

**HB**

**403**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

REPORTED OUT  
MAY 06 '06  
SENATE FINANCE COMMITTEE

DATE: 4/28/06

FURTHER:

DATE TURNED  
IN TO OFFICE: 6 May 2006

Finance Committee considered CS FOR HOUSE BILL NO. 403(FIN)

## HB 403 NEIGHBORHOOD ELECTRIC VEHICLES

"An Act relating to registration and operation of low-speed vehicles."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous 5 CS CS HB 403 (TRA)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**CS Senate Bill:**  
 Same Title  
 New Title

**SCS House Bill:**  
 Same Title  
 Technical Title Change  
 New Title w/ SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Ind.	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Ind.	Zero	FN#
DPS	2/22/06			✓	#1
Admin	2/21/06	10.5			#2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	✓		✓	
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			

# FISCAL NOTE

REPORTED OUT  
**MAY 06 2006**  
 SENATE FINANCE COMMITTEE

STATE OF ALASKA  
 2006 LEGISLATIVE SESSION

Fiscal Note Number: 1  
 Bill Version: CSHB 403(STA)  
 (H) Publish Date: 2/24/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Public Safety  
 Title: "An Act relating to registration and operation of RDU Alaska State Troopers  
neighborhood electric vehicles." Component: AST Detachments  
 Sponsor: Representative Thomas  
 Requester: House State Affairs Committee Component No.: 2325

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mer Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** *(Attach a separate page if necessary)*  
 Passage of this legislation would allow smaller electric vehicles to be registered by the Department of Motor Vehicles and to co-mingle these vehicles with full-size motor vehicles on the roadways as long as the posted speed limit is not above 35 miles per hour.  
  
 Since the operators of these electric vehicles would have to comply with all other traffic laws applicable to the operation of passenger vehicles, any enforcement of traffic laws would be absorbed by the existing resources within the Department of Public Safety.

Prepared by: Lieutenant James Helgaa Phone: 907-269-4532  
 Division: Alaska State Troopers Date/Time: 2/22/06 9:26 AM  
 Approved by: Commissioner William Tandeske Date: 2/22/2006  
 Agency: Department of Public Safety

COMMITTEE COPY

# FISCAL NOTE

REPORTED OUT  
MAY 06 2006  
SENATE FINANCE COMMITTEE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: 2  
Bill Version: CSHB 403(STA)  
(H) Publish Date: 2/21/06

Revision Date/Time (Note if correction): 2/21/2006 11:00 a.m. Dept. Affected: Administration  
Title: "An Act relating to registration and operation of neighborhood electric vehicles." RDU: Division of Motor Vehicles  
Component: Motor Vehicles  
Sponsor: Rep. Thomas  
Requester: (H) State Affairs Component No. 2348

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual	5.0					
Supplies	5.5					
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>10.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1156 Receipt Supported Svcs	10.5					
<b>TOTAL</b>	<b>10.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2006) cost: 0.0  
Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill will allow a very specific type of vehicle, as defined by federal regulations as a 'Low Speed Vehicle' to receive Alaska Title and Registration for use on certain roadways. There will be an increase in revenue as a result, yet we are unable to determine that amount as the estimated numbers of these LSV's requesting title & registration remains unknown. The DMV database, the Alaska Licensing and Vehicle Information Network (ALVIN), will require minimal modification to allow this process. We intend to purchase 500 sets of these new, distinctive LSV plates in anticipation of registration; any unused plates will be carried as inventory. Titles, registration forms and tabs will be used from existing supplies.

Prepared by: Duane Bannock, Director Phone: 269 5008  
Division: Motor Vehicles Date/Time: 2/21/06 11:00am  
Approved by: Mike Tibbles, Deputy Commissioner Date: 2/21/2006  
Agency: Department of Administration



## REPRESENTATIVE BILL THOMAS

ALASKA STATE LEGISLATURE DISTRICT 5

e-mail: [Representative.Bill.Thomas@legis.state.ak.us](mailto:Representative.Bill.Thomas@legis.state.ak.us) webpage: [www.akrebublicans.org/thomas/](http://www.akrebublicans.org/thomas/)

State Capitol

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### SPONSOR STATEMENT

#### SCS CSHB 403 (TRA)

#### “An act relating to registration and operation of Low Speed Vehicles”

As new motor vehicle technologies are developed, our legal structure must sometimes be modified to account for these changes. In recent years a number of manufacturers have designed and produced several models of small low-speed vehicles, most of which are electrically driven, that have come to be known collectively as Low-Speed Vehicles. LSVs have become popular in Europe and increasingly in North America. 36 states have already enacted legislation to permit and encourage their use.

These vehicles typically are limited by design to a top speed of 25 miles per hour and are powered by a bank of traditional lead-acid or sealed gel cell batteries. LSVs offer numerous advantages over gas powered vehicles, such as vastly improved energy usage, zero emissions, no necessity of anti-freeze for cooling, space efficiency in parking, and significant potential cost savings for private, commercial and government applications.

Unfortunately, under current law, the State of Alaska cannot license LSVs and as a result Alaska has yet to realize any of the benefits these new vehicles offer. Therefore HB 403 has been introduced with the support of the Division of Motor Vehicles to rectify this situation and encourage private citizens and municipalities to utilize LSVs. This legislation has been modeled after federal requirements and laws instituted by other states to govern the registration and use of LSVs in a safe and effective manner.

THE  
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**Skagway  
Development Corporation**  
ECONOMIC AND COMMUNITY DEVELOPMENT

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P.O. Box 1236 • Skagway, Alaska 99840 • Phone/Fax: (907) 983-3414 • skagdev@aptalaska.net

February 17, 2006

The Honorable Paul Seaton, Chairman  
House State Affairs Committee  
Alaska State Capitol  
Juneau, Alaska 99801-1182

Re: An Act relating to registration and operation of neighborhood electric vehicles  
HB403

Dear Representative Seaton:

The Skagway Development Corporation (SDC) is a private non-profit economic and community development organization working towards diversifying and enhancing Skagway's year round economy, and increasing the quality of life for its residents. The request for the introduction of Bill 403 pertaining to changes in Alaska code that would allow the use of Neighborhood Electric Vehicles (NEV) was made by me on behalf of a Skagway resident.

With the significant increases in fuel costs and the expectation that these costs will not be returning to previous levels there is national concern regarding the effects that this is having on the consumer and small business owner. This is nowhere more apparent than in Alaska, and especially in rural communities, where gasoline and diesel prices are well above the national average. As hybrid and electric vehicle technologies mature their efficiencies also provide increased cost benefits to the user. This increased effectiveness will translate to significant financial savings for users and lessen our nation's reliance on foreign oil reserves.

Statistics suggest that 65 percent of U.S. families own a second car, over 50 percent of urban trips last less than ten minutes; and 80 percent of all trips are within 10 miles or less. The results are cold running motors that translate into excessive engine wear, increased pollutants, and higher costs for the operator.

NEVs are designated as low-speed vehicles by the National Highway Traffic Safety Administration and are capable of up to 25 mph. As low-speed vehicles, these 20 to 25 mile-per-hour vehicles are subject to Federal Motor Vehicle Safety Standard No. 500 (49 CFR 571.500). This standard requires low-speed vehicles be equipped with headlamps, stop lamps, turn signal lamps, tail lamps, reflex reflectors, parking brakes, rearview mirrors, windshields, seat belts, and vehicle

Representative Paul Seaton  
February 17, 2006

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identification numbers. The National Highway Traffic Safety Administration believes that these requirements appropriately address the safety of low-speed vehicle occupants and other roadway users, given the sub-25 mph speed capability of these vehicles and the controlled environments in which they operate.<sup>1</sup>

NEVs are designed to be used in residential areas and rural communities with low density traffic and low speed zones. With a top speed of 25 mph, low-speed vehicles can be used on streets with a posted 35 mph speed limit or less. It would appear that NEVs are an appropriate vehicle for most of our transportation needs. These passenger-carrying vehicles, although low-speed, offer a variety of advantages, including comparatively low-cost and energy-efficient mobility<sup>2</sup>, zero emissions, and up to 90 percent reduction in noise.

Unfortunately, at present NEVs are not allowable forms of transport in the state of Alaska, although being legal in 37 states. I believe that the time has come for Alaska to seriously explore the synergies that these vehicles can bring to the state's citizenry and economy. Alaska businesses are often at a competitive disadvantage with Lower 48 firms because of the cost differential in operating expenses. Many local businesses, especially microenterprises, should see a noticeable decrease in their operating costs if given the opportunity to use an efficient NEV over a regular gas or diesel powered vehicle.

I would ask that the committee look favorably upon this bill and allow Alaskans the opportunity to engage in an inexpensive, safe, efficient, and pollution free form of transportation. The benefits that ensue will trickle down and out across our communities and the state as a whole.

Thank you for your consideration, and should you require additional information please do not hesitate to contact me.

Regards,



Michael Catsi  
Executive Director

<sup>1</sup> <http://www.electric-bikes.com/legalnev.htm>

<sup>2</sup> <http://www.electric-bikes.com/nev.htm>

## Neighborhood Electric Vehicles (NEVs)



The National Highway Transportation Safety Administration has defined a new category "low-speed vehicles" or "Neighborhood Electric Vehicles." These are small, 4-wheeled motor vehicles with top speeds of 20 to 25 miles per hour. NEVs must comply with safety standards that require them to have automotive grade headlights, seatbelts, windshields, brakes and other safety equipment. These vehicles can only be used on streets with a posted speed limit of 35 mph or less.

These vehicles are intended for short commutes on city streets, trips generally of 2 to 3 miles or less, going shopping, taking the kids to school, running errands, etc. They are also used by law enforcement for parking patrol, Parks and zoos for grounds maintenance etc.

The costs run from \$7,000 to over \$15,000. As you can see they are not toys. They do require a valid drivers license and are restricted to a top speed of 25 MPH. They MAY NOT be operated on any road with a posted speed limit over 35 MPH.

I have included in this package several pictures from different manufacturers to show what is available, I have also included copies of the statutes from several different states, also included is the complete Federal Code from the National Traffic Highway Safety Administration, this document includes all of information that the agency used to formulate the final rule.

When you look at some of the state laws you will notice that some have added their own additional rules allowing each county or city to place further limits on the operation of these vehicles. I would suggest that this approach be avoided as it will only lead to a hodge podge of differing laws scattered across the state.

If a person is interested in purchasing one of these cars they would first have to check with the local city and borough to find out what if any restrictions may apply in that area, then if you moved to another town you might find the laws different there.

The federal guidelines are well thought out and simple.

I feel that with the high cost of fuel and the concern over air pollution, that the time for a efficient, low maintenance, zero emission vehicle that is safe and easy to operate time has come, and its time for Alaska to join the 36 plus States that already allow their use.

In closing and on a personal note, as I stated I am trying to start a small rental and sales business. While nothing can be done this season, would it be possible to expedite this legislation so that perhaps by early spring this could become a reality.

I thank you for your time and your consideration.

Ed Ibbotson



Testimony to (S) Finance Committee on HB 403 from Duane Bannock,  
Director, Division of Motor Vehicles (DMV)

Good Morning Madam Chair & Members of the committee:

Thank you for allowing my testimony in written form, I'm volunteering at the opening ceremonies for Simonian Little League baseball in Anchorage today, and you're missing a good BBQ!

Thank you for hearing this bill. The DMV is very pleased to support HB 403 as we've testified in earlier committees. In simple summary: current Alaska Statutes are incompatible with the federal designation of 'Low Speed Vehicles' (LSV). As a result, DMV cannot license, title or register this specifically defined vehicle. By accepting this small change the DMV will cheerfully perform this duty for our requesting customers. Other laws pertaining to driver licensing, insurance requirements and registration fees will all be consistent between 'regular' vehicles and LSV's. Only by governing their usage on specific roadways, defined by maximum speed limits of 35 miles per hour, will LSV's be treated differently.

These LSV's are becoming more popular, due in large part to the rising cost of fuel, yet they are not new in America. By allowing limited use of LSV's in Alaska, we will be filling a niche now being requested by more customers than ever. However, legitimate LSV's are not to be confused with golf carts, 4-wheelers and other 'off-road' types of vehicles. Only vehicles that can be verified as meeting the requirements of the federal regulations (49 CFR Part 571.100) will qualify.

Our attached fiscal note includes funding for new, visually identifiable license plates for LSV's. With this new plate inventory, DMV will issue a different style of plates to aid in law enforcement efforts patrolling usage of these vehicles. Also included in the fiscal note is a small charge for making changes to our existing vehicle database, the Alaska Licensing and Vehicle Information Network (ALVIN), to accommodate this new class of vehicles.

Thank you again for hearing this bill and especially for allowing my testimony in this written form. The DMV respectfully requests passage of House Bill 403.

Duane Bannock  
Director,  
Alaska Division of Motor Vehicles

5/6/06 9:53

# SENATE COMMITTEE REPORT

DATE: 4/20/06

FURTHER: Finance

DATE TURNED  
IN TO OFFICE: 4/28/06

Transportation Committee considered CS FOR HOUSE BILL NO. 403(FIN)

## HB 403 NEIGHBORHOOD ELECTRIC VEHICLES

"An Act relating to registration and operation of low-speed vehicles."

and recommends:

- be replaced with S CS CS HB 403 (TRA)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**CS Senate Bill:**  
 Same Title  
 New Title

**SCS House Bill:**  
 Same Title  
 Technical Title Change  
 New Title w/ SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#
DPS	2/22/06			X	1
Admin	2/24/06	10.5			2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
French			}	
Kookesh			x	
Cowdery			x	
CHAIR:  Huggins				