

SB

174



U-HAUL CO. OF ALASKA

4751 OLD SEWARD HIGHWAY • ANCHORAGE, ALASKA 99503-7417 • PHONE: (907) 562-2735 • FAX: (907) 561-0466

April 21, 2005

Dear Senator Charlie Huggins,

Thank you for your support of our Senate Bill 174.

Sincerely,

John R. Norris
Marketing Company President
U-Haul Company of Alaska Inc,

SENATOR HUGGINS
YOU AND YOUR STAFF
ARE CERTAINLY MAKING
ALASKA A BETTER PLACE
TO LIVE -
THANKS TO YOU & YOUR
TEAM FOR ALL YOU DO -

ALASKA STATE LEGISLATURE

Chair:
Legislative Council

Member:
Community and Regional Affairs
Judiciary
Labor and Commerce – Vice Chair



Session:
Alaska State Capitol
Juneau, AK 99801-1182
Phone: (907) 465-3777
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Interim:
10928 Eagle River Road – Suite 238
Eagle River, AK 99501-2133
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Fax: (907) 694-8945

REPRESENTATIVE PETE KOTT DISTRICT 17 – EAGLE RIVER

Sponsor Statement for House Bill 199

In 2003 the Alaska State Legislature passed HB 271 as a tourism-based tax on passenger rental cars and recreational vehicles. The purpose of the tax was to tax visitors using our road system, not local citizens. However, House Bill 271 has negatively impacted Alaska citizens needing to move, our local independent outlets, and the consumer truck rental business overall. The Department of Revenue has assessed the tourism-based tax on all rental vehicles, including trucks less than 26,001 pounds. This interpretation of the law results in the 10 percent tax being applied to Alaska businesses and citizens renting trucks. The 10% state tax, along with the local municipal and city taxes, adds considerably to the total rental fee.

In 2004 HB 347 was introduced to correct the unintended consequence created by HB 271 and provided an exemption for taxicabs. This corrective legislative passed and was signed into law.

Now in 2005 House Bill 199 is introduced to correct another unintended consequence by adding removing "rental trucks". This legislation would ensure that the tax applies more specifically to the intended target of visitors renting passenger vehicles and recreational vehicles, rather than the unintended target of Alaska businesses and citizens who rely on truck rentals for the continued flow of commerce and movement of household goods.

HOUSE BILL NO. 199
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE KOTT

Introduced: 3/4/05

Referred: Transportation, State Affairs, Finance

A BILL
FOR AN ACT ENTITLED

1 "An Act excluding certain trucks from the definition of 'passenger vehicle' for purposes
2 of the passenger vehicle rental tax; and providing for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 43.52.099(2) is amended to read:

5 (2) "passenger vehicle" means a motor vehicle as defined in
6 AS 28.40.100 that is driven or moved on a highway or other public right-of-way in the
7 state, but does not include

8 (A) a commercial motor vehicle as that term is defined in
9 AS 28.40.100;

10 (B) emergency or fire equipment that is necessary to the
11 preservation of life or property;

12 (C) a farm vehicle that is controlled and operated by a farmer,
13 used to transport agricultural products, farm machinery, or farm supplies to or
14 from that farmer's farm, not used in the operations of a common or contract

1 motor carrier, and used within 150 miles of the farmer's farm;

2 (D) a recreational vehicle; [OR]

3 (E) a taxicab: or

4 (F) a rental truck; in this subparagraph, "rental truck"
5 means a motor vehicle with a gross vehicle weight rating greater than
6 8,500 pounds that is designed, used, or maintained primarily for the
7 transportation of personal property;

8 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 199
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Exclude certain trucks from RDU Taxation and Treasury
vehicle rental tax Component Tax
 Sponsor Representative Kott
 Requester Representative Kott Component No. 2476

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
CHANGE IN REVENUES ()	(275.0)	(275.0)	(275.0)	(275.0)	(275.0)	(275.0)

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) 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)

Bill Language: This bill will exempt trucks with a gross vehicle weight rating greater than 8,500 pounds and used or maintained primarily for the transportation of personal property from the vehicle rental tax. The intent of this bill is to exempt trucks rented by individuals to move their personal property from the vehicle rental tax.

Revenue: Currently, rental trucks are subject to the vehicle rental tax. Exempting rental trucks from the vehicle rental tax will result in a decrease in vehicle rental tax revenue of approximately \$250,000 to \$300,000 each fiscal year.

Prepared by: Johanna Bales Phone 269-6628
 Division: Tax Division Date/Time 4/8/05 10:21 AM
 Approved by: Jerry Burnett Date 4/8/2005
 Agency: Department of Revenue

Testimony of John Norris on HB 199
House Transportation Committee
April 12, 2005

For the record my name is John Norris. I am the President of U-Haul Company of Alaska, Inc and I reside 4631 Shelburn Place, Anchorage Alaska 99516

Good afternoon Mr. Chairman and members of the transportation committee.

Thank you for this opportunity to testify in support of HB 199.

In 2003, HB 271 was introduced and promoted as a tourism tax on passenger rental cars and recreational vehicles. The stated purpose of the tax was to only tax tourism, not the local citizen. I was taken off guard and surprised when the Department of Revenue began to assess the tax on U-Haul rental trucks. The passage of HB271 had the unintended consequence of taxing Alaska businesses and citizens renting trucks used primarily for the transportation of personal property.

House Bill 271 has impacted:

- a) Alaska citizens needing to move.
- b) Local independent outlets.
- c) Our business overall.

YTD 17% less people are using our services. For the Month of March we saw a 29% drop in customers. Moving is a very stressful time for people. The additional tax is charged to the customer often when they can least afford it. This adds considerable stress to there move.

The consumer has other options to move that are **NOT TAXED**. The 10% state tax along with the local municipal and city taxes adds considerably to the total rental fee and stress level of the average mover.

After HB 271 became law, HB 347 was introduced during the 2004 legislative session to correct the unintended inclusion of taxicabs. HB 347 provided an exemption for taxicabs and was passed and signed into law at the very end of last session.

HB 199 would provide the same relief for trucks as has been provided for taxi cabs. This legislation adds wording to remove "rental trucks" from the tax. This legislation would ensure that the tax applies to the intended target- out of state tourists renting passenger and recreational vehicles rather than Alaska businesses and citizens wishing to move personal goods.

95% of the customers who use our services are Alaska residents. Alaskans rely on our truck rentals for the continued flow of goods and movement of personal property

The Alaska Trucking Association favors this amendment, along with the Truck Renting and Leasing Association. So far as I am aware there is no industry group that opposes this corrective legislation.

Listed below are some facts and figures regarding my company:

Current truck license and registration fees paid:	\$ 26,050.00
Total payroll	\$1,103,963.09
Property taxes paid	\$ 141,500.00
Company owned moving centers	3
Company owned repair shops	3
Independent dealers	54
Municipal and Borough taxes paid	\$45,000
Payroll unemployment tax paid	\$24,779.04
Employees	65

Since starting this business in 1982, we have shown an increase in the utilization of U-Haul trucks by the Alaskan consumer with no less than a 7% increase, with most years above 10% until last fiscal year, for the first time ever, we saw a 17% **decrease** in utilization. While I cannot contribute this solely to any one item, the communication from our Alaskan customers is that the 10% tax on truck rentals has been a significant hardship for them at a time when they need as much help as we can give them.

This tax is having a significant impact on how Alaskans move, yet is a small amount compared to the estimated 6 million dollars that will be collected from the intended target of SB 271. I anticipate the fiscal note for taxes on truck rentals will be around \$325,000.

Additionally, truck rentals done by businesses are often necessary for companies to meet their peak or seasonal demands. Higher transportation costs will almost certainly result in higher consumer product costs. In either case, local Alaska residents are bearing the burden of the 10% tax.

I would greatly appreciate it if you will support HB 199.

Thank you



Alaska State Legislature

Senate Majority Web: www.akrepublicans.org

Sponsor: Senator Charlie Huggins
Current Version: SB 174
Contact: Deb Grundmann, 465-3878

Fact Sheet for: Senate Bill 174

Short Title: EXEMPT UHAULS FROM VEHICLE RENTAL TAX

Summary:

- Exempts rental trucks used for the transportation of personal property from the state motor vehicle rental tax.

Benefits:

- Prevents Alaskans from paying a tax intended for tourists.

Background:

- In 2003, the state passed a motor vehicle tax intended to raise revenue from visitors using the state's road system. SB 174 seeks to address an unintended consequence of the bill. It applied the tax to rental trucks used to move personal belongings. The legislation ensures only visitors, not Alaskans, pay the tax.

ALASKA STATE LEGISLATURE

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www.akrepublicans.org/huggins/

Charlie Huggins Senator

4/16/05

Sponsor Statement

SB 174 – “An Act excluding certain trucks from the definition of ‘passenger vehicle’ for purposes of the passenger vehicle rental tax; and providing for an effective date.”

SB 174 was introduced to correct an unintended consequence of legislation passed in 2003.

In 2003 the Alaska State Legislature passed HB 271 as a tourism-based tax on passenger rental cars and recreational vehicles. The purpose of the tax was to tax visitors using our road system, not local citizens. However, House Bill 271 has negatively impacted the following:

- 1.) Alaska citizens needing to move,
- 2.) Our local independent outlets,
- 3.) The consumer truck rental business overall.

The Department of Revenue has assessed the tourism-based tax on all rental vehicles, including trucks less than 26,000 pounds. This interpretation of the law results in the 10% tax being applied to Alaska businesses and citizens renting trucks. The 10% state tax, along with the local municipal and city taxes adds considerably to the total rental fee.

In 2004 HB 347 was introduced to correct the unintended consequence created by HB 271 and provided an exemption for taxicabs. This corrective legislation passed and was signed into law.

SB 174 will ensure that the tax applies more specifically to the intended target of visitors renting passenger vehicles and recreational vehicles, rather than the unintended target of Alaska businesses and citizens who rely on truck rentals for the continued flow of commerce and movement of household goods.

Senate Floor Bullets

SB 174 – “An Act excluding certain trucks from the definition of ‘passenger vehicle’ for purposes of the passenger vehicle rental tax; and providing for an effective date.”

- SB 174 was introduced to correct an unintended consequence of legislation passed in **2003 - House Bill 271**
- HB 271 imposed a tax on passenger rental cars and recreational vehicles. The purpose to tax visitors using our road system, not local citizens.
- Bill 271 has negatively impacted the following:
 - 1.) Alaska citizens needing to move,
 - 2.) Our local independent outlets,
 - 3.) The consumer truck rental business overall.

SB 174 will ensure that businesses and citizens who rely on truck rentals for the continued flow of commerce and movement of household goods will not be assessed this tax.

A rental truck being exempted under this legislation has to meet two criteria:

- 1.) a gross vehicle weight rating greater than 8,500 pounds
- 2.) a truck that is designed or maintained PRIMARILY for the transportation of personal property

The department of Revenue expects to receive approximately \$7.4 million from the vehicle rental tax. Exempting rental trucks as proposed under this legislation will result in a loss of revenue in the amount of approximately \$275.0 as the fiscal note shows.

Misc. Facts

49 - Independent U-Haul Outlets in the State.

3 - U-haul moving centers

5- Storage facilities with “U-haul” type trucks

ALASKA STATE LEGISLATURE

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Charlie Huggins Senator

May 4, 2005

To: Representative Norman Rokeberg, Chairman
House Rules Committee

From: Senator Charlie Huggins 

Subject: Request to Schedule HCSSB 174(FIN) for a floor vote

I respectfully request the scheduling of House CS for SB 174 (FIN) – “An Act excluding certain trucks and vehicles provided by automobile dealers as replacement transportation during warranty, recall, or service contract repairs from the from the definition of ‘passenger vehicle’ for purposes of the passenger vehicle rental tax; and providing for an effective date,” for a House floor vote at your earliest convenience.

Thank you for your favorable consideration of this request.

Attachments

ALASKA STATE LEGISLATURE

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Charlie Huggins Senator

5/4/05

Sponsor Statement

House CS for SB 174 (FIN) – “An Act excluding certain trucks and vehicles provided by automobile dealers as replacement transportation during warranty, recall, or service contract repairs from the from the definition of ‘passenger vehicle’ for purposes of the passenger vehicle rental tax; and providing for an effective date.”

House CS for SB 174(FIN) will correct unintended consequences of legislation passed in 2003.

In 2003 the Alaska State Legislature passed HB 271 as a tourism-based tax on passenger rental cars and recreational vehicles. The purpose of the tax was to tax visitors using our road system, not local citizens. However, House Bill 271 has negatively impacted two categories of rentals.

The first category negatively impacted relates to the rental of U-Haul type trucks and affects the following:

- 1.) Alaska citizens needing to move,
- 2.) Our local independent outlets,
- 3.) The consumer truck rental business overall.

The Department of Revenue has assessed the tourism-based tax on all rental vehicles, including trucks less than 26,000 pounds. This interpretation of the law results in the 10% tax being applied to Alaska businesses and citizens renting trucks. The 10% state tax, along with the local municipal and city taxes adds considerably to the total rental fee.

The second category impacted relates to rental vehicles when provided by an automobile dealer to a customer, as replacement transportation during warranty, recall, or service contract repairs. HCSSB 174 (FIN) clarifies that under this instance the customer and or dealership is exempt from the imposed vehicle rental taxes.

HCSSB 174(FIN) will ensure that the tax applies more specifically to the intended target of visitors renting passenger vehicles and recreational vehicles, rather than the unintended target of Alaska businesses and citizens.

Talking Points
Supporting Senate Concur with House Amendments

HCS SB 174 am H – An act excluding certain trucks and vehicles provided by automobile dealers as replacement transportation during warranty, recall, or service contract repairs from the definition of ‘passenger vehicle’ for purposes of the passenger vehicle rental tax.

The House Finance Committee adopted the following amendment:
The effect of the amendment is it (exempts “loaner” vehicles from the tax when dealer providing it to the customer for warranty, recall etc.)

H(FIN) amendment - Page 2, line 10 – added (G) – a vehicle provided by an automobile dealer to a customer as replacement transportation during warranty, recall, or service contract repairs if the dealer does not receive compensation from the customer for providing the vehicle;

The House Floor amended section (G) by taking out the words [from the customer]

5/9/05

House Floor Bullets

HCSSB 174 (FIN)– “An Act excluding certain trucks from the definition of ‘passenger vehicle’ for purposes of the passenger vehicle rental tax; and providing for an effective date.”

- SB 174 was introduced to correct unintended consequences of legislation passed in 2003 - House Bill 271
- HB 271 imposed a tax on passenger rental cars and recreational vehicles. The purpose to tax visitors using our road system, not local citizens.
- Bill 271 has negatively impacted the following:
 - 1.) Alaska citizens needing to move,
 - 2.) Our local independent outlets,
 - 3.) The consumer truck rental business overall.

SB 174 will ensure that businesses and citizens who rely on truck rentals for the continued flow of commerce and movement of household goods will not be assessed this tax.

A rental truck being exempted under this legislation has to meet two criteria:

- 1.) a gross vehicle weight rating greater than 8,500 pounds
- 2.) a truck that is designed or maintained PRIMARILY for the transportation of personal property

The department of Revenue expects to receive approximately \$7.4 million from the vehicle rental tax. Exempting rental trucks as proposed under this legislation will result in a loss of revenue in the amount of approximately \$275.0 as the fiscal note shows.

Misc. Facts

49 - Independent U-Haul Outlets in the State.

3 – U-haul moving centers

5- Storage facilities with “U-haul” type trucks

House Finance Committee amended SB 174 to include another instance of an unintended consequence of the legislation passed in 2003.

On page 2 lines, 10- 13 were added to clarify that rental vehicles, when provided by an automobile dealer to a customer as replacement transportation during warranty, recall or service contract repairs, are exempt from imposed vehicle rental taxes.

Bills aim to exempt U-Hauls from tax

■ **RENTALS:** Current law charges 10 percent fee on trucks, vans.

By **LARRY PERSILY**
Anchorage Daily News

JUNEAU — Legislators hadn't intended that any more Alaskans than absolutely necessary should have to pay the vehicle rental tax adopted two years ago, so they're going back into the law this year to exempt rentals of U-Hauls and other similar trucks and vans.

"It's relief for local kinds of people," said Sen. Charlie Huggins, who is sponsoring a bill to exempt rental trucks used "primarily for the transportation of personal property."

Imposing the tax on U-Hauls and such rentals drives up the cost of business for Alaskans, the first-term Wasilla Republican said.

The legislation is written to specifically exempt trucks rated at more than 8,500 pounds gross weight, which covers the entire U-Haul fleet.

The Department of Revenue estimates the exemption will cost the state \$275,000 a year in tax revenues.

The Legislature in 2003 adopted a 10 percent state tax on vehicle rentals, including recreational vehicles, starting Jan. 1, 2004. The state expects to earn about \$7.4 million a year from the tax on motor vehicles, with most of the money coming from summer tourists.

Although the existing law exempts large trucks from the tax, no U-Haul truck is large enough to meet the exemption.

Legislators last year tried unsuccessfully to amend the law at the same time they approved an exemption for people who lease their taxicabs. John Norris, president of the U-Haul Company of Alaska, testified last year that the 10 percent tax was a hardship on Alaskans.

Norris did not return a call for comment for this story.

No renters have called the state Tax Division to complain, said the division's Johanna Bales.

"We have gotten calls from the truck places," she said.

"The purpose of the tax was to tax visitors using our road system, not local citizens," said Rep. Pete Kott, sponsor of the 2003 law. It was never his intent to tax Alaskans who rent trucks to move their household belongings, the Eagle River Republican said.

Huggins' proposal, Senate Bill 174, is scheduled for its first hearing Tuesday in Senate Transportation, which he chairs.

Kott also has a bill in this session to exempt

Anchorage Daily News

RENTALS: Tax targeted

Continued from B-1
sures needs to pass both chambers before going to the governor for signature into law.

Though he voted for the original tax bill, Sen. Con Bunde sees the U-Haul exemption as another effort to avoid taxing Alaskans.

"That's what I've been preaching to everybody who comes in," the Anchorage Republican said. "It's unrealistic to think we can get someone else to pay our bills."

The Municipality of Anchorage, which charges an 8 percent

tax on motor vehicle rentals, exempts U-Hauls, trucks and all other vehicles "used exclusively for commercial or non-commercial hauling or delivery of cargo," according to municipal code.

Some states, such as Nevada and Oregon, impose a tax on truck rentals, while others, including Washington and California, do not collect a rental tax and charge only their regular sales tax.

■ Reporter Larry Persily can be contacted at lpersily@adn.com, or in Juneau at 523-9306.



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www.adn.com

Talking Points
Supporting Senate Concur with House Amendments

HCS SB 174 am H – An act excluding certain trucks and vehicles provided by automobile dealers as replacement transportation during warranty, recall, or service contract repairs from the definition of 'passenger vehicle' for purposes of the passenger vehicle rental tax.

The House Finance Committee adopted the following amendment:
The effect of the amendment is it (exempts "loaner" vehicles from the tax when dealer providing it to the customer for warranty, recall etc.)

H(FIN) amendment - Page 2, line 10 – added (G) – a vehicle provided by an automobile dealer to a customer as replacement transportation during warranty, recall, or service contract repairs if the dealer does not receive compensation from the customer for providing the vehicle;

The House Floor amended section (G) by taking out the words [from the customer]

5/9/05

original bill passed the
Senate 4/28/05 7-18

The amended bill passed the House
on reconsideration

433

5/10/05

FRANK H. MURKOWSKI
GOVERNOR

GOVERNOR@GOV.STATE.AK.US



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

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January 26, 2006

The Honorable John Harris
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Harris:

On this date I have signed the following bill passed by the second session of the Twenty-Fourth Alaska State Legislature. I am transmitting the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

HCS SB 174(FIN) AM H

"An Act excluding certain trucks and vehicles provided by automobile dealers as replacement transportation during warranty, recall, or service contract repairs from the definition of 'passenger vehicle' for purposes of the passenger vehicle rental tax; and providing for an effective date."

Chapter No.1, SLA 2006

Sincerely yours,

A handwritten signature in cursive script that reads "Frank H. Murkowski".

Frank H. Murkowski
Governor

Enclosure

FRANK H. MURKOWSKI
GOVERNOR
GOVERNOR@GOV.STATE.AK.US



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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 26, 2006

The Honorable Ben Stevens
President of the Senate
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Stevens:

On this date I have signed the following bill passed by the second session of the Twenty-Fourth Alaska State Legislature. I am transmitting the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

HCS SB 174(FIN) AM H

"An Act excluding certain trucks and vehicles provided by automobile dealers as replacement transportation during warranty, recall, or service contract repairs from the definition of 'passenger vehicle' for purposes of the passenger vehicle rental tax; and providing for an effective date."

Chapter No.1, SLA 2006

Sincerely yours,

A handwritten signature in cursive script that reads "Frank H. Murkowski".

Frank H. Murkowski
Governor

Enclosure



LAWS OF ALASKA

2006

Source

HCS SB 174(FIN) am H

Chapter No.

1

AN ACT

Excluding certain trucks and vehicles provided by automobile dealers as replacement transportation during warranty, recall, or service contract repairs from the definition of "passenger vehicle" for purposes of the passenger vehicle rental tax; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Excluding certain trucks and vehicles provided by automobile dealers as replacement
2 transportation during warranty, recall, or service contract repairs from the definition of
3 "passenger vehicle" for purposes of the passenger vehicle rental tax; and providing for an
4 effective date.

5

6 * Section 1. AS 43.52.099(2) is amended to read:

7 (2) "passenger vehicle" means a motor vehicle as defined in
8 AS 28.40.100 that is driven or moved on a highway or other public right-of-way in the
9 state, but does not include

10 (A) a commercial motor vehicle as that term is defined in
11 AS 28.40.100;

12 (B) emergency or fire equipment that is necessary to the
13 preservation of life or property;

14 (C) a farm vehicle that is controlled and operated by a farmer,

1 used to transport agricultural products farm machinery, or farm supplies to or
2 from that farmer's farm, not used in the operations of a common or contract
3 motor carrier, and used within 150 miles of the farmer's farm;

4 (D) a recreational vehicle; [OR]

5 (E) a taxicab;

6 (F) a rental truck; in this subparagraph, "rental truck"
7 means a motor vehicle with a gross vehicle weight rating greater than
8 8,500 pounds that is designed, used, or maintained primarily for the
9 transportation of personal property; or

10 (G) a vehicle provided by an automobile dealer to a
11 customer as replacement transportation during warranty, recall, or
12 service contract repairs if the dealer does not receive compensation from
13 the customer;

14 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

AUTHENTICATION

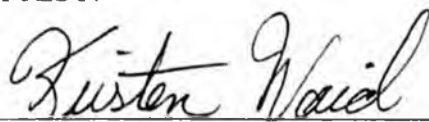
The following officers of the Legislature certify that the attached enrolled bill, HCS SB 174(FIN) am H, consisting of 2 pages, was passed in conformity with the requirements of the constitution and laws of the State of Alaska and the Uniform Rules of the Legislature.

Passed by the Senate January 11, 2006



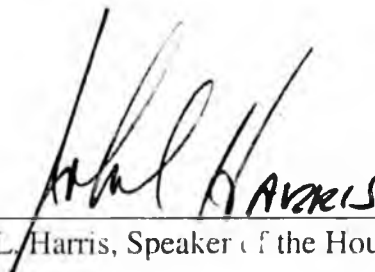
Ben Stevens, President of the Senate

ATTEST:



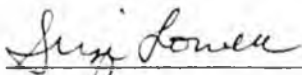
Kirsten Waid, Secretary of the Senate

Passed by the House May 10, 2005



John L. Harris, Speaker of the House

ATTEST:

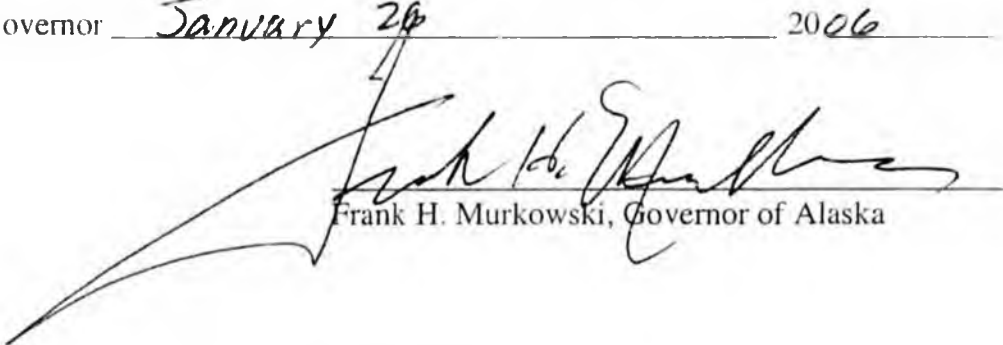


Suzi Lowell, Chief Clerk of the House

Approved by the Governor

January 26

2006



Frank H. Murkowski, Governor of Alaska