

HB

331



HOUSE JUDICIARY COMMITTEE

STATE CAPITOL, ROOM 120
(907) 465-4990

COMMITTEE MEMBERS

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Chairman
Room. 118
(907) 465-3004

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Room 214
(907) 465-3719

Rep. Bob Lynn
Room 104
(907) 465-4931

Rep. Ralph Samuels
Room 204
(907) 465-2095

Rep. Max Gruenberg
Room 110
(907) 465-4940

Rep. Lindsey Holmes
Room 405
(907) 465-4919

MEMORANDUM

Date: March 12, 2008

To: Representative John Coghill
Chair House Rules Committee

From: Representative Jay Ramras
Chair House Judiciary Committee

Re: Referral file for HB 331 MOTOR
VEHICLES/INS/LICENSES/IMPOUNDMENTS

Attached please find the following documents, which represent the referral file:

- Sponsor Statement
- CSHB331(L&C) 25-LS0972\C
- Sectional
- Fiscal Notes
 - LAW - 0
 - ADM - 0
- Support
- HJUD Report

ALASKA STATE LEGISLATURE

House of Representatives

INTERIM:
716 W. 4TH AVE.
ANCHORAGE, AK 99501
Phone: (907) 269-0265
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SESSION:
STATE CAPITOL
JUNEAU, AK 99801-1182
Phone: (907) 465-4939
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Representative Bob Roses

email: Representative_Bob_Roses@legis.state.ak.us

CSHB 331 (L&C) – MOTOR VEHICLES:INSURANCE/LICENSES **Sponsor Statement**

Current law states that a person who changes their name or address must notify the Department of Public Safety or the Department of Administration within 30 days. House Bill 331 changes the crime from a Class B Misdemeanor to a fine not to exceed \$25 for those that do not notify the departments.

House Bill 331 closes a loophole in the law that has caused a number of drivers to be charged criminally for driving without auto insurance when, in fact, they had insurance. Under current law a driver can lose their license for driving without insurance, and can be criminally charged for driving when their license is subsequently suspended. Those are proper penalties. But a loophole exists in the law that lets drivers who in fact had insurance to be charged with a crime.

Currently, drivers involved in an accident must show law enforcement proof of insurance. When they do, an officer then asks the driver to fill out paperwork informing the DMV that the driver had insurance at the time of the accident. Many drivers incorrectly assume that when they show proof of insurance at the accident scene, the subsequent paperwork is unnecessary. If the DMV does not receive the paperwork, even if the law enforcement office substantiated that the driver had insurance at the scene of the accident, the driver's license will be suspended. DMV will send a reminder notice to the driver when the paperwork is not received. However, rather than sending the notice to the latest address the state knows about - normally the address provided to the police officer at the time of the accident - the law requires the notice be sent to the address on the person's license.

This bill also increases the penalty for uninsured motorists. Under CSHB 331 it is a class B misdemeanor to drive without insurance, punishable by a minimum fine of \$500 and up to 90 days in jail. Under current law the minimum fine is \$0, making it potentially cost-free to drive without insurance.

House Bill 331 requires drivers to have automobile insurance, and prevents drivers from being charged with crimes they did not commit. I urge your support.

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email: Representative_Bob_Roses@legis.state.ak.us

CSHB 331 (L&C) – MOTOR VEHICLES:INSURANCE/LICENSES

Sectional Analysis

- Section 1 – Provides that a violation of AS 28.05.071 (Notifying the DMV of a change of address) be punishable by a civil fine of up to \$25. Currently this is a class B misdemeanor.
- Section 2 – Provides a legal defense to a person charged with the crime of driving without a license, for failure to have legally required automobile insurance, when the driver proves they in fact had automobile insurance. This closes a loophole in current law.
- Section 3 – Makes driving without insurance a Class B Misdemeanor, punishable by a minimum fine of \$500.
- Section 4 – Provides that DMV should send the required insurance paperwork to a driver's last known address, not just the address DMV has on file.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: HB331CS(L&C)-LAW-GRIM-03-06-08
 Bill Version: CSHB331(L&C)
 () Publish Date: _____

Identifier (file name): _____ Dept. Affected: LAW
 Title: An Act relating to mandatory motor vehicle insurance. RDU: Criminal
 Component: Criminal Justice Litigation
 Sponsor: REPRESENTATIVE(s) ROSES
 Requester: HOUSE JUDICIARY Component Number: _____

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts								
1003 GF Match								
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS. (Attach a separate page if necessary)

HB 331 amends current law under which a person is required to notify DPS or the Dept of Admin when he or she changes name or moves – within 30 days of the move or change. The bill would adopt a \$25 fine for failure to do so. It also adopts an affirmative defense to driving without proof of insurance – if you had it but just didn't have proof with you. It also makes it a class B misdemeanor not to carry insurance with a mandatory fine of \$500. It also changes the notice requirements for people whose licenses are suspended under certain circumstances – requiring notice to be sent to the address listed on the accident report. The department does not expect a significant fiscal impact as a result of this bill.

Prepared by: Robert Meiners, Administrative Services Manager
 Division: Administrative Services Division
 Approved by: Talis Colberg, Attorney General
Department of Law

Phone: 907-465-5427
 Date/Time: 3/6/08 10:22 AM
 Date: 3/6/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 331
 () Publish Date: _____

Identifier (file name): HB331-DOA-DMV-01-24-08 Dept. Affected: Administration
 Title: _____ RDU: Division of Motor Vehicles
 "Mandatory motor vehicle insurance, license suspensions ..."
 Component: Motor Vehicles
 Sponsor: Reps ROSES, Harris, Gara
 Requester: (H) L&C Component Number: 2348

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
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	0.0	0.0

CAPITAL EXPENDITURES 0.0

CHANGE IN REVENUES () 0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
1156 Receipt Supported Services								
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill does not have a financial impact on the Division of Motor Vehicles; therefore, the Division submits a zero fiscal note.

Prepared by: Whitney H. Brewster, Director
 Division: Motor Vehicles
 Approved by: Kevin Brooks, Deputy Commissioner
Department of Administration

Phone 907-269-5574
 Date/Time 1/24/08 4:00 PM
 Date 1/24/2008

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

SARAH PALIN, GOVERNOR

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200

PHONE: (907) 465-2200
FAX: (907) 465-2135

February 19, 2008

The Honorable Bob Roses
State Capitol Room 416
Juneau, AK 99801

Dear Representative Roses,

Your continued concern for proper notification of licensed drivers is admirable, and HB331 demonstrates that concern.

The passage of this legislation will allow the Division of Motor Vehicles (DMV) to mail licensing notices to the most current address available following a motor vehicle crash. This will alleviate instances where the address on the departmental record has not yet been updated and drivers do not receive notices that may affect their driving privilege. DMV supports your bill that will enhance the notification procedures for the department thus helping the drivers who unfortunately have been involved in a motor vehicle crash.

Thank you for your concern. You have the Department's support.

Sincerely,



Annette Kreitzer

Legislative Research Services

Alaska State Legislature
Legislative Affairs Agency
Division of Legal and Research Services

State Capitol, Juneau, AK 99801
Phone: 907-465-3991
Fax: 907-465-3908

February 20, 2008

Memorandum

TO: Representative Bob Roses

FROM: Tim Spengler *TES*
Legislative Analyst

RE: Mandatory Auto Insurance Law

You asked whether states have mandatory automobile insurance laws. You also wished to know what penalties states impose for individuals who do not comply with the law.

According to the Insurance Information Institute, liability insurance is currently compulsory in 48 states and the District of Columbia. Only New Hampshire and Wisconsin do not require liability insurance. The Institute's *Issues Update on Compulsory Auto/Uninsured Motorist* from February 2008 notes that although automobile insurance is mandatory across the vast majority of states, as many as 30% of drivers in some states are estimated to be uninsured.

The following information about penalties is from *AutoInsuranceRemedy.com*.

Most states require proof of insurance which typically must be shown when the car is registered, following an accident or when driving on the highway. **Many states have severe penalties for drivers who do not carry the necessary coverage. These penalties can range from as little as a \$100 fine to the following: a suspension of a driver's license and suspension of the car registration for up to six months, up to a \$5000 fine, and up to one year in jail.**²

Below is a sampling of penalties states impose on individuals who do not comply with their mandatory automobile insurance laws:

- ◆ Alabama—Possible fine of \$500 for the first offense and a \$1,000 fine and/or license suspension for six months for the second offense
- ◆ California—Fine of up to \$200
- ◆ Massachusetts—Fine up to \$5,000 plus jail term of up to one year in jail

¹ The Insurance Information Institute (I I I) is a primary source of information, analysis and referral concerning insurance issues.

² AutoInsuranceRemedy.com is a full service auto insurance site. It includes information about the different kinds of car insurance policies and rates, plus ways to shop, compare and save on car insurance sites.

- ◆ Minnesota—First Offense—Fine of up to \$100 or jail term of up to ninety days.
- ◆ North Dakota—Fine up to \$150 plus license suspension and registration revocation.
- ◆ Ohio—First Offense—Suspension of license for ninety days plus reinstatement fee of \$75.
- ◆ Oregon—License suspension or revocation.
- ◆ Rhode Island—First offense is \$500 fine and/or 3 months suspension of license or registration
- ◆ Texas—First offense is a fine of \$175 to \$300. Subsequent convictions, \$350 to \$1,000, suspension of license, and impoundment of vehicle.
- ◆ Washington—Fine of up to \$250.
- ◆ Wyoming—Fine up to \$750 plus jail term up to 6 months.

We hope this information is helpful. Please call if you have questions or need additional information.

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Search DMV find

Department of Administration

Division of Motor Vehicles

State of Alaska > Administration > DMV > Mandatory Insurance

Mandatory Insurance Suspension

Alaska has both Mandatory Insurance and Financial Responsibility laws. The purpose of these laws is to ensure that drivers and owners of vehicles using the streets and highways are financially responsible for any damage or injury caused by motor vehicle collisions and to remove financially irresponsible drivers from the highways.

The mandatory insurance law requires the operator or owner of a motor vehicle subject to registration to have motor vehicle liability insurance in effect when the vehicle is driven on a highway, vehicular way or area, or other public property in the state. The owner's or driver's motor vehicle liability insurance policy must meet the minimum coverage amounts required by law. The minimum coverage amounts are \$50,000.00 for injuries or death to any one person, \$100,000.00 for total injuries or death per collision, and \$25,000.00 for property damages.

A driver who has been involved in a collision, regardless of fault, is required to show proof of motor vehicle liability insurance if the collision resulted in personal injury or death, or damage to property exceeding \$500.00. A driver may show proof by completing the Certificate of Insurance form provided by the investigating police office at the collision scene. The form is also available from any Division of Motor Vehicles Office.

The Division of Motor Vehicles must suspend the driver's license, privilege to drive or privilege to obtain a license of drivers who fail to provide proof of liability insurance. The suspension period can be 90 days to 1 year depending on prior license actions. The license suspension will occur even if the driver is not at fault in the collision.

A person may apply for a limited work purpose license during the suspension period. The application for mandatory insurance limited license may be obtained at any Division of Motor Vehicle Office. There is not a fee for this specific type of limited license due.

Drivers must reinstate their privilege to drive at the end of their suspension period.

A person's license may also be suspended for non-compliance with the Financial Responsibility law.

If you have additional questions you can call, write, e-mail or visit a DMV office.

DOA DMV JDL@Alaska.gov

Vehicle Registrations | Titles | License Plates | Driver's License | Traffic | Insurance | Law | Links | Help



Quick Links...

- DMV Web Cameras
- Online Address Change
- Online Registration Renewal
- Personalized Plates Online

Of Interest...

- Forms
- General Information
- Links to Other Related Sites
- Office Locations/Hours
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- Regulations
- Research Materials
- Senior Citizen Information
- Statistics
- Table of Contents
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STATE OF ALASKA - DIVISION OF MOTOR VEHICLES

CERTIFICATE OF INSURANCE

CRASH INFORMATION	Crash Date: _____ Location: _____
DRIVER	Name: _____ Date of Birth: _____ License #: _____ State: _____
	Mailing Address: _____ Street or Box _____ City _____ State _____ Zip _____
OWNER OF VEHICLE	Name: _____ Date of Birth: _____ License #: _____ State: _____
	Mailing Address: _____ Street or Box _____ City _____ State _____ Zip _____
VEHICLE	Year: _____ Make: _____ Model: _____ License Plate #: _____ VIN: _____
INSURANCE	Was an automobile liability policy in effect covering this crash? YES <input type="checkbox"/> NO <input type="checkbox"/>
	Name of Insurance Company: _____ Policy Number: _____
	Name and Address of Policyholder: _____ Policy Period: From _____ To _____
SIGNATURE	Your Signature: _____ Date: _____
Do not write below this line. The Division of Motor Vehicles will contact your Insurance Company.	

Insurance Verification: If the motor vehicle liability insurance policy listed above was not in effect for the motor vehicle listed at the time of the crash indicated above, the insurance company is to complete the following and return this form to the Division of Motor Vehicles at the address listed on the reverse of this form. If indicated coverage was in effect at the time of the accident, no action is required

REASON FOR DENIAL:

- | | | |
|---|---|--|
| <input type="checkbox"/> Policy Expired Before Crash | <input type="checkbox"/> Policy Number Given is Incorrect | <input type="checkbox"/> Lapse in Policy |
| <input type="checkbox"/> Policy Effective After Crash | <input type="checkbox"/> Driver Not Covered on Policy | <input type="checkbox"/> Other _____ |

Signature of Authorized Representative _____ Date _____

CUT ON LINE ABOVE. RETURN TOP PORTION ONLY.

MANDATORY INSURANCE AND FINANCIAL RESPONSIBILITY NOTICE

If the actual or estimated damages of any one person's property involved in the crash exceeds \$501.00, or if there is any personal injury or death, you are subject to the Alaska mandatory insurance and financial responsibility laws. The mandatory insurance laws require you to file proof of insurance with the State of Alaska. Failure to do so will result in the suspension of your driver's license.

The financial responsibility laws require a person to show financial responsibility by one of the following methods: (1) an automobile liability insurance policy in effect at the time of the crash; (2) a release of liability; (3) a settlement agreement and proof of future financial responsibility (SR22 insurance); (4) a deposit of security and proof of future financial responsibility (SR22 insurance); (5) a finding of no liability by the court in a civil action (a finding of not guilty of a traffic citation does not apply). Failure to show financial responsibility by one of the listed methods will also result in the suspension of your driver's license for a period of 3 years if there is a possibility you are liable.

After any suspension you must show future financial responsibility (SR22 insurance), and pay a reinstatement fee of \$100.00 to \$500.00, in addition to the fee for the license being requested, to have your driving privileges restored. A notice of suspension returned by the post office because of an incorrect address on your driver license or DMV records will not invalidate the suspension if the notice was mailed to the last address you provided to DMV.

IMPORTANT: THE FORM ON THE REVERSE MUST BE FILLED IN AND SENT TO THE DIVISION OF MOTOR VEHICLES WITHIN 15 DAYS FROM THE DATE OF THE CRASH. A participant's accident report is also required if the crash was not investigated by a peace officer, and the total amount of damage exceeds \$2,000.00, or there was personal injury.

Mail Completed Form To:

**STATE OF ALASKA
DIVISION OF MOTOR VEHICLES
ATTN: DRIVER LICENSING
PO BOX 110221
JUNEAU AK 99811-0221
(907) 465-4361**

