

HB

517

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO: CSHB 517(TRA)

Revision Date: 03/7/96
 Title: An Act relating to motor vehicles commercial motor vehicles
 Sponsor: House Transportation Committee
 Requestor: H Transportation

Dept. Affected: Public Safety
 BRU: DPS Statewide Support
 Component: Commissioner's Office
 COMPONENT SERIAL NO. 0523

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

	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-
CHANGE IN REVENUES ()	-0-	-0-	-0-	-0-	-0-	-0-
Revenue Code						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GE Match						
1004 GE						
1005 GE/Program Receipts						
1006 GE/MHTIA						
Other						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year (FY 95) impact: \$ _____

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 (Attach a separate page if necessary)

This bill includes some housekeeping measures that simplifies several procedures affecting the operation of the Divisions of Motor Vehicles. It also provides for compliance with the Code of Federal Regulations, Title 49 of the Federal Motor Carrier Safety Assistance Program (MCSAP) and a compliance issue relating to the Commercial Motor Vehicle Safety Act (CMVSA) 49 CFR. Failure to maintain compliance with both the MSCAP grant and CMVSA may result in loss of the MSCAP grant funding and loss of 5 percent of federal highway aid funding.

Prepared By: Juanita M Hensley
 Division: Motor Vehicles

Phone: 465-2650
 Date: 03/07/96

Approved by Commissioner: *Ronald L. Ote*
 Agency: Ronald L. Ote, Dept. of Public Safety

Date: 3/8/96

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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CS HB 517 (TRA)

Revision Date: 3/7/96 Dept. Affected: DOT&PF
 Title: Motor Vehicles: Registration and Insurance BRU: Commissioner's Office
 Component: Office of the Commissioner
 Sponsor: House Transportation
 Requester: House Transportation COMPONENT SERIAL NO. 530

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
1002 Fed Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ 0.0


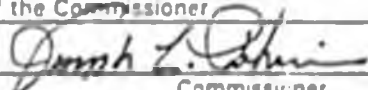
POSITIONS

POSITIONS	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Portions of this bill will have a direct and positive impact on DOT&PF. This legislation will enhance the department's ability to better administer commercial vehicle activities. It provides clarity to existing law, defines certain violations which will result in the suspension or revocation of vehicle registration and/or special permits, and provides meaningful deterrents to owners and operators of commercial vehicles from operating vehicles that are out of compliance with safety standards and drivers licensing requirements.

Cost savings are not necessarily tangible and will not result in a direct budget reduction. The public safety will however, definitely be enhanced. By keeping commercial vehicles that have been placed out of service by the department off of the road until they have been repaired and reinspected, the public's exposure to unsafe commercial vehicles will be minimized. Subsequently, the state will be less at risk from possible litigation involving unsafe commercial vehicles.

Prepared by: Sam Kito III  Phone: 465-3900
 Special Assistant
 Division: Office of the Commissioner Date: _____
 Approved by: Joseph L. Peltier  Date: 3/7/96
 Commissioner
 Agency: Department of Transportation and Public Facilities

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SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 3/26/96

FURTHER: FINANCE

DATE TURNED INTO OFFICE: 4/26/96

The Transportation Committee considered CS FOR HOUSE BILL NO. 517(TRA)(title am)
 Relating to motor vehicle regulation and insurance, efd.

and recommends:

- be replaced with _____ CS _____
- adopt previous _____ CS _____
- attach ed amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR³ _____

SIGNING DO PASS <u>4</u>	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Kyle Olsen</i>	✓	<i>Deny</i>	✓		
<i>[Signature]</i>	✓				
<i>Bill Adams</i>	✓				
<i>Chris Taylor</i>	✓				
CHAIR: <i>Steve [Signature]</i>	✓	CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
Public Safety	3/8/96	✓	
DOT/PF	3/7/96	✓	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

STATE OF ALASKA

Department of Public Safety

SPONSOR STATEMENT HOUSE BILL 517

Most Alaskans need a driver's license in order to carry on their daily lives. Obtaining license renewals and conducting other business with the Department of Public Safety, division of motor vehicles (DMV), can be time consuming. Most Alaskans have stood in line waiting to take care of business that require them to physically visit the DMV. This bill will make it easier for the Department of Public Safety to serve the public.

HB 517 will simplify procedures for obtaining a driver's license by removing exceptions to the renewal-by-mail program. Also, current law requires a person involved in an accident resulting in \$500 or more in damage to property to report the accident to the local police or the Alaska State Troopers for investigation. This amount was set in 1977; in present value, the slightest scrape can cost that much to repair. This bill raises the amount for required reporting to \$1,500.

HB 517 also provides for administrative hearings to be held by telephone in most instances to avoid costly travel. It allows the Department of Public Safety to keep its records electronically and provides that certified copies of those electronically stored records are admissible in courts and administrative hearings. It also allows a temporary permit issued by a car dealer to be valid for 60 days rather than 30 days, to give the dealer and the Department of Public Safety more time to take care of the necessary paperwork.

This bill also provides for compliance with the Code of Federal Regulations, Title 49, the Federal Motor Carrier Safety Act Program grant requirements, and item 22 of the Commercial Vehicle Safety Act 49 CFR parts 383, 390 and 391 dealing with disqualifying a commercial driver for an out-of-service violation. It makes housekeeping changes for compliance purposes. Failure to adopt the provisions of 49 CFR may result in sanction of 5 percent of federal highway monies and Federal Motor Carrier Safety Assistance Program Grant (MCSAP) funding.

Section 1. Records maintained electronically....This section will allow the use of certified electronic records in court in the same manner as the original paper document. With the transfer of traffic records between states, this will allow the storage of the electronically transmitted record to be used in lieu of the paper record. This is more efficient and well accepted practice.

Sections 2, 7-9. Administrative hearings by telephone. Allows administrative hearings to be conducted by telephone outside the central office area unless good cause exist for an in-person hearing. Hearings outside Juneau and Anchorage are currently scheduled to be conducted by telephone, but must be held in-person if the person requesting the hearing objects. Driver Services travel budget was reduced in FY94. A Highway Safety federally funded project was obtained to fund the hearing officer travel so the division could continue to conduct hearings in a timely manner and to get the drunk driver off of the road. This is the 1st year of the federal project money. Conducting administrative hearings by telephone is more cost efficient.

Section 3. This section extends the time period for a car dealer temporary permits to be extended from 30 days to 60 days. The 30 day permits are frequently inadequate to obtain title with liens, particularly from other states, and do the necessary processing to obtain an Alaska title. This is an efficiency measure.

Section 4. This section will authorize the department to revoke or suspend a CMV's registration if the owner/operator states that a "fix-it" violation has been repaired when it has not or if the owner/operator has failed to comply with a requirement that the CMV be reinspected after being placed out-of-service.

Section 5. Allows a private property owner to claim and title a vehicle that was abandoned without consent of the property owner. The vehicle must be abandoned for a period of in excess of three years.

Provided by the Dept. of Public Safety

Section 6. Lifts the restrictions for mail-in renewal of a driver's license. It deletes the provisions prohibiting renewal by mail when traffic convictions or license actions are evident within the previous five years. This is an efficiency measure.

Sections 7-9. See section 2.

Section 10-11. Allows the department to regulate the training requirements for commercial driving schools. It also creates a civil penalty for a person who operates a commercial driving school without receiving a proper license from the department.

Sections 12-18, & 25-26. Increases the amount of reportable property damage after a motor vehicle accident from \$500 to \$1,500. In 1970, the amount of reportable damage was \$200, in 1977, the amount was increased to \$500. Some police departments are not responding to vehicle accidents now unless there is in excess of \$1,500 or physical injury. This is considered an efficiency measure.

Sections 19 & 27. Alaska law exempts commercial vehicles in areas of the state where the average daily traffic is less than 499 vehicles traveling on the roads. These areas are not exempt from having to have a commercial driver's license to operate the size and class of vehicle as defined by federal law a commercial motor vehicle. Alaska does not have the authority to exempt commercial motor vehicles located in those areas which have fewer than 499 average daily traffic volumes from having to meet the safety inspections. This is a requirement under federal law, both under the MCSAP and Commercial Motor Vehicle Safety ACT (CMVSA).

Also, Section 19 changes from 300 to 150 the number of miles within which farm vehicles may travel and still not be considered commercial motor vehicles for the purposes of having to comply with the commercial motor vehicle safety equipment inspections. This is a requirement under federal law. MCSAP.

Sections 20 & 28. This section eliminates the requirement that the activity be in furtherance of the person's business; any business is sufficient. It deletes "PRIMARY". This is a requirement under federal law, both under MCSAP and CMVSA.

Section 21-24. These section adds a provision placing a person "out-of-service" for a violation of a regulation relating to safety equipment required on commercial vehicles and allows a person to be placed "out-of-service" when operating a commercial vehicle without a commercial driver's license. A driver who is convicted of a first violation of an out-of-service order is to be disqualified fro a period of no less than 90 days. Subsequent violations would lead to disqualification periods from one to three years. These sections are necessary for the state to achieve substantial compliance with the Commercial Motor Vehicle Safety Act of 1986. The deadline to achieving substantial compliance with this 22nd item of compliance is October 1, 1996. Failure to comply may result in sanctions of 5% federal highway funds effective OCTOBER 1996.

Section 24. Adds the definition of "out-of-service order".

Section 25-26. Refer to sections 12-13.

Section 27. Refer to section 19.

Section 28. Refer to section 20.

Section 29. This section repeals outdated statutes and allows for staggered registration for commercial vehicles. This statute was overlooked during other housekeeping measures in the past. This repealer will bring us to a practice which is in place today.

Section 30. Effect ve date of ACT.



US Department
of Transportation

Federal Highway
Administration

400 Seventh St., S.W.
Washington, D.C. 20590

Refer to: HCS-20

Ms. Juanita M. Hensley
Chief, Driver Services
Division of Motor Vehicles
Alaska Department of Public Safety
P.O. Box 20020
Juneau, Alaska 99802-0020

FEB 13 1996

Dear Ms. Hensley:

Thank you for your January 25, 1996 letter to Mr. Robert Redmond requesting confirmation that a State could be found not to be in substantial compliance with the commercial driver's license regulations if the disqualification of a commercial motor vehicle driver for violation of an out-of-service order is not adopted by October 1, 1996.

You are correct in your belief that a State must adopt and implement the new disqualification requirement for a violation of an out-of-service order by October 1, 1996. In both the "Deadline for Compliance" and "Structure" discussions in the preamble to the final rule "State Compliance With Commercial Driver's License Program" (Federal Register, May 18, 1994, Vol. 59, No. 95), the Federal Highway Administration clearly conveys the fact that State compliance with this 22nd requirement for State participation would not be required before October 1, 1996.

The "Substantial Compliance" discussion in the preamble to the final rule "Violations of Out-of-Service Orders by Commercial Motor Vehicle Operators; Disqualification and Penalties" (Federal Register, May 18, 1994, Vol. 59, No. 95), further conveys the fact that States must be in substantial compliance with this 22nd requirement for State participation by October 1, 1996.

While the effective date for this final rule was June 17, 1994, the State compliance deadline was deferred until October 1, 1996 to allow States sufficient time to take the necessary steps to assure compliance. Any State not meeting this deadline would be subject to sanctions as prescribed in 49 CFR 384.

I hope this information is helpful to you.

Sincerely yours,

James E. Scapellato, Director
Office of Motor Carrier
Research and Standards

cc: Linda Taylor (HSA-30)

MEMORANDUM

STATE OF ALASKA
DEPARTMENT OF PUBLIC SAFETY

TO: Senator Steve Rieger, Chair
Senate Transportation Committee

RECEIVED MAR 27 1996

FROM: Ron Otte
Commissioner
Department of Public Safety

DATE: March 26, 1996

RE: HB 517 scheduling

House Bill 517, which relates to the Division of Motor Vehicles and Commercial Motor Vehicles, was referred to your committee today with a further referral to the Finance Committee.

The bill includes some housekeeping measures that simplify procedures affecting the operation of the Division of Motor Vehicles. It also provides for compliance with the Code of Federal Regulations, Title 49 of the Federal Motor Carrier Safety Assistance Program (MSCAP) and a compliance issue relating to the Commercial Motor Vehicle Safety Act (CMVSA), 49 CFR. Failure to maintain compliance with both the MSCAP grant and the CMVSA by October 1996, may result in loss of the MSCAP grant funding and sanctions of 5 percent of the states federal highway funding.

I would appreciate it if you would schedule House Bill 517 at your earliest possible convenience. If you or your staff has any questions concerning this piece of legislation please do not hesitate to call Deputy Commissioner Del Smith or Sandy Perry-Provost at 465-4322.

Thanking you in advance for your attention to this request.

cc: Representative Gary Davis, Chair, House Transportation Cmte.
Pat Pourchot, Legislative Director, Governor's Office
Sandy Perry-Provost, Special Assistant, DPS
file



CENTER for EMPLOYMENT EDUCATION

Commercial Driving Instruction & Hazardous Material Training
1049 Whitney Road Anchorage, AK 99501 (907) 279-8451

April 25, 1996

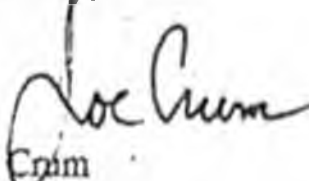
Senator Rieger
Chairman House Transportation Committee
State Capital
Juneau, Alaska
99801-1182

Dear Senator Rieger and Members of the Senate Transportation Committee;

As you know, the Center for Employment Education (a non profit corporation) is Alaska's only certified Commercial Truck Driving School. Because of this distinction, approximately fifteen hundred (1500) students pass through our classrooms annually. Our students expect and receive training at the highest educational levels. In order to accomplish training at this degree, we must stay in tune to the needs of the industry we serve. That industry needs a Department of Public Safety that has the appropriate amount of funds to operate the Division of Motor Vehicles and the Commercial Vehicle Enforcement Division in a manner that efficiently serves the public.

We want the members of the Senate Transportation Committee to know that it is imperative HB 517 pass as it has been proposed. Alaska's transportation industry as well as the general public would benefit by this bill's passage.

Sincerely,


Joe Crim
Director of Training