JAN 16 '89 16:34 LIO - FAIRBANKS

Avenue North

SOC. SECURITY NO. 264-63-8987

STATE FL ZIP 33704 PHONE NO. 381-2758

St. Petersburg FL 33704 381-2758

DATE 1/02 HAIR BR EYES BR HEIGHT 5'5" WEIGHT DATE OF BIRTH 3/13/61 AGE 25

Of Air Force PHONE NO.

CITY STATE

Perming, GA

LOCAL ADDRESS (IF DIFFERENT FROM ABOVE) ab above LOCAL PHONE

ADDITIONAL DRIVER (NONE UNLESS FILLED IN) DATE OF BIRTH AGE

CITY STATE PHONE NO.

LICENSE NO. STATE EXPIRE DATE

VEHICLE RESTRICTED TO THE STATE WHERE RENTED UNLESS NOTED

Florida

COLLISION DAMAGE AND INSURANCE CONDITIONS

DECLINES X

PERSONAL ACCIDENT INSURANCE PLUS

ACCEPTS

DECLINES

VEHICLE CONDITION

Perfect Condition

CHECKED OUT BY DT

CHECKED IN BY

RENTER

NT -- SCRATCH O MISSING

CREDIT CARD IDENTIFICATION

VISA MC AMX DINERS CB

holiday payless 5510 Gulfport Boulevard P. 2/2 St. Petersburg, FL 33707 813-381-2758

R.A. NO. 500000 A

VEHICLE NO. 5067 LICENSE NO. 1MG 614 MAKE Chev MODEL Cav COLOR Blue

VEHICLE NO. LICENSE NO. MAKE MODEL COLOR

OWNING CITY RENTING CITY RETURN TO DUE DATE

St. Petersburg St. Petersburg St. Petersburg 11/21/86

ORIGINAL VEHICLE EXCHANGE VEHICLE NO.

FREE MILES

TIME IN 11/21/86 12:00PM

TIME OUT 11/14/86 12:00PM

DATE OF EXCHANGE

TOTAL TIME RENTED

RATES DO NOT INCLUDE GAS

MILES 15 PER MILE

HOURS 5.00 PER HOUR

DAYS 31.00 PER DAY

WEEKS 186.00 PER WSEK 186.00

SPECIAL PER

MINIMUM RENTAL CHARGE 24 HOURS PLUS MILEAGE

PASSPORT CLUB DAYS 4

TOTAL TIME AND MILEAGE

ACCEPTS REJECTS PERSONAL EFFICIENCY COVERAGE DAILY

COLLISION DAMAGE WAIVER \$ DAILY

PERSONAL ACCIDENT INS. PLUS \$ 2.50 DAILY

INTERCITY DROP FEE FOR DROP IN

REFUELING SERVICE GALS. @ \$ PER GAL.

JASSON CONDITION RENTER MUST FILL TANK TO LEVEL WHEN VEHICLE WAS RENTED OUT. DAMAGE EXPENSE

IN SUB TOTAL

OUT TAX

IN TOTAL CHARGES

OUT LESS OIL, REPAIRS

REFUND RENTER INITIAL NET DUE 186.00

DEPOSIT CREDIT \$

SOURCE DEP. REC'D \$ DATE

ADD DEP. \$ DATE

BAL. DUE TO LESSOR RENTER

RENTER'S INSURANCE PRIMARY

FLORIDA STATUTE 627.7263 RENTAL AND LEASING DRIVER'S INSURANCE TO BE PRIMARY; EXCEPTION --

(1) The valid and collectible liability insurance or personal injury protection insurance providing coverage for the lessor of a motor vehicle for rent or lease shall be primary unless otherwise stated in bold type on the face of the rental or lease agreement. Such insurance shall be primary for the limits of liability and personal injury protection coverage as required by ss. 324.031(7) and 627.706.

YOU ARE HEREBY NOTIFIED THAT BY SIGNING THIS CONTRACT BELOW YOU AGREE THAT YOUR OWN LIABILITY AND PERSONAL INJURY PROTECTION INSURANCE IF ANY WILL PROVIDE PRIMARY INSURANCE COVERAGE UP TO ITS FULL POLICY LIMITS. HAVE READ THE TERMS AND CONDITIONS OF THIS CONTRACT AND AGREE TO THEM.

LEASER/RENTER'S INSURANCE CO

AGENCY

I HAVE LESSON ON HIS AGENT TO PROCESS A CREDIT CARD VOUCHER, IF ANY, FOR \$ INCURRED HEREUNDER. I HAVE READ THE TERMS AND CONDITIONS OF PAGE 1 (ON 2 Sides) AND PAGE 2 OF THIS AGREEMENT AND AGREE THERETO AND ALSO TO RETURN TO LESSOR ON HIS AGENT ON OR BEFORE DUE BACK DATE AND AT PLACE SPECIFIED. AUTHORIZED DRIVER MUST BE 21 OR OLDER WITH PERMANENT LICENSE

INITIAL AGENT

STATE OF ALASKA

DEPARTMENT OF PUBLIC SAFETY

DIVISION OF MOTOR VEHICLES

HB 44
STEVE COWPER, GOVERNOR

P.O. BOX 20
JUNEAU, ALASKA 99802-0020

PHONE: (907)465-4335

February 2, 1989

The Honorable Dick Eliason
Chairman, Senate Labor & Commerce Committee
Alaska State Senate
P.O. Box V
Juneau, Alaska 99811

Re: CSHB 44(L&C)am
Mandatory Motor Vehicle Insurance


Dear Senator Eliason:

The Department of Public Safety's fiscal note dated January 31, 1989, for CSHB 44(L&C)am indicates that there are two positions currently involved in administration of the mandatory insurance law. You have asked about the cost of these two positions, which is as follows: Document Processing Clerk III, range 10D, \$36,012; and Clerk IV, range 9E, \$35,173, for a total of \$71,185. This includes both salary and benefits.

You also wanted to know if these were the only positions that were associated in any way with administering the mandatory insurance law. The answer is no; they are the only ones who are devoted full time to the task. Some other DMV employees are also involved in administering the mandatory insurance law, to a more limited extent. An example would be the administrative review hearing officers. The majority of their time is devoted to administrative hearings regarding the revocation of motorists' licenses for DWI offenses and review of point system license actions. However, when a person requests a hearing as a result of receiving a suspension notice under the mandatory insurance law, these hearing officers will conduct the hearing. In calendar year 1988, there were 119 requests for administrative hearings under the mandatory insurance law.

Please let me know if I can provide any further assistance.

Sincerely,


Bill Brown
Chief of Driver Services

BB:bc

cc: Representative Dave Donley

FISCAL NOTE

REQUEST:

Revision Date: 1/31/89
Title: An Act relating to motor vehicle liability insurance
Sponsor: Rep. Donley
Requestor: Senate L&C

Agency Affected: Public Safety
BRU: Motor Vehicles
Component: Driver & Field Services

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	31.0	109.1	125.4	125.4	92.8	92.8
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	3.9	9.4	10.7	10.7	8.2	8.2
SUPPLIES	.2	.7	.8	.8	.5	.5
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	35.1	119.2	136.9	136.9	101.5	101.5

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	21.6	43.2	43.2	43.2	43.2
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FUNDING: (Thousands of Dollars)

GENERAL FUND	35.1	119.2	136.9	136.9	101.5	101.5
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	35.1	119.2	136.9	136.9	101.5	101.5

POSITIONS:

FULL-TIME	3	4	4	4	3	3
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS: (Attach a separate page if necessary)

ASSUMPTION: Effective date of March 1, 1989, with exception of sections 7, 8, & 10.

PROGRAM SUMMARY: HB 44 reinstates mandatory motor vehicle liability insurance requirements, which were repealed effective January 1, 1989. HB 44 requires that a person certify, at the time of application for registration of a motor vehicle, that he or she has motor vehicle liability insurance. This is a new requirement, not present under the prior law. One Motor Vehicle Representative II position (range 9B) will be needed to screen and process registration applications submitted by mail. This position is

Prepared by: Bill Brown
Division: Motor Vehicles

Phone: 465-4335
Date: 1/31/89

Approved by Commissioner: B.A.H.M. Arthur English
Agency: Department of Public Safety

Date: 1-31-89

requested for the renewal by mail program in Anchorage for the first three fiscal years after the effective date of sections 7, 8, & 10 concerning registration of motor vehicles. It is anticipated that, after the program is in effect for a couple of years, there will be less rejected applications, and the position will no longer be required. As a result of experience gained in the Emission Inspection Program, we know that the renewal by mail form will not always be adequately completed in regard to certifying insurance is in existence. Thus, some forms will need to be returned to the applicant. Of the 431,049 registrations in 1987, 99,614 were renewals by mail. It is estimated 10% of the renewals by mail will be incomplete in regard to certification of insurance.

HB 44 requires that a motorist involved in an accident or cited for a moving violation carrying a point assessment of six points or more must prove that he or she had the required insurance coverage on the date of the accident or violation. These requirements were contained in existing law, but the division has not administered the requirement in connection with six-point violations since July, 1987 due to budget limitations. To enforce this aspect of the new law three Document Processing Clerk II positions (Range 8B) are being requested to process certifications of insurance, court documents for six or more point violations, and other related documents in Juneau. The three positions will not be sufficient to totally enforce the mandatory insurance provisions, and some existing personnel will be used to assist. With these three additional staff the mandatory insurance program can be fully administered.

Two current positions devote all their time to administering the Mandatory Insurance Law, since we are still processing 1988 accident reports. If the law is reenacted the employees in these two positions will continue to perform their present duties. If the law remains repealed, one of the positions will continue to handle paperwork generated as a result of the Mandatory Insurance Law (reinstatements following suspension, SR22 insurance filings, etc.) for at least one year. The other position will be assigned to handle DWI administrative revocations, which is currently handled by a federally-funded position. The federal funding is due to expire June 30, 1989.

All suspension notices must be sent via certified mail, return receipt requested, which costs \$2.00 per notice. This is the reason for the contractual service cost. Only suspension notices for six or more point violations are included, since those for accident reports are included in the present operating budget.

The estimates of increased revenues are based on the change in fees contained in section 10 of the bill. In 1987, 43,163 vehicles were registered under AS 28.10.421(c). With section 10 being effective January 1, 1990, an estimated 21,581 would be registered in FY90.

EXPENDITURES: (FY89)

Personal Services	
3 Doc Proc Clk II, Jno, 8B	31.0
Contractual	
Postage, 1,143x2.00	2.3
Printing 4,000 suspension notices @ \$325 per 1,000	1.3
other forms	<u>.3</u>
	3.9

Department of Public Safety
Fiscal Note/Analysis for: \\
CSHB44(L&C)am, An Act relating to motor vehicle liability insurance...
Page 3 of 5

Commodities

office supplies/microfilm

.2
35.1

Three positions are budgeted for four months in FY89, and 12 months in FY90, assuming mandatory insurance effective date of March 1, 1989. One position is budgeted for six months in FY90, and 12 months in FY91 because of January 1, 1990 effective date for certifying existence of insurance at the time of registration.

Position Title Motor Vehicle Representative II		No. of Positions	Range/Step 98	Barg. Unit 660
Time Status PT	Staff Months 6	Location Anchorage		Election District 7-15
		Justification		
Type of Expenditure		Amount		
1	2	3		
Salary*	10,710	////////////////////		
Benefits*	5,581	////////////////////		
Premium Pay (Included in Above)	////////////////////	////////////////////		
Other	////////////////////	////////////////////		
Total Personal Services	////////////////////	16,291		
Travel				
Contractual		1,250		
Commodities		200		
Equipment				
Other				
Total Cost		17,741		
Funding Source for Total Cost				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	17,741		
Program Receipts/GF	1005			
I-A Receipts	1007			
CIP Receipts	1061			
Other				
* Personal Services Salary and Benefits Costs are from PACS Scenario #2.				
<p>Process registration applications received under the mail-out renewal program. Inspect applications returned for completeness. Return applications that are incomplete with instructions on how to correct. Perform data entry for properly completed applications and send renewal registration and tabs to applicant.</p> <p>Figures are for six months, because of effective date of January 1, 1990, for the sections of the bill dealing with certifying at the time of registration.</p>				

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
 BRU Motor Vehicles
 COMPONENT Field Services

Page 4 of 5
 Revised Date

FY 90

Position Title <u>Dococument Processing Clerk II</u>			No. of Positions 3	Range/Step 8B	Barg. Unit GGU
Time Status PFT	Staff Months 4		Location Juneau		Election District 4
			Justification		
Type of Expenditure			Amount		
1			2		3
Salary*			20,136		////////////////////
Benefits*			10,815		////////////////////
Premium Pay (Included in Above)			////////////////////		////////////////////
Other			////////////////////		////////////////////
Total Personal Services			////////////////////		30,951
Travel					
Contractual					3,900
Commodities					200
Equipment					
Other					
Total Cost					35,051
Funding Source for Total Cost					
Federal Receipts 1002					
G.F. Match 1003					
General Fund 1004					35,051
Program Receipts/GF 1005					
I-A Receipts 1007					
CIP Receipts 1061					
Other					
* Personal Services Salary and Benefits Costs are from PACS Scenario #2.					
<p>These positions will process notifications from the court reflecting whether or not a person who received a 6 or more point violation submitted the proper proof of insurance. If proper proof was not shown, process file for suspension after searching Certifications of Insurance submitted directly to DMV by the defendants.</p> <p>Will also process proof of insurance filed by drivers involved in accidents. If proper proof was not submitted, process file for suspension of the driver.</p> <p>Prior to suspension, must research person's record to determine length of suspension, and calculate beginning and ending dates of the suspension.</p> <p>For accidents and six or more point violations, verify coverage submitted with insurance company on random basis.</p> <p>Maintain records on individuals who are required to file proof of financial responsibility for the future following a suspension. Generate non-comply letter when insurance cancellation is received.</p> <p>Handle correspondence generated under new self-insurance section of the law.</p> <p>Figures are for four months (March through June).</p>					

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
 BRU Motor Vehicles
 COMPONENT Field Services

Page 5 of 5
 Revised Date

FY 89

FISCAL NOTE

REQUEST:

Revisor Date: 4-7-89
Title: An Act relating to motor vehicle liability insurance
Sponsor: Rep. Donley
Requestor: Senate Labor & Commerce

Agency Affected: Public Safety
BRU: Motor Vehicles
Component: Field Services

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	-0-	16.3	32.6	32.6	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	1.2	2.5	2.5	-0-	-0-
SUPPLIES	-0-	.2	.4	.4	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	17.7	35.5	35.5	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	21.6	43.2	43.2	43.2	43.2
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	17.7	35.5	35.5	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	17.7	35.5	35.5	-0-	-0-

POSITIONS:

FULL-TIME	-0-	1	1	1	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS: (Attach a separate page if necessary)

PROGRAM SUMMARY: HB 44 reinstates mandatory motor vehicle liability insurance requirements, which were repealed effective January 1, 1989. HB 44 requires that a person certify, at the time of application for registration of a motor vehicle, that he or she has motor vehicle liability insurance. This is a new requirement, not present under the prior law. One Motor Vehicle Representative II position (range 9B) will be needed to screen and process registration applications submitted by mail. This position is

Prepared by: Bill Brown
Division: Motor Vehicles

Phone: 465-4335

Date: 4-7-89

Approved by Commissioner: Arthur English
Agency: Department of Public Safety

Date: 4-7-89

requested for the renewal by mail program in Anchorage for the first two and one half fiscal years. It is anticipated that after the program is in effect for a couple of years there will be less rejected applications, and the position will no longer be required. As a result of experience gained in the Emission Inspection Program, we know that the renewal by mail form will not always be adequately completed in regard to certifying insurance is in existence. Thus, some forms will need to be returned to the applicant. Of the 431,049 registrations in 1987, 99,614 were renewals by mail. It is estimated 10% of the renewals by mail will be incomplete in regard to certification of insurance.

The estimates of increased revenues are based on the change in fees contained in section 17 of the bill. In 1987, 43,163 vehicles were registered under AS 28.10.421(c). With section 17 being effective January 1, 1990, an estimated 21,581 would be registered in FY90.

EXPENDITURES:

Personal Services	
1 Motor Veh. Rep. II, Anc, 9B	16.3
Contractual	
Postage 4,980 x .25	1.2
Commodities	
Envelopes/office supplies	<u>.2</u>
	17.7

Expenditures for FY90 based on one-half fiscal year because of bill reflecting certifying insurance at time of registration to be effective January 1, 1990.

Position Title Motor Vehicle Representative II		No. of Positions 1	Range/Step 9B	Barg. Unit GGU
Time Status PFT	Staff Months 6	Location Anchorage		Election District 7-15
Justification				
Type of Expenditure		Amount		
1	2	3		
Salary*	10,710	////////////////////		
Benefits*	5,581	////////////////////		
Premium Pay (Included in Above)	////////////////////	////////////////////		
Other	////////////////////	////////////////////		
Total Personal Services	////////////////////	16,291		
Travel				
Contractual		1,250		
Commodities		200		
Equipment				
Other				
Total Cost		17,741		
Funding Source for Total Cost				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	17,741		
Program Receipts/GF	1005			
I-A Receipts	1007			
CIP Receipts	1061			
Other				
* Personal Services Salary and Benefits Costs are from PACS Scenario #2.				

Process registration applications received under the mail-out renewal program. Inspect applications returned for completeness. Return applications that are incomplete with instructions on how to correct. Perform data entry for properly completed applications and send renewal registration and tabs to applicant.

Figures are for six months, because of effective date of January 1, 1990, for the sections of the bill dealing with certifying at time of registration.

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
 BRU Motor Vehicles
 COMPONENT Field Services

Page 3 of 3
Revised Date

FY 90

STATE OF ALASKA

DEPARTMENT OF PUBLIC SAFETY

DIVISION OF MOTOR VEHICLES

STEVE COWPER, GOVERNOR

SCSCSHB 44 (L&C) (a)

4/8/89
P.O. BOX 20

JUNEAU, ALASKA 99802-0020

PHONE: (907)465-4335

February 2, 1989

The Honorable Dick Eliason
Chairman, Senate Labor & Commerce Committee
Alaska State Senate
P.O. Box V
Juneau, Alaska 99811

Re: CSHB 44(L&C)am
Mandatory Motor Vehicle Insurance

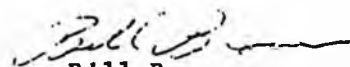
Dear Senator Eliason:

The Department of Public Safety's fiscal note dated January 31, 1989, for CSHB 44(L&C)am indicates that there are two positions currently involved in administration of the mandatory insurance law. You have asked about the cost of these two positions, which is as follows: Document Processing Clerk III, range 10D, \$36,012; and Clerk IV, range 9E, \$35,173, for a total of \$71,185. This includes both salary and benefits.

You also wanted to know if these were the only positions that were associated in any way with administering the mandatory insurance law. The answer is no; they are the only ones who are devoted full time to the task. Some other DMV employees are also involved in administering the mandatory insurance law, to a more limited extent. An example would be the administrative review hearing officers. The majority of their time is devoted to administrative hearings regarding the revocation of motorists' licenses for DWI offenses and review of point system license actions. However, when a person requests a hearing as a result of receiving a suspension notice under the mandatory insurance law, these hearing officers will conduct the hearing. In calendar year 1988, there were 119 requests for administrative hearings under the mandatory insurance law.

Please let me know if I can provide any further assistance.

Sincerely,



Bill Brown
Chief of Driver Services

This cover letter is appropriate for
BB:bc

cc: Representative Dave Donley

SCS CSHB 44 (L+C)

Sheila Peterson
Sen 1+C 4/8/89

STATE OF ALASKA 1989 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST:

Bill Version: CSHB 44 (L&C) am (b)
Publish Date: 4/8/89

Revision Date:
Title: An act relating to vehicle liability insurance and registration
Sponsor: Duncan
Requestor: Eliason

Agency Affected: Alaska Court System
BRU: Trial Courts
Components:

EXPENDITURES/REVENUES: (Thousands of Dollars)						
OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
Personal Services	52.0	52.0	52.0	52.0	52.0	52.0
Travel	.	.	.	.	.	.
Contractual	.	.	.	.	.	.
Supplies	.	.	.	.	.	.
Equipment	.	.	.	.	.	.
Land & Structures	.	.	.	.	.	.
Grants & Claims	.	.	.	.	.	.
TOTAL OPERATING	52.0	52.0	52.0	52.0	52.0	52.0
CAPITAL	.	.	.	.	.	.
REVENUE	.	.	.	.	.	.
FUNDING: (Thousands of Dollars)						
General Funds	52.0	52.0	52.0	52.0	52.0	52.0
Federal Funds	.	.	.	.	.	.
Other	.	.	.	.	.	.
TOTAL	52.0	52.0	52.0	52.0	52.0	52.0
POSITIONS:						
Full-time	.	.	.	.	.	.
Part-time	.	.	.	.	.	.
Temporary	.	.	.	.	.	.
ANALYSIS: (Attach a separate page if necessary)						

See attached analysis.

Prepared by: *Jan Strandberg* General Counsel
Division: Alaska Court System

Phone: 264-8228
Date: 01/30/89

Approved by: *Arthur H. Snowden, II* Administrative Director
Agency: Alaska Court System

Date: 01/30/89

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management & Budget
 - Impacted Agency(ies)
 - Senate Secretary

Alaska Court System

SB 44

Fiscal Analysis

Personal Services:

	Salary	Benefits	Total
2 - Court Clerk I, Range 8B Anchorage, PFT, 12 months	\$40,488	\$19,484	\$59,972
1 - Court Clerk I, Range 8B Fairbanks, PFT, 12 months	22,836	10,308	33,144

Total Personal Services and On-Going Cost			93,116

Less funding received with the passage of CCSHB 7, 1984
legislative session (on-going funding) ** (41,158)

Net On-Going Cost \$51,958

** Court was funded for 3 positions the first half-year of operating this program in fiscal 1985. The net on-going cost of this legislation is the cost of supplementing current funding to full-time status.

ALASKA COURT SYSTEM
SB 44 - ANALYSIS

This bill provides for the administrative suspension of a driving license when a driver is involved in an accident or a serious traffic violation and does not have liability insurance. The Department of Law has previously estimated that this would result in an annual addition of 1,300 driving with license suspended cases. The workload is concentrated in Anchorage and Fairbanks.

The clerical impact of the additional caseload is on the criminal sections in Anchorage and Fairbanks. Each new case is set up in a case file, calendar notices are sent out, judgments and hearing records are prepared and distributed, and cases are tracked and coordinated with the jails and the Department of Motor Vehicles. Two court clerks in Anchorage and one court clerk in Fairbanks are needed to perform these functions.

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STATE OF ALASKA
1989 LEGISLATIVE SESSION

No. 2
BILL VERSION: CSHB 44 (L&C)
PUBLISH DATE: HOUSE 1/11/89

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Mandatory Motor Vehicle Insurance

Agency Affected: Commerce & Econ. Dev.
BRU: Div. of Insurance

Sponsor: Rep. Donley
Requestor: House Labor & Commerce

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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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: Paul Roller, Director
Division: Division of Insurance

Phone: 465-2515
Date: 1/9/1989

Approved by Commissioner: Larry Mercurieff, Commissioner
Agency: Dept. of Commerce & Economic Development

Date: 1/9/1989

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

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