

**HB**

**378**

<TARGET><BILL>HB 378</BILL><SUBJECT>HB  
378</SUBJECT><COMM>SFIN28</COMM></TARGET>

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/11/14

FURTHER:

DATE TURNED  
IN TO OFFICE: \_\_\_\_\_

**Finance Committee** considered CS FOR HOUSE BILL NO. 378(TRA)

HB 378-MOTOR VEHICLES: REGISTRATION, COMMERCIAL

"An Act relating to motor vehicle registration; relating to drivers' licenses; relating to instruction permits; relating to commercial motor vehicles and commercial motor carriers; and providing for an effective date."

and recommends:

- be replaced with SCS CS HB (378)  Same Title  Technical Title Change  
 New Title/SCR No. \_\_\_\_\_
- adopt previous SCS \_\_\_\_\_ (\_\_\_\_\_)  Same Title  Technical Title Change  
 New Title/SCR No. \_\_\_\_\_
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
SFIN/ADM	✓			

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
DPS			✓	2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Anna L. Fairclough</i>	FAIRCLOUGH	✓			
<i>Cecil Bishop</i>	Bishop	✓			
<i>Andrew J. ...</i>	Duplinsky			✓	
<i>...</i>	Hoffman			✓	
<i>...</i>	...			✓	
CO-CHAIR: <i>...</i>	Jelly			✓	
CO-CHAIR: <i>...</i>	Meyer	✓			

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: HB 378  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB378 DOA-DMV-04-15-14  
Title: MOTOR VEHICLES: REGISTRATION,  
COMMERCIAL  
Sponsor: TRANSPORTATION  
Requester: Senate Finance

Department: Department of Administration  
Appropriation: Motor Vehicles  
Allocation: Motor Vehicles  
OMB Component Number: 2348

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services	11.4							
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>11.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

1005 GF/Prgm	11.4							
<b>Total</b>	<b>11.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time								
Part-time								
Temporary								

<b>Change in Revenues</b>	(100.0)			(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
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**Estimated SUPPLEMENTAL (FY2014) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2015) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **Yes**  
If yes, by what date are the regulations to be adopted, amended or repealed? **07/01/15**

**Why this fiscal note differs from previous version:**

Senate Finance revised this previously zero fiscal note to include the waiver of vehicle registration fees for active members of the Alaska National Guard. \$11.4 GF/PR authority is requested in the services line and will cover programming fees to the DMV ALVIN database in order to identify motor vehicles or motorcycles registered to Alaska National Guard members and allow the agency to account for the fee exemption waiver.

Prepared By: Co-Chair Senator Kelly Phone: (907)465-3753  
Senate Finance Committee Date: 04/14/2014  
Co-Chair Senator Meyer  
Senate Finance Committee

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. HB 378

**Analysis**

HB 378 will bring the State of Alaska into compliance with federal regulations and mandates that go into effect July 2015, which include:

- Expanding the definition of an "out of service order" to include the driver, carrier, and commercial vehicle;
- Allowing DMV to refuse to register a vehicle if the owner is prohibited from operating by state or federal authorities;
- Requiring that commercial instruction permit applicants be 18 years old, and instruction permits will be valid for 180 days with a renewal option of 180 days;
- Clarifying that instruction permits may not be issued for more than two years and may be renewed one time;
- Providing that DMV may issue a permit to someone that already held that class of license if more than 5 years have passed;
- Clarifying registration fees and motor vehicle taxes on noncommercial vehicles;
- Permitting DMV to disqualify a commercial instruction permit or license for certain offenses;
- Adding texting to the list of serious traffic violations for which a CDL license or permit holder could be disqualified.

**National Guard ID & Vehicle Fees**

Additionally, HB378 will entitle current members of the Alaska National Guard free vehicle registration for a passenger vehicle or motorcycle.

**Programming Costs:**

The DMV ALVIN database will require programming to add a field to identify the motor vehicles or motorcycles registered to Alaska National Guard members and allow the department to account for the fee exemption waiver.

Estimated contract hours: 80

Cost per hour: \$143

Total contract cost: \$11,440

Revenue loss is projected to result in approximately (\$100.0) per fiscal year.

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: CSHB 378(TRA)  
Fiscal Note Number: 2  
(H) Publish Date: 3/28/14

Identifier: HB378-DOT-MSCVE-3-19-14  
Title: DRIVER LICENSING  
Sponsor: TRANSPORTATION  
Requester: House Transportation Committee

Department: Department of Transportation and Public Facilities  
Appropriation: Administration and Support  
Allocation: Measurement Standards & Commercial Vehicle Enforcement  
OMB Component Number: 2332

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>OPERATING EXPENDITURES</b>	<b>FY 2015</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
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**Estimated SUPPLEMENTAL (FY2014) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2015) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

Initial Version.
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Prepared By:	Connie McKenzie, Special Assistant	Phone:	(907)465-4772
Division:	Office of the Commissioner	Date:	03/19/2014 02:00 PM
Approved By:	Mary Siroky, Director	Date:	03/19/14
Agency:	Administrative Services		

FISCAL NOTE ANALYSIS #2

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. CSHB 378(TRA)

**Analysis**

This bill takes measures to bring the state into compliance with federal regulations. Without the statutory changes regarding federal out of service orders and CDL requirements, the state does not meet the July 2015 deadline to be in compliance which could lead to the loss or withholding of federal highway dollars under 49 USC § 31314.

The sanction is set initially at 4% of both the National Highway Performance Program and Surface Transportation Program apportionments and then increases to 8% in the second and subsequent years of non-compliance. Based on 2014 apportionments this sanction could amount to a loss in federal highway funds to the state of approximately \$17 million at 4% and \$34 million at 8%. Under federal law, these funds cannot be re-appropriated to a separate program and would be lost to the state.

ADOPTED  
4/15/14

28-LS1541\Y  
Strasbaugh  
4/13/14

SENATE CS FOR CS FOR HOUSE BILL NO. 378(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): HOUSE TRANSPORTATION COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to motor vehicle registration; relating to drivers' licenses; relating to  
2 instruction permits; relating to commercial motor vehicles and commercial motor  
3 carriers; and providing for an effective date."

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

5 \* Section 1. AS 28.10.041(a) is amended to read:

- 6 (a) The department may refuse to register a vehicle if
  - 7 (1) the application contains a false or fraudulent statement;
  - 8 (2) the applicant fails to furnish information required by the  
9 department;
  - 10 (3) the applicant is not entitled to the issuance of a certificate of title or  
11 registration under this chapter;
  - 12 (4) the vehicle is determined to be mechanically unsafe to be driven or  
13 moved on a highway, vehicular way or area, or other public property in the state;
  - 14 (5) the department has reasonable grounds to believe that the vehicle

1 was stolen or fraudulently acquired or that the granting of registration would be a  
2 fraud against the rightful owner or other person having a valid lien on [UPON] the  
3 vehicle;

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

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

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

9 (9) the vehicle is without a certificate of inspection required under  
10 AS 19.10.310;

11 (10) except for a vehicle to be registered under AS 28.10.152, the  
12 vehicle is subject to a state-approved emission inspection program adopted under  
13 AS 46.14.400 or 46.14.510, and the vehicle does not meet the standards of that  
14 program;

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

19 **(12) the applicant is a commercial motor carrier prohibited from**  
20 **operating by a federal agency.**

21 \* **Sec. 2.** AS 28.10.051(a) is amended to read:

22 (a) The department may suspend or revoke the registration of a vehicle, the  
23 certificate of registration or registration plates for a vehicle, or a special permit when

24 (1) the department determines that the registration or certificate, plate,  
25 or permit was fraudulently procured or erroneously issued;

26 (2) the department determines that a registered vehicle is mechanically  
27 unsafe to be driven or moved on a highway, vehicular way or area, or other public  
28 property in this state and the vehicle has been seized or impounded under  
29 AS 28.05.091;

30 (3) a registered vehicle has been scrapped, dismantled, or destroyed  
31 beyond repair;

1 (4) the department determines that a required fee or tax has not been  
2 paid and the fee or tax is not paid upon reasonable notice and demand;

3 (5) a registration plate, permit, or certificate is knowingly displayed on  
4 [UPON] a vehicle other than the vehicle for which issued;

5 (6) the department determines that the owner of a vehicle has  
6 committed an offense under this chapter involving the registration or the certificate,  
7 plate, or permit to be suspended or revoked;

8 (7) the vehicle has been reported to the department as stolen or  
9 unlawfully converted;

10 (8) the department is otherwise required to do so under the laws of this  
11 state;

12 (9) the department determines that the vehicle owner has violated the  
13 requirements of AS 28.10.146 or 28.10.147;

14 (10) the department determines that a repair to a commercial motor  
15 vehicle, ordered by the Department of Transportation and Public Facilities or the  
16 Department of Public Safety under regulations adopted under AS 19, was not  
17 completed after the owner or operator represented to the Department of Transportation  
18 and Public Facilities, the Department of Public Safety, or the Department of  
19 Administration that the repair had been completed; [OR]

20 (11) the owner or operator of a commercial motor vehicle has placed a  
21 commercial motor vehicle back in service after it has been placed out of service by the  
22 Department of Transportation and Public Facilities or the Department of Public Safety  
23 without having it reinspected as required under regulations adopted under AS 19;

24 **(12) the owner or operator is a commercial motor carrier**  
25 **prohibited from operating by a federal agency; or**

26 **(13) the commercial motor vehicle is subject to an out-of-service**  
27 **order issued by a state or federal agency.**

28 \* Sec. 3. AS 28.10.411(f) is amended to read:

29 (f) A resident 65 years of age or older on January 1 of the year the vehicle is  
30 registered or a resident with a disability that limits or impairs the ability to walk and  
31 who provides proof of that disability as provided in 23 C.F.R. 1235.2 is entitled to an

1 exemption from the registration fee required under this section for one vehicle subject  
 2 to registration under AS 28.10.421(b)(1)(A), (b)(2), (b)(4), or (b)(5)  
 3 [AS 28.10.421(b)(1), (2), (5), OR (6)]. An exemption may not be granted except upon  
 4 written application for the exemption on a form prescribed by the department.

5 \* **Sec. 4.** AS 28.10.411 is amended by adding a new subsection to read:

6 (g) A person who presents satisfactory proof of current membership in the  
 7 Alaska National Guard is entitled to an exemption from the registration fee required  
 8 under this section for one vehicle subject to registration under AS 28.10.421(b)(1)(A),  
 9 (b)(2), or (b)(4). An exemption may not be granted except upon written application for  
 10 the exemption on a form prescribed by the department.

11 \* **Sec. 5.** AS 28.10.421(b) is repealed and reenacted to read:

12 (b) The biennial registration fees under this subsection are imposed within the  
 13 following classifications for

14 (1) a vehicle not exceeding 10,000 pounds unladen weight as  
 15 established by the manufacturer's advertised weight or on the actual weight, which the  
 16 owner shall furnish, subject to the approval of the commissioner or the commissioner's  
 17 representative that is a

18 (A) passenger vehicle, low-speed vehicle, pick-up truck, truck,  
 19 or van not used or maintained for the transportation of persons or property for  
 20 hire or for other commercial use and not registered in the name of a company  
 21 or business ..... \$100;

22 (B) a taxicab ..... \$160;

23 (2) a motor home not used or maintained for the transportation of  
 24 persons or property for hire or for other commercial use and not registered in the name  
 25 of a company or business ..... \$100;

26 (3) a motor bus with a seating capacity of

27 (A) less than 20 persons and used exclusively for commercial  
 28 purposes in the transporting of visitors or tourists ..... \$100;

29 (B) 20 or more persons and used exclusively for commercial  
 30 purposes in the transporting of visitors or tourists ..... \$300;

31 (4) a motorcycle or a motor-driven cycle ..... \$60.

1 (5) a trailer not used or maintained for the transportation of persons or  
 2 property for hire or for other commercial use, including a boat trailer, baggage trailer,  
 3 box trailer, utility trailer, house trailer, travel trailer, or trailer rented or offered for rent  
 4 ..... \$30;

5 \* Sec. 6. AS 28.10.421(c) is amended to read:

6 (c) The biennial registration fees under this subsection are imposed for a  
 7 vehicle not subject to registration under (b) of this section and are based on  
 8 [UPON] the actual unladen weight as established by the manufacturer's advertised  
 9 weight or on [UPON] the actual weight, which the owner shall furnish, subject to the  
 10 approval of the commissioner or the commissioner's representative, [FOR A  
 11 VEHICLE, INCLUDING A LOW-SPEED VEHICLE AND A MOTOR VEHICLE  
 12 PULLING A TRAILER OR SEMI-TRAILER, THAT IS REGISTERED IN THE  
 13 NAME OF A COMPANY OR BUSINESS, OR IS USED OR MAINTAINED FOR  
 14 THE TRANSPORTATION OF PASSENGERS FOR HIRE, EXCEPTING  
 15 TAXICABS AND BUSES UNDER (b) OF THIS SECTION, OR FOR THE  
 16 TRANSPORTATION OF PROPERTY FOR HIRE OR FOR OTHER  
 17 COMMERCIAL PURPOSES, INCLUDING A LOW-SPEED VEHICLE, TRUCK,  
 18 WRECKER, TOW CAR, HEARSE, AMBULANCE, AND TRACTOR,] as follows:

- 19 (1) up to and including 5,000 pounds ..... \$180;
- 20 (2) more than 5,000 pounds to and including 12,000 pounds ..... \$268;
- 21 (3) more than 12,000 pounds to and including 18,000 pounds ... \$516;
- 22 (4) more than 18,000 pounds ..... \$662.

23 \* Sec. 7. AS 28.10.421(d)(8) is amended to read:

24 (8) an amateur mobile radio station vehicle,  
 25 (A) with a transceiver capable of less than 5-band operation  
 26 ..... the fee  
 27 required for that vehicle under (b) or (c) of this section;

28 (B) in recognition of service to the public a mobile amateur  
 29 radio station owned by an amateur with general class or higher license,  
 30 provided the station must be satisfactorily proved capable of operating on at  
 31 least five bands from 160 through 10 meters, must have an antenna, and must

1 have a power supply and wiring as a permanent part of the vehicle; the  
 2 transmitting unit may be removed from the car for service or dry storage  
 3 ..... none  
 4 for a mobile amateur radio station vehicle included in (b)(1)(A) [(b)(1) OR (2)]  
 5 of this section;

6 \* **Sec. 8.** AS 28.10.431(b) is amended to read:

7 (b) The biennial tax is levied upon motor vehicles subject to the registration  
 8 fee under AS 28.10.411 and 28.10.421 and is based on [UPON] the age of vehicles as  
 9 determined by model year in the first year of the biennial period, according to the  
 10 following schedule:

	Tax According to Age of Vehicle								
	Since Model Year:								
	1st	2nd	3rd	4th	5th	6th	7th	8th or over	
11									
12									
13									
14									
15									
16	Motor Vehicle								
17	(1) motorcycle	\$ 17	\$ 15	\$ 13	\$ 10	\$ 7	\$ 5	\$ 4	\$ 4
18	(2) vehicles specified in	121	99	77	55	39	28	19	16
19	<u>AS 28.10.421(b)(1)(A)</u>								
20	<u>or (3)(A)</u>								
21	[AS 28.10.421(b)(1)]								
22	(3) vehicles specified in	121	99	77	55	39	28	19	16
23	<u>AS 28.10.421(b)(1)(B)</u>								
24	[AS 28.10.421(b)(3)]								
25	(4) vehicles specified								
26	in AS 28.10.421(c)(1)-(4)								
27	5,000 pounds or less	121	99	77	55	39	28	19	16
28	5,001-12,000 pounds	198	154	121	99	77	55	33	22
29	12,001-18,000 pounds	447	392	348	304	260	227	205	194
30	18,001 pounds or over	546	469	403	348	304	260	216	194
31	(5) vehicles specified in	198	154	121	99	77	55	33	22

1	<u><b>AS 28.10.421(b)(3)(B)</b></u>								
2	[AS 28.10.421(b)(4)]								
3	(6) vehicles specified in	17	15	13	10	7	5	4	4
4	<u><b>AS 28.10.421(b)(5)</b></u>								
5	[AS 28.10.421(b)(6)]								
6	(7) vehicles specified	121	99	77	55	39	28	19	16
7	in AS 28.10.421(d)(8)								
8	(8) [VEHICLES	121	99	77	55	39	28	19	16
9	SPECIFIED IN								
10	AS 28.10.421(b)(2)								
11	(9)] vehicles eligible	88							
12	for dealer								
13	plates under								
14	AS 28.10.421(d)(9).								

15 \* **Sec. 9.** AS 28.15.051(a) is amended to read:

16 (a) Except as provided in (b) of this section, a person who is at least 14 years  
 17 of age may apply to the department for a noncommercial [AN] instruction permit.  
 18 The department may, after the applicant has successfully passed all parts of the  
 19 examination under AS 28.15.081 other than the driving test, issue to the applicant an  
 20 instruction permit. The permit allows a person, while having the permit in the person's  
 21 immediate possession, to drive a specified noncommercial type or class of motor  
 22 vehicle on a highway or vehicular way or area for a period not to exceed two years.  
 23 The permittee shall be accompanied by a person at least 21 years of age who has been  
 24 licensed at least one year to drive the type or class of vehicle being used, who is  
 25 capable of exercising control over the vehicle and who occupies a seat beside the  
 26 driver, or who accompanies and immediately supervises the driver when the permittee  
 27 drives a motorcycle. An instruction permit may be renewed one time. Once a license is  
 28 issued to drive a specified type or class of motor vehicle, a driver is not eligible to  
 29 obtain an instructional permit for that specified type or class of motor vehicle unless  
 30 five years have passed since the expiration of the license.

31 \* **Sec. 10.** AS 28.15.051 is amended by adding a new subsection to read:

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(f) A person who is at least 18 years of age may apply to the department for a commercial instruction permit. The department may, after the applicant has successfully passed all parts of the examination under AS 28.15.081 other than the driving test, issue to the applicant a commercial instruction permit. The permit allows a person, while having the permit in the person's immediate possession, to drive a specified commercial type or class of motor vehicle on a highway or vehicular way or area for a period not to exceed 180 days. The permittee shall be accompanied by a person at least 21 years of age who has been licensed at least one year to drive the type or class of vehicle being used, who is capable of exercising control over the wheel, and who occupies a seat beside the driver. A commercial instruction permit may be renewed one time for a period of 180 days. Once a license is issued to drive a specified type or class of motor vehicle, a driver is not eligible to obtain a commercial instructional permit for that specified type or class of motor vehicle unless

(1) five years have passed since the expiration of the previous license;

or

(2) the commercial instruction permit is obtained for the purpose of adding an endorsement to a current class of commercial license.

\* Sec. 11. AS 28.33.140(a) is amended to read:

(a) In addition to any court action or administrative action in this or any other jurisdiction, conviction of a person who holds or is required to have a commercial driver's license or commercial instruction permit of any of the following offenses is grounds for immediate disqualification from driving a commercial motor vehicle for the periods set out in this section:

(1) operating a commercial motor vehicle while under the influence of an alcoholic beverage, inhalant, or controlled substance in violation of AS 28.33.030;

(2) refusal to submit to a chemical test in violation of AS 28.35.032;

(3) operating a motor vehicle while under the influence of an alcoholic beverage, inhalant, or controlled substance in violation of AS 28.35.030;

(4) leaving the scene of an accident in violation of AS 28.35.060, or failing to file, or providing false information in, an accident report in violation of AS 28.35.110;

1 (5) a felony under state or federal law that was facilitated because the  
2 person used a motor vehicle;

3 (6) a serious traffic violation;

4 (7) taking one of the following actions [DRIVING AFTER BEING  
5 PLACED OUT OF SERVICE] in violation of regulations adopted under  
6 AS 19.10.060(c) or AS 28.05.011;

7 (A) driving after being placed out of service; or

8 (B) operating a commercial vehicle that has been placed out  
9 of service;

10 (8) operating a commercial motor vehicle in violation of a federal or  
11 state statute or regulation, or a local law or ordinance, relating to railroad-highway  
12 grade crossings;

13 (9) operating a commercial motor vehicle while the driver's  
14 commercial motor vehicle license is suspended, revoked, or canceled, or the driver is  
15 disqualified;

16 (10) causing a fatality through the negligent operation, or operation in  
17 violation of a felony criminal law, of a commercial motor vehicle.

18 \* Sec. 12. AS 28.33.140(m) is amended to read:

19 (m) A person who violates the standards for operating a commercial motor  
20 vehicle or who knowingly operates a commercial motor vehicle that has been  
21 placed out of service as set out by the department in regulation is subject to civil  
22 penalties established by the department in regulation. An employer who knowingly  
23 allows an employee to drive in violation of an out-of-service order or in violation of a  
24 railroad-highway grade crossing is subject to civil penalties as described in 49 U.S.C.  
25 521(b) as established by the department in regulation. The department may adopt  
26 regulations under AS 44.62 to implement this subsection. The regulations adopted  
27 under this subsection must be substantially similar to any applicable federal  
28 regulations. In this subsection, "knowingly [,]" has the meaning given in  
29 AS 11.81.900.

30 \* Sec. 13. AS 28.33.190(16) is amended to read:

31 (16) "serious traffic violation" means

- 1 (A) speeding 15 miles per hour or more above the posted limit;  
2 (B) reckless or negligent driving, in violation of AS 28.35.400  
3 or 28.35.410 or an ordinance with substantially similar elements;  
4 (C) violation of a provision of this title, or a regulation adopted  
5 under this title, relating to improper lane changes or following too closely, or  
6 an ordinance with substantially similar elements;  
7 (D) violation of a law or ordinance relating to traffic control,  
8 which was determined by the court by a preponderance of the evidence to have  
9 been a factor in causing physical injury to a person;  
10 (E) driving a commercial motor vehicle without obtaining a  
11 license to drive a commercial motor vehicle;  
12 (F) driving a commercial motor vehicle without a license to  
13 drive a commercial motor vehicle in the driver's possession; however, if an  
14 individual provides proof to the department by the date that the individual was  
15 required to appear in court or pay any fine for that violation that the individual  
16 held a valid license to drive a commercial motor vehicle on the date the  
17 citation was issued, the driving may not be considered as a serious traffic  
18 violation under this paragraph; [OR]  
19 (G) driving a commercial motor vehicle without the proper  
20 class of license to drive a commercial motor vehicle and any required  
21 endorsements for the specific vehicle group being operated, or for the  
22 passengers or type of cargo being transported; or  
23 (H) driving a commercial motor vehicle in violation of  
24 AS 28.35.161.

25 \* Sec. 14. AS 28.90.990(a) is amended by adding a new paragraph to read:

- 26 (31) "commercial motor carrier" means a person that provides  
27 transportation for compensation, or that provides a vehicle to a person or entity that  
28 provides transportation for compensation, including the person's agents, officers,  
29 representatives, employees responsible for hiring, supervising, training, assigning, or  
30 dispatching of drivers, and employees overseeing the safety, installation, inspection,  
31 and maintenance of motor vehicle equipment and accessories.

- 1     \* **Sec. 15.** Sections 1, 2, and 9 - 14 of this Act take effect immediately under
- 2     AS 01.10.070(c).
- 3     \* **Sec. 16.** Sections 3 - 8 of this Act take effect January 1, 2015.

# ALASKA STATE LEGISLATURE



*Interim:*  
P.O. Box 109  
Wrangell, AK 99929  
Phone: (907) 874-3088  
Fax: (907) 874-3055

*Session:*  
State Capitol, Room 406  
Juneau, AK 99801-1182  
Phone: (907) 465-3824  
1-800-686-3824  
Fax: (907) 465-3175

## HOUSE TRANSPORTATION COMMITTEE Representative Peggy Wilson, Chair HOUSE DISTRICT 33

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### Sponsor Statement HB 378

**“An Act relating to motor vehicle registration, relating to drivers’ licenses; relating to instruction permits; relating to commercial motor vehicles and commercial motor carriers; and providing for an effective date.”**

HB 378 changes Alaska statutes to align them with the updated Federal Motor Carriers Administration (FMCSA) regulations. It will make the roads a safer place for all Alaskans by allowing the Division of Motor Vehicles (DMV) to refuse to register or to revoke a registration for a motor carrier or commercial vehicle that does not meet these federal safety standards.

If HB 378 is not passed **this session** Alaska will be out of compliance with federal regulations. Non-compliance could result in the federal government decertifying Alaska’s CDL program. The decertification would jeopardize Alaska’s federal highway funding. DOT reports that based on 2014 apportionments, this could mean a loss of up to \$34M in federal dollars. In addition to the loss of federal funds the DMV will not be able to issue, renew or upgrade any CDL or permits.

HB 378 adds additional safety-related improvements to the commercial permitting requirements to comply with federal mandates, which include raising the age to obtain an instruction permit for a commercial driver from 17 to 18 years of age, and limiting the period of validity to 180 days with the ability to renew the commercial permit for a period of 180 days instead of two years. A five year timeframe is added that will allow a person to apply for an instructional permit after they have been issued a certain class of license.

A Commercial Driver License (CDL) permit will be disqualified in the same manner as a commercial license if the driver is operating out of service or is convicted for crimes that include driving under the influence, refusal to submit to a chemical test, manslaughter, or negligent homicide resulting from driving a motor vehicle or for the commission of a felony using a motor vehicle. Texting while driving will also be made a serious traffic violation by which CDL operators could lose their license or permit for a period of time.

Additionally, HB 378 contains clarifying language for registration fees charged for vehicles over 10,000 pounds used for personal use and in an individual’s name. This clarification makes it clear that vehicles with an empty weight over 10,000 pounds (except motor homes used for personal use) will be charged the same as commercial vehicles of the same weight.

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## House Transportation Committee Representative Peggy Wilson District 33

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### Sectional Analysis HB 378, Driver Licensing

**\*Section 1:** Amends AS 28.10.041(a)

This section allows DMV the ability to refuse to register a vehicle if the owner has failed to comply with the reporting requirements of 49 CFR 396, and placed out of service by the U.S. Department of Transportation Federal Motor Carrier Administration (FMCSA).

**\*Section 2:** Amends AS 28.10.051(a)

This section is amended to allow the DMV to suspend or revoke the registration of a vehicle or the carrier has been issued a federal out of service order by the FMCSA pursuant to 49 CFR 386.

**\*Section 3:** Amends AS 28.10.411(f)

This section is amended to clarify that free vehicle registration for residents 65 years or older or disabled applies to noncommercial vehicles that weigh less than 10,000 pounds, including a passenger vehicle, low speed vehicle, pick-up truck, truck or van, trailer, motorhome or motorcycle.

**\*Section 4:** Amends AS 28.10.421(b)

This section is repealed and reenacted in conjunction with the modification of AS 28.10.411(f) above to clarify fees for noncommercial vehicles that weigh less than 10,000 pounds. The fees do not change; the section is reconfigured for clarity.

**\*Section 5:** Amends AS 28.10.421(c)

This section is amended to establish that fees for vehicles except for passenger, low speed, pick-up trucks, trucks or vans, trailers, and motorcycles are based on the weight of the vehicle regardless of whether the vehicle is commercial or noncommercial.

**\*Section 6:** Amends AS 28.10.421(d)(8)

This section is amended to clarify that no registration fees are charged for amateur mobile radio station vehicles so long as they are a passenger vehicle, low speed vehicle, pick-up truck, truck or van, trailer, or motorcycle.

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**\*Section 7:** Amends AS 28.10.431(b)

This section is amended to specify the biennial motor vehicle registration taxes (MVRT) for vehicles under 10,000 pounds including passenger vehicles, low speed vehicles, pick-up trucks, trucks or vans, trailers, and motorcycles, motor buses used commercially for transporting tourists, taxicabs, and trailers.

**\*Section 8:** Amends AS 28.15.051(a)

This section is amended to allow the DMV to issue a noncommercial instruction permit to drive noncommercial vehicles. It also allows a person to obtain an instructional permit for a certain class of license once five years have passed. DMV currently has no mechanism to allow a person who has been issued a license the ability to revert back to an instructional permit if more training is required.

**\*Section 9:** Amends AS 28.15.051 and adds a new subsection

A section is added to meet federal compliance with 49 CFR 383.71, which will require an applicant for a commercial instruction permit be at least 18 years of age. The current age for a commercial instruction permit is 17. Additionally, the statute is modified to allow for federal compliance with 49 CFR 383.25 by limiting the validity of the instruction permit to no more than 180 days, and a one-time renewal for no more than 180 days. This is a change from the existing 2- year period currently allowed. Furthermore, a 5-year timeframe is added to allow a person to apply for an instructional permit after they have been issued a certain class of license. DMV currently has no means to allow a person who has been issued a license the ability to revert back to an instruction permit.

**\*Section 10:** Amends AS 28.33.140(a)

This section is amended to allow a commercial driver license permit to be disqualified in the same manner as a commercial driver license if the driver is convicted for crimes including driving under the influence, refusal to submit to a chemical test, leaving the scene of an accident, failing to file, or providing false information following a crash, driving after being placed out of service, operating a commercial vehicle that has been placed out of service, or operating a commercial vehicle belonging to a commercial carrier that has been placed out of service.

**\*Section 11:** Amends AS 28.33.140(m)

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Wrangell, AK 99929  
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## House Transportation Committee Representative Peggy Wilson District 33

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This section is amended to comply with 49 CFR 384.222, which makes operating a vehicle that has been placed out of service subject to civil penalties.

**\*Section 12:** Amends AS 28.33.190(16)

This section is amended to comply with 49 CFR 392.80 that adds texting to the list of serious traffic violations for which a CDL license or permit holder could be disqualified.

**\*Section 13:** Adds a new paragraph to AS 28.90.990

Defines "commercial motor carrier."

**\*Section 14:** Effective date

Sections 1, 2, and 8-13 relating to federal compliance will take effect at 12:01 A.M. Alaska Standard Time the day after it is signed by the governor.

**\*Section 15:** Effective date

Sections 3-7 relating to fees take effect January 1, 2015.

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## HOUSE TRANSPORTATION COMMITTEE Representative Peggy Wilson, Chair HOUSE DISTRICT 33

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### HB 378 Differences between Version N and Version P

1. In section 4 relating to fees we clarified that motor homes used for personal/recreational use will continue to have a \$100 registration fee; and all trailers not used commercially will be \$30. Both motor homes and trailers are included in the vehicles free from registration for seniors and disabled just as they are in current statute;
2. In section 9 language was added to ensure that commercial instruction permit holders will be required to be accompanied by a person at least 21 years old and licensed to operate that class of vehicle;
3. In section 10 stylistic changes were made to make it clear that commercial instruction permit holders will be disqualified in the same manner as a commercial license holder if they are driving after being placed out of service or if they operate a commercial motor vehicle after being placed out of service. Additionally, language that would disqualify a driver if they were operating a commercial motor vehicle belonging to a motor carrier that was placed out of service was removed. The Federal Motor Carrier Safety Administration (FMCSA) determined the language was unnecessary/more stringent than needed. The current language is sufficient to meet the federal requirement.
4. In section 11 the word "knowingly" was added at the urging of the Alaska Truckers Association so that a driver would not be subject to civil penalties unless they *knew* they were operating a commercial motor vehicle that was placed out of service.

# **Alaska Trucking Association, Inc.**

3443 Minnesota Drive · Anchorage, Alaska 99503 · Phone (907) 276-1149 · Fax (907) 274-1946

[www.aktrucks.org](http://www.aktrucks.org)

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March 31, 2014

Representative Peggy Wilson, Chair  
House Transportation Committee  
HB378, Vehicle Registrations, Commercial Driver's License (CDL)

The Alaska Trucking Association supports HB378 as passed out of the House Transportation Committee on March 27, 2014. It makes some technical corrections required by the USDOT, Federal Motor Carrier Safety Administration on certain commercial driver violations and the consequences of those violations. These technical corrections bring the Alaska DMV into compliance with federal regulations and compliance is required to allow the CDL program to work.

On the subject of compliance with the feds on the CDL program, the following is pretty clear about the consequences. Although the sanctions have never been applied by FMCSA, there is always a first time. **The consequences of decertification of the CDL program are very severe. Issuance of new CDL's would stop immediately and all CDL's would be invalid upon their expiration date.** This means that a commercial vehicle driver could not drive commercially in Alaska or any other state without getting a CDL from another state. The federal highway dollars are important but DMV must be able to issue valid CDL's.

The following three paragraphs from the Code of Federal Regulations spell out the sanctions for non-compliance with the US DOT FMCSA regulations regarding Commercial Driver's License issues.

**"49 CFR § 383.7 Validity of CDL issued by decertified State.** A CDL issued by a State prior to the date the State is notified by the Administrator, in accordance with the provisions of §384.405 of this subchapter, that the State is prohibited from issuing CDLs, will remain valid until its stated expiration date.



*If you got it, a truck brought it...*

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Representative Peggy Wilson, Chair  
House Transportation Committee  
Page 2

**49 CFR § 384.401 Withholding of funds based on noncompliance.** (a) Following the first year of noncompliance. An amount up to 5 percent of the Federal-aid highway funds required to be apportioned to any State under each of sections 104(b)(1), (b)(3), and (b)(4) of title 23 U.S.C. shall be withheld from a State on the first day of the fiscal year following such State's first year of noncompliance under this part. (b) Following second and subsequent year(s) of noncompliance. An amount up to 10 percent of the Federal-aid highway funds required to be apportioned to any State under each of sections 104(b)(1), (b)(3), and (b)(4) of title 23 U.S.C. shall be withheld from a State on the first day of the fiscal year following such State's second or subsequent year(s) of noncompliance under this part.

**49 CFR § 384.405 Decertification of State CDL program.** (a) Prohibition on CLP or CDL transactions. The Administrator may prohibit a State found to be in substantial noncompliance from performing any of the following CLP or CDL transactions: (1) Initial issuance.(2) Renewal.(3) Transfer.(4) Upgrade.”

The Alaska Trucking Association supports HB378 and urges favorable consideration.

Sincerely,



Aves Thompson  
Executive Director



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