

**HB**

**378**

<TARGET><BILL>HB 378</BILL><SUBJECT>HB  
378</SUBJECT><COMM>STRA28</COMM></TARGET>

# SENATE COMMITTEE REPORT

DATE: 4/9/14

FURTHER: Finance

DATE TURNED  
IN TO OFFICE: 4/10/14

Transportation 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 \_\_\_\_\_ (\_\_\_\_\_)  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


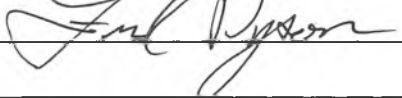
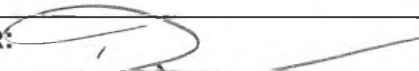
further referral to \_\_\_\_\_ Committee

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 #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
Adm			✓	1
DOT			✓	2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	French			✓	
	Dyson				
CHAIR: 	ECORAN				

# ALASKA STATE LEGISLATURE



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

*Session:*  
State Capitol, Room 406  
Juneau, AK 99801-1182  
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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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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.

# Fiscal Note

State of Alaska  
2014 Legislative Session

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

Identifier: HB378-DOA-DMV-03-19-2014  
Title: DRIVER LICENSING  
Sponsor: TRANSPORTATION  
Requester: House Transportation

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 2016	FY 2017	FY 2018	FY 2019	FY 2020	
<b>OPERATING EXPENDITURES</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>	<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>	<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? 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:**

Not applicable, initial version.

Prepared By:	Amy Erickson, Director	Phone:	(907)269-5574
Division:	Motor Vehicles	Date:	03/19/2014 03:27 PM
Approved By:	Curtis Thayer, Commissioner	Date:	03/19/14
Agency:	Department of Administration		

## 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.

This bill has no fiscal impact on DMV, but with passage, puts the state in compliance with federal regulations and ensures continued distribution of federal highway funds. Therefore, a zero fiscal note is submitted.

# **Alaska Trucking Association, Inc.**

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

*The authoritative voice of the trucking industry in Alaska*

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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  
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**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



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