

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6427 SENATE LABOR & COMMERCE

Alaska State Legislature



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House of Representatives

Committee on Finance
P.O. Box V
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MEMORANDUM

TO: Senator Dick Eliason, Chairman
Senate Labor & Commerce Committee

FROM: Representative Ronald L. Larson *R.L.*

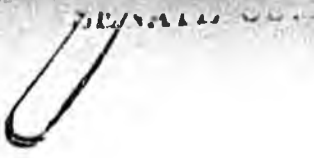
DATE: April 19, 1989

RE: CSHB 29 (L&C) am

As we head into the final days of this legislative session, I would like to respectfully urge your consideration for scheduling HB 29, an Act establishing the Alaska Racing Commission and authorizing parimutuel wagering at sanctioned events.

My hope is that we will be successful in passing this piece of legislation in the current session, and there are two more committees of referral should this bill move through the Senate Labor & Commerce Committee.

If you have any questions or comments, please don't hesitate to get in touch with me.



FURTHER

JUD
FIN

4/14/89

DATE TURNED INTO OFFICE 5/5/89

Mr. President:

L&C Committee considered CSHB 29 (L&C) am

establishing the Alaska Racing Commission and authorizing parimutuel
wagering at sanctioned events; efd

and recommended

replace with S CS CSHB 29 (L+C) am) same title
 or adopt _____ CS _____) new title
 attached amendment(s) and technical
 _____ letter of intent adopted title change
 _____ (HB only)

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) zero fiscal impact appropriation no FN
 new DC+ED 5/6/89 updated previous
 same as previous fiscal note(s) published 2/3/89

Dept of Law 1/18/89
 Dept of Public Safety 1/18/89

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Patricia Rydley Do not pass
Jan. Fick do not pass.
J. K. [unclear] Do Not Pass
[unclear]

Chairman signature and recommendation

Committee Backup attached

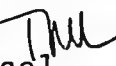
STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

February 28, 1989

SUBJECT: Sectional analysis of CSHB 29(L&C)
TO: Representative Ron Larson
FROM: Terri Lauterbach 
Legislative Counsel

The following is a sectional analysis of CSHB 29(L&C).

Please note that a section-by-section analysis or summary of a bill should not be considered an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1. Section 1 of the bill provides for the creation of a commission to regulate racing and parimutuel wagering.

ARTICLE 1. ALASKA RACING COMMISSION.

Sec. 05.40.010 establishes the Alaska Racing Commission in the Department of Revenue. The commission is composed of five members appointed by the governor. One member of the commission shall have experience in the regulation, supervision, or conduct of parimutuel wagering or horse racing, one member shall have experience in law enforcement, one member shall have experience in bookkeeping or accounting, and two members shall be public members. Members of the commission must be residents of the state. A person may not be appointed to the commission if that person has been convicted of a felony or gambling offense. A person may not serve as a member of the commission until a background check is completed by the Department of Public Safety. The commission members elect the chairman. Three members of the commission constitute a quorum.

Sec. 05.40.020 sets the term of appointment to the commission at four years.

Sec. 05.40.030 establishes procedures for removal of a member from the commission.

Sec 05.40.040 provides that members of the commission receive no salary but do receive per diem and travel expenses authorized for boards and commissions when the members are serving on the board.

Sec. 05.40.050 sets out the duties and powers of the commission. The commission shall adopt regulations concerning licenses and special permits for persons subject to the jurisdiction of the commission, appointment of officials to monitor races, distribution of the parimutuel pool, veterinary standards for races, the equipment used for parimutuel wagering, auditing procedures, and other matters related to horse racing and parimutuel wagering. The commission shall also regulate races, inspect race tracks and racing animals, establish racing dates and durations, sanction racing at specific locations, set fees, make an annual report to the commissioner of revenue and the legislature by February 15 of each year, keep detailed records of race meets and all collections and disbursements, and supervise parimutuel pools.

The commission may hire staff, compel witnesses to appear before the commission, compel production of documents of race meet operators, appoint hearing officers, and impose, by regulation an admission surcharge for races meets without regard to whether the race track charges admission.

Sec. 05.50.060 provides that commission employees are in the partially exempt service.

Sec. 05.40.070 provides that the Attorney General will enforce the regulations of the commission.

Sec. 05.40.080 provides that the records of the commission are public.

Sec. 05.40.090 provides that money received by the commission shall be paid into the state's general fund.

ARTICLE 2. RACE MEETS.

Sec 05.40.100 requires that a person conducting a race meet be licensed by the commission. A race meet operator's license is valid for three years unless revoked or suspended. The race meet operator has the exclusive right to operate or contract for the operation of concessions at the site

of the race meet. A person convicted of a felony or a gambling offense may not receive a license to conduct a race meet.

Sec. 05.04.110 provides that a person may not participate in a race meet as an animal owner, trainer, jockey, driver, attendant, groom, stable hand, veterinarian, employee of the race meet operator, concessionaire, or concession employee without receiving a special permit issued by the commission. A special permit is valid for one year unless revoked or suspended.

Sec. 05.40.120 prohibits the commission from sanctioning a race within a municipality unless the voters of the municipality have approved a referendum authorizing parimutuel wagering on horse races within the municipality and the municipality, after holding a public hearing, approves issuance or renewal of the license.

Sec. 05.40.130 provides that the parimutuel pool shall be distributed 65 percent to the holders of winning tickets, 15 percent to the race meet operator, 10 percent as purse money, and 10 percent to the commission. The amount of the pool distributed to holders of winning tickets shall be at least 65 percent and may be increased by the commission if the commission finds that it is necessary to promote efficient and successful race meets. The commission may adjust the distribution of the remaining 35 percent of the pool among purse money, the race meet operator, and the commission as necessary.

Sec. 05.40.140 provides that the race meet operator shall report to the commission within 30 days after each race on the distribution of the parimutuel pool. The race meet operator shall report to the commission on the operation and proceeds of concessions at the site of the race meet within 30 days after the end of the race meet.

Sec. 05.40.150 provides that the commission may appoint persons, including members of the commission, to serve as observers of race meets. An observer shall be present at the site of a race meet on the day before, the day after, and during the race meet.

ARTICLE 3. GENERAL PROVISIONS.

Sec 05.40.900 provides that the commission is subject to the Administrative Procedure Act.

Sec. 05.40.910 provides that members of the commission are subject to the prohibitions against conflict of interest.

Sec. 05.40.950 establishes prohibited acts and penalties. It is a class A misdemeanor to

- 1) violate a regulation of the commission if no effect on the outcome of a race licensed by the commission was intended;
- 2) record, report, register, or place a wager on a horse race except as provided under the authority of the commission;
- 3) permit a person under 21 years of age to place a wager.

A class A misdemeanor is punishable by imprisonment of not more than one year or a fine of not more than \$5,000 or both.

It is a class C felony to violate a provision of AS 05.40 or a regulation of the commission with the intent to affect the outcome of a race. A class C felony is punishable by imprisonment of not more than five years or a fine of not more than \$50,000, or both.

Sec. 05.40.990 establishes definitions for "breakage", "commission", "harness race", "horse race", "parimutuel", "race meet", "race meet operator", and "special permit".

Sec. 2. Section 2 of the bill amends AS 18.65.080 by providing that the Department of Safety shall investigate whether a person appointed to the commission, a person employed by the commission, a race official, a race meet operator, or a person required to obtain a special permit has been charged with a felony or a gambling offense.

Sec. 3. Section 3 of the bill amends AS 39.25.120(c) to include commission employees in the partially exempt service.

Sec. 4. Section 4 of the bill amends AS 39.50.200(b) to include the Alaska Racing Commission within the definition of "state commission or board" so that members of the commission are subject to prohibitions against conflict of interest.

Sec. 5. Section 5 of the bill amends AS 44.62.330(a) so that the Alaska Racing Commission is subject to the procedures applicable to administrative adjudication under AS 44.62.330 - 44.62.630.

Sec. 6. Section 6 of the bill imposes a duty on the governor to appoint the initial members of the commission within 120 days after the effective date of this Act.

Sec. 7. Section 7 of the bill gives the bill an effective date of July 1, 1990.

TL:kb
WKK2/072

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 26, 1989

SUBJECT: Clarifying amendment
CSHB 29(L&C) am

TO: Representative Ron Larson

FROM: Terri Lauterbach *TL*
Legislative Counsel

Enclosed is an amendment that would clarify and correct a provision of CSHB 29(L&C)am relating to voter approval of municipal parimutuel wagering at horse races.

Municipal referendums involve repeal of ordinances, not approval of ordinances. Therefore, the proposed amendment deletes the bill's language relating to a referendum by the voters and inserts language requiring voter approval of an ordinance.

I apologize for any inconvenience the improper referendum language has caused. Please let me know if I can be of further assistance on this matter.

TL:kb
wkk4/048

Enclosure

A M E N D M E N T

OFFERED IN THE HOUSE

BY LARSON

TO: CSHB 29(L&C) am

Page 5, line 18, after "unless":

Insert "the municipality"

Page 5, lines 19 - 20:

Delete "a majority of the voters in the municipality has approved a referendum authorizing"

Insert "by ordinance approved by the voters authorizes"

Page 5, line 21:

Delete "providing"

Insert "provides"

Page 5, line 23:

Delete "the municipality,"

Original sponsors: Larson, Zawacki,
and Menard

Pages 4+5

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE HOUSE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 29 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska Racing Commission and
7 authorizing parimutuel wagering at sanctioned events;
8 and providing for an effective date."

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

10 * Section 1. AS 05 is amended by adding a new chapter to read:

11 CHAPTER 40. HORSE RACING.

12 ARTICLE 1. ALASKA RACING COMMISSION.

13 Sec. 05.40.010. ALASKA RACING COMMISSION. (a) The Alaska
14 Racing Commission is established in the Department of Commerce and
15 Economic Development. The commission is composed of five members
16 appointed by the governor. One member shall have experience in the
17 regulation, supervision, or conduct of parimutuel wagering or horse
18 racing; one member shall have experience in law enforcement; one
19 member shall have experience in bookkeeping or accounting; two members
20 shall be public members.

21 (b) Each member of the commission shall at the time of the
22 member's appointment be a two-year resident of the state.

23 (c) A person may not serve as a member of the commission if that
24 person has been convicted of

25 (1) a felony; or

26 (2) an offense defined in AS 05.40.950, AS 11.66.200 -
27 11.66.280, or a comparable provision of municipal, state, or federal
28 law.

29 (d) A person may not serve as a member of the commission until

1 the investigation required under AS 18.65.080 is completed.

2 (e) The commission shall elect a chairman from its membership.

3 (f) Three members of the commission constitute a quorum for the
4 transaction of business.

5 Sec. 05.40.020. TERM OF OFFICE. Members of the commission serve
6 staggered terms of four years. A vacancy is filled by appointment for
7 the unexpired term. A member of the commission holds office until a
8 successor is appointed and qualifies.

9 Sec. 05.40.030. REMOVAL AND SUSPENSION OF MEMBERS. (a) The
10 governor may remove a member for cause, including incompetence, ne-
11 glect of duty, or misconduct in office. A member being removed for
12 cause shall be given a copy of the charges and afforded an opportunity
13 to publicly present a defense in person or by counsel upon not less
14 than 10 days' notice. If a member is removed for cause, the governor
15 shall file with the lieutenant governor a complete statement of all
16 charges made against the member and the governor's findings based on
17 the charges, together with a complete record of the proceedings.

18 (b) The governor may immediately suspend a member for a vio-
19 lation of law or for misconduct in office pending removal from office
20 under (a) of this section.

21 Sec. 05.40.040. COMPENSATION AND PER DIEM. Members of the
22 commission do not receive a salary for their service on the commission
23 but are entitled to per diem and travel expenses authorized by law for
24 state boards and commissions under AS 39.20.180.

25 Sec. 05.40.050. DUTIES AND POWERS OF THE COMMISSION. (a) The
26 commission shall, in consultation with the attorney general,

27 (1) adopt regulations concerning

28 (A) the issuance, renewal, suspension, and revocation
29 of licenses and special permits;

1 (B) the immediate suspension of a license or special
2 permit of a person subject to this chapter during an investiga-
3 tion of a violation of this chapter or a regulation adopted under
4 this chapter;

5 (C) the appointment of race officials, including race
6 meet observers, and their duties;

7 (D) the distribution of the parimutuel pool among the
8 race meet operator, purse money, winning tickets, and the commis-
9 sion;

10 (E) retention of breakage by a race meet operator;

11 (F) veterinary standards for race meets;

12 (G) parimutuel equipment to be used by race meet
13 operators;

14 (H) auditing procedures; and

15 (I) other matters directly related to horse racing and
16 parimutuel wagering;

17 (2) regulate and supervise all horse races;

18 (3) inspect and approve race tracks and race horses;

19 (4) establish racing dates and durations;

20 (5) sanction horse racing within municipalities at loca-
21 tions approved by the commission;

22 (6) set all license and special permit fees;

23 (7) make an annual report to the commissioner of commerce
24 and economic development and the legislature of its administration of
25 this chapter before February 15 of each year;

26 (8) keep detailed records of all race meets and of all col-
27 lections and disbursements;

28 (9) supervise the making and distribution of parimutuel
29 pools.

1 (b) The commission may

2 (1) hire staff, and appoint persons as race meet observers,
3 as needed to administer this chapter, if the investigation required
4 under AS 18.65.080 finds that the person has not been convicted of a
5 crime set out in AS 05.40.010(c);

6 (2) issue subpoenas to compel witnesses to appear before
7 it;

8 (3) compel the production of documents showing the receipts
9 and disbursements of a race meet operator;

10 (4) appoint a hearing officer to conduct a hearing required
11 by this chapter or by a regulation adopted under it;

12 (5) by regulation, impose an admission surcharge for a race
13 meet not to exceed \$1 without regard to whether the race meet operator
14 charges an admission fee.

15 Sec. 05.40.060. EMPLOYEES OF THE COMMISSION. Employees of the
16 commission are in the partially exempt service under AS 39.25.120.

17 Sec. 05.40.070. REGULATIONS OF THE COMMISSION. The attorney
18 general shall enforce the regulations of the commission.

19 Sec. 05.40.080. RECORDS OF THE COMMISSION. All records of the
20 commission are public records and subject to public inspection.

21 Sec. 05.40.090. PROCEEDS. Fees and other money received by the
22 commission shall be paid into the general fund. The commissioner of
23 administration shall separately account for money deposited in the
24 general fund by the commission. The annual estimated balance in the
25 account may be used by the legislature to make appropriations to the
26 commission to implement this chapter.

27 ARTICLE 2. RACE MEETS.

28 Sec. 05.40.100. RACE MEET OPERATOR'S LICENSE. (a) A person may
29 not conduct a race meet in the state without a race meet operator's

1 license issued by the commission. A race meet operator's license is
2 valid for three years unless revoked or suspended by the commission.

3 (b) The race meet operator has the exclusive right to operate or
4 contract for the operation of concessions at the site of the race
5 meet.

6 (c) A race meet operator's license may not be issued until the
7 investigation required under AS 18.65.080 is completed. A person
8 convicted of a crime set out in AS 05.40.010(c) may not receive a race
9 meet operator's license.

10 (d) A race meet may be conducted only within a municipality.

11 Sec. 05.40.110. SPECIAL PERMITS. (a) A person may not partici-
12 pate in a race meet as an owner of an animal participating in the race
13 meet, trainer, jockey, driver, attendant, groom, stable person, veter-
14 inarian, employee of a race meet operator, concessionaire, or conces-
15 sion employee without a special permit issued by the commission.

16 (b) A special permit is valid for one year unless revoked or
17 suspended by the commission. The commission may not issue a special
18 permit under this section until the investigation required under
19 AS 18.65.080 is completed. A person convicted of a crime set out in
20 AS 05.40.010(c) may not receive a special permit.

21 Sec. 05.40.120. LOCAL OPTION. The commission may not sanction a
22 race meet within a municipality unless the municipality

23 (1) by ordinance approved by the voters authorizes pari-
24 mutuel wagering on horse races and provides for municipal licensing of
25 race meets within the municipality; and

26 (2) after a public hearing on the license, has approved
27 issuance or renewal of the municipal license for the race meet.

28 Sec. 05.40.130. DISTRIBUTION OF PARIMUTUEL POOL. (a) Except as
29 provided in (b) and (c) of this section, the parimutuel pool shall be

1 distributed

2 (1) 65 percent to the holders of winning tickets;

3 (2) 15 percent to the race meet operator conducting the
4 race meet;

5 (3) 10 percent as purse money; and

6 (4) 10 percent to the commission.

7 (b) The commission may by regulation adjust the distribution of
8 the parimutuel pool as necessary to promote efficient and successful
9 race meets. The percentage allocated to holders of winning tickets
10 shall be at least 65 percent of the parimutuel pool.

11 (c) Notwithstanding AS 34.45, money that is owed to holders of
12 winning tickets but not claimed within six months after the date for
13 distribution of the parimutuel pool shall be paid to the commission
14 for deposit into the general fund.

15 Sec. 05.40.140. REPORTS BY THE RACE MEET OPERATOR. (a) The
16 race meet operator shall report to the commission within 30 days after
17 each race on the distribution of the parimutuel pool.

18 (b) The race meet operator shall report to the commission within
19 30 days after the end of the race meet on the operation and proceeds
20 of concessions at the site of the race meet.

21 Sec. 05.40.150. OBSERVATION OF RACE MEETS. (a) The commission
22 may appoint a member of the commission or other person to observe the
23 conduct of race meets. An observer shall be present at the site of
24 each race meet on the day before, the day after, and during the race
25 meet.

26 (b) A person who is not a member of the commission or an em-
27 ployee of the commission does not receive a salary but is entitled to
28 per diem and travel expenses, for each day the person is engaged in
29 the actual performance of duties as a race meet observer.

ARTICLE 3. GENERAL PROVISIONS.

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2 Sec. 05.40.900. ADMINISTRATIVE PROCEDURE ACT. The operations of
3 the commission are subject to the Administrative Procedure Act
4 (AS 44.62).

5 Sec. 05.40.910. CONFLICT OF INTEREST ACT. The commission is
6 subject to AS 39.50 (conflict of interest).

7 Sec. 05.40.950. PROHIBITED ACTS AND PENALTIES. (a) It is a
8 class A misdemeanor to

9 (1) violate or fail to comply with a regulation of the
10 commission or a provision of this chapter if no effect on the outcome
11 of a horse race was intended;

12 (2) record, report, or register a wager on a horse in a
13 horse race unless under the provisions of this chapter;

14 (3) place a wager upon the results of a horse race except
15 by a parimutuel method of wagering conducted by a race meet operator
16 licensed under this chapter, and upon the grounds or enclosure of the
17 race meet operator;

18 (4) permit a person under the age of 21 to use the pari-
19 mutuel system.

20 (b) Violation of a regulation or provision of this chapter with
21 intent to affect the outcome of a horse race is a class C felony.

22 Sec. 05.40.990. DEFINITIONS. In this chapter

23 (1) "breakage" means the odd cents by which the amount
24 payable on each dollar wagered exceeds a multiple of 10 cents; break-
25 age may not exceed 20 percent of the total amount deposited in the
26 pool;

27 (2) "commission" means the Alaska Racing Commission;

28 (3) "harness race" means a race where the horses are har-
29 nessed to a sulky, carriage, or similar vehicle and driven by a

1 driver;

2 (4) "horse race" means either a race where the horses are
3 mounted and ridden by jockeys or a harness race;

4 (5) "parimutuel" means a form of wagering on the outcome of
5 horse races in which those who wager personally purchase tickets of
6 various denominations on a horse and all wagers for each race are
7 pooled and held by the race meet operator for distribution; when the
8 outcome of the race has been decided, the race meet operator distrib-
9 utes the percentage of the total wagers determined by the commission
10 to holders of tickets on the winning horses;

11 (6) "race meet" means an exhibition that includes horse
12 races, where the parimutuel system is used;

13 (7) "race meet operator" means the person who is authorized
14 to conduct a race meet sanctioned by the commission;

15 (8) "special permit" means a permit issued by the commis-
16 sion to participants in a race meet, other than the race meet opera-
17 tor, under AS 05.40.110.

18 * Sec. 2. AS 18.65.080 is amended by adding a new subsection to read:

19 (b) The Department of Public Safety shall investigate and ascer-
20 tain whether the following persons have been charged with a crime set
21 out in AS 05.40.010(c):

22 (1) a person appointed by the governor to serve as a member
23 of the Alaska Racing Commission;

24 (2) an applicant for employment with the Alaska Racing
25 Commission;

26 (3) an applicant to serve as a race official or race meet
27 observer;

28 (4) an applicant for a license under AS 05.40.100 or a
29 special permit under AS 05.40.110.

1 * Sec. 3. AS 39.25.120(c) is amended by adding a new paragraph to read:
2 (21) employees of the Alaska Racing Commission.

3 * Sec. 4. AS 39.50.200(b) is amended by adding a new paragraph to read:
4 (50) Alaska Racing Commission (AS 05.40.010).

5 * Sec. 5. AS 44.62.330(a) is amended by adding a new paragraph to read:
6 (55) Alaska Racing Commission (AS 05.40.010).

7 * Sec. 6. INITIAL COMMISSION APPOINTMENTS. The governor shall make the
8 initial appointment of members of the Alaska Racing Commission within 120
9 days after the effective date of this Act.

10 * Sec. 7. This Act takes effect July 1, 1990.
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POSITION PAPER

CSHB 29 (L&C) am: "An Act establishing the Alaska Racing Commission and authorizing parimutuel wagering at sanctioned events; e.d."

CSHB 29 (L&C) am establishes the Alaska Racing Commission within the Department of Commerce and Economic Development. The commission consists of five members appointed by the governor, including two public members.

The commission is charged with adopting regulations concerning licenses and permits for parimutuel wagering, appointment of race officials, distribution of the parimutuel pool, veterinary standards, auditing procedures, and other matters relating to parimutuel wagering. The commission is to regulate and supervise all horse races, inspect and approve race tracks and race horses, establish racing dates and durations, and supervise the making and distribution of parimutuel pools. Race meets may be conducted only within a municipality.

The commission is to make an annual report to the Legislature by February 15 of each year.

The bill sets out qualifications for those applying for a race meet operator's license. A race meet operator's license is valid for three years. The bill stipulates that no person may participate in a race meet as an owner of an animal, trainer, jockey, driver, attendant, groom, stable person, veterinarian, employee of a race meet operator, concessionaire, or concession employee without a special permit. A special permit is valid for one year.

The commission may not sanction a race meet within a municipality unless a majority of the voters in the municipality has approved a referendum authorizing parimutuel wagering on horse races and providing for municipal licensing of race meets within a municipality. A municipality must, after a public hearing, approve issuance or renewal of the municipal license for the race meet.

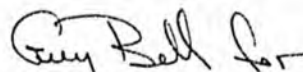
CSHB 29 (L&C) am provides that the parimutuel pool shall be distributed in the following manner: 65% to the holders of winning tickets; 15% to the race meet operator conducting the race meet; 10% as purse money; and 10% to the commission (Sec. 05.40.130 (a)).

The department recommends that a new subsection be added to this section to provide the department with program receipt authority to avoid any problem of dedication of funds, and to allow the department to use program receipts to fund the cost of regulation of parimutuel wagering. The standard program receipt language would read:

Sec. 05.40.130(d). Money received by the commission under this chapter shall be deposited in the general fund. The commissioner of administration shall separately account for the money deposited in the general fund under this section. The annual estimated balance in the account may be used by the legislature to make appropriations to the department to carry out enforcement of this chapter.

CSHB 29 (L&C) am takes effect July 1, 1990.

The department believes that, if the Legislature chooses to authorize parimutuel wagering or any other type of gambling activity, the administration and regulation of the activity would best be handled through a commission such as that outlined in this bill.



Larry Mercurieff, Commissioner

Date: 4-26-89

0520V

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SCS CSHB 29(L&C) am
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Econ. Dev.
Title: An Act establishing the Alaska Racing Commission & authorizing parimutuel wagering. BRU: Alaska Racing Commission
Sponsor: Representative Larson Components: _____
Requester: Senate Labor & Commerce

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES			50.6	101.1	150.7	150.7
TRAVEL			7.6	9.2	9.8	9.8
CONTRACTUAL			17.9	35.4	40.4	40.4
SUPPLIES			2.5	2.5	3.0	3.0
EQUIPMENT			11.4			
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	90.0	158.2	203.9	203.9

CAPITAL						
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REVENUE	0	0	68.4	261.4	522.8	522.8
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FUNDING: (Thousands of dollars)

GENERAL FUND			90.0			
FEDERAL FUNDS						
OTHER				158.2*	203.9*	203.9*
TOTAL	0	0	90.0	158.2	203.9	203.9

*Estimated General Fund Program Receipts

POSITIONS:

FULL-TIME	0	0	2	2	2	2
PART-TIME			0	0	2	2
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

The effective date of this legislation is July 1, 1990; therefore, no costs would be incurred until FY 91. See attached analysis. As the commission will set licensing and permit fees by regulation, it is not possible at this time to estimate revenues generated by those fees. The fees will be established at

Prepared by: Linda Wild, Special Assistant Phone: 465-2500
Division: Commissioner's Office Date: 5/06/89

Approved by Commissioner: Larry Mercier Phone: 465-2500
Agency: Dept. of Commerce & Economic Development Date: 5/6/89

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

ANALYSIS: (continued)

a level sufficient to cover cost of regulation of the events. SCS CSHB 29(L&C) provides the department with program receipt authority, which will allow the department to use program receipts to fund the cost of regulation of parimutuel wagering.

FY 91 EXPENDITURE DETAIL

PERSONAL SERVICES

Executive Director, Range 24A, 6 months	\$36,700
Clerk-Typist III, Range 8A, 6 months	<u>13,867</u>

SUB-TOTAL: \$50,567

TRAVEL

Three commission meetings in the Anchorage area at 2 days each. This travel assumes three commissioners are appointed from the Anchorage area, one from Fairbanks, and one from Juneau. The staff positions are located in Anchorage.

4,194

Director's Travel (one trip to inspect and review small racing commission operations in Michigan, Maine and New Hampshire)

2,120

1 Event (8 days; 2 Anch. mem.) 1,280

SUB-TOTAL: \$ 7,594

CONTRACTUAL

Once race meets are authorized, contractual funds will be used for audits, inspections, clockers, veterinarians, judges, hearing officer, etc.

\$ 7,500

Postage, Communications, Printing, Advertising, etc. \$ 5,000

Office Space rent 5,400

SUB-TOTAL: \$17,900

SUPPLIES \$ 2,500

EQUIPMENT (one time costs only)

Desk, double pedestal, 70" x 36"	\$ 705	
Chair, swivel with arms	653	
Typewriter, IBM Selectric III	1,201	
Chair, side without arms	187	
Desk Calculator	138	
File Cabinet, 5-drawer, legal w/lock	402	
Table, 72" x 36"	325	
Wang terminal	<u>2,100</u>	
	\$5,711 x 2	\$11,422.

FY 91 TOTAL GENERAL FUND EXPENDITURES \$90,000

FY 91 REVENUE DETAIL

- One six day event:

18,000 players (estimate based on 3,000
per day for six days)

Handle of \$504.0 in total receipts based
on an average wager of \$28 (Montana's average)

A takeout of 35%, with a State share of
10%, equals state revenues of \$50.4 per event. \$50,400

- \$1.00 per person gate fee equals \$18,000 in
State Revenues (\$1.00 times 18,000 players) 18,000

FY 91 ESTIMATED TOTAL REVENUE \$68,400

FY 92 EXPENDITURE DETAIL

PERSONAL SERVICES

Executive Director, PX, Range 24A, 12 months \$ 73,400
Clerk-Typist III, PX, Range 8A, 12 months 27,736

SUB-TOTAL: \$101,136

TRAVEL

Four Commission meetings in Anchorage area \$ 5,600
2 - Events (8 days; 2 Anch area Commissioners @ \$1280 ea.) 2,560
Director's travel 1,000

SUB-TOTAL: \$ 9,160

CONTRACTUAL

Postage, Communications, Printing, Advertising, etc. \$ 5,000
Office Space rent 5,400
Contractual costs to provide services of an auditor
and investigator, inspections, hearing officer, etc. 25,000

SUB-TOTAL: \$ 35,400

SUPPLIES \$ 2,500

FY 92 TOTAL EXPENDITURES: \$158,196

FY 92 REVENUE DETAIL:

- Two (2) six day events

34,400 players per event (estimate based
on approximately 5,700 players per day
during each six day event)

Handle of \$963.2 in total receipts at each
six-day event based on an average wager of
\$28 (Montana's average)

A takeout of 35%, with State share at 10%,
generates State Revenues of \$96.3 per event,
or \$192.6 for the two events.

\$192,600

- \$1.00 per person for the two events equals
\$68.6 in revenue (\$1.00 times 68,800 people
equals \$68.8)

68,800

FY 92 ESTIMATED REVENUE TOTAL: \$261,400

FY 93 EXPENDITURE DETAIL

PERSONAL SERVICES

Executive Director, PX, Range 24A, 12 months	\$ 73,400
Clerk-Typist III, PX, Range 8A, 12 months	27,736
Race Stewards, Range 18A, 2 @ 6 months each	<u>49,575</u>

SUB-TOTAL: \$150,711

TRAVEL

Four Commission meetings in Anchorage area	\$ 5,600
4 - Events (8 days; by 3 members from Anchorage area and one from Fairbanks)	3,184
(2 Anch. mbrs.: \$80 x 8 x 2 = 1280)	
(1 Anch. mbr: \$80 x 8 x 2 = \$1,280 +	
1 Fbx. mbr: \$232 + \$80 x 9 (extra day)	
x 2 = 1,904)	
Director's travel	<u>1,000</u>

SUB-TOTAL: \$ 9,784

CONTRACTUAL

Audits, investigations, inspectors, hearing officer, etc.	\$ 30,000
Postage, Communications, Printing, Advertising, etc.	5,000
Office Space rent	<u>5,400</u>

SUB-TOTAL: \$ 40,400

SUPPLIES \$ 3,000

FY 93 TOTAL EXPENDITURES: \$203,895

FY 93 REVENUE DETAIL:

- Four (4) six day events
 - 34,400 players per event (estimate)
 - Handle of \$963.2 in total receipts per event based on average wager of \$28 (Montana's average)
 - A takeout of 35%, with State share of 10% of the revenues generated, equals State Revenues of \$96.3 per event, or \$385.2 for the four estimated events. \$385,200
- \$1.00 per person per event generates \$137.6 in revenue (\$1.00 times 34,400 times four events) 137,600

FY 93 Estimated Revenue \$522,800

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act establishing the Alaska
Racing Commission . . ."
Sponsor: Representative Larson
Requestor: House Labor & Commerce

Agency Affected: Department of Law
BRU: Legal Services
Components: Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	-0-	75.0	-0-	-0-	-0-	-0-
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	75.0	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	75.0	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Please see the attached analysis.

Richard I. Pegues

Prepared by: Richard I. Pegues, Director
Division: Administrative Services

Phone: 465-3672
Date: January 18, 1989

Approved by Commissioner: Richard I. Pegues
Grace Berg Schaible, Atty General
Agency: Department of Law

Date: January 18, 1989

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

No. 2
CSHB 29 (L&C)
HOUSE 2/3/89

This bill amends AS 05 by establishing the Alaska Racing Commission and by authorizing parimutuel wagering at sanctioned horse race events. The bill provides that the commission, and its staff, would be responsible for regulating all sanctioned events under a comprehensive regulatory scheme that covers nearly every aspect of race operations and wagering. It is our view that a substantial body of regulations will need to be drafted and adopted to carry out the purposes of this bill. We are therefore requesting \$75,000, as a one-time expense, to handle the drafting effort. We believe that this is the minimum amount necessary to insure proper regulatory oversight, if this form of legalized wagering is authorized in the state.

Unfortunately, we cannot predict future legal costs that may occur once sanctioned racing is established, because of our total lack of experience in this area. It is conceivable, however, that if racing becomes well established that at least one civil attorney and one criminal attorney, plus support costs, could be required on a continuing basis due to racing activity. Because of the severe budget constraints that have already been felt by the department, and because of further budget reductions that may take place in FY 90, it will be necessary to request additional funds when and if racing activities so warrant.

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CSHB 29 (L&C)
PUBLISH DATE: HOUSE 2/3/89

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act establishing the Alaska
Racing Commission..."
Sponsor: Representative Larson
Requestor: House Labor & Commerce

Agency Affected: Public Safety
BRU: Alaska State Troopers
Component: _____

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Under Section 2 of the bill, the Department of Public Safety will be required to run criminal history checks on certain individuals. Because the number of persons whose records must be checked is expected to be very small, the Department believes that this impact can be absorbed using existing staff and resources.

Prepared by: Gayle A. Horetski, Deputy Commissioner
Division: Office of the Commissioner

Phone: 465-4322
Date: 1/18/89

Approved by Commissioner: Arthur English
Agency: Department of Public Safety

Date: 2-19-89

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act establishing the Alaska
Racing Commission . . ."
Sponsor: Representative Larson
Requestor: House Labor & Commerce

Agency Affected: Department of Law
BRU: Legal Services
Components: Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	-0-	75.0	-0-	-0-	-0-	-0-
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	75.0	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	75.0	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Please see the attached analysis.

This fiscal note applies
to SCS CSHB 29 (L+C)
Sheila Peterson
Senate L+C Committee.

Prepared by: Richard I. Pegues, Director
Division: Administrative Services

Phone: 465-3672
Date: January 18, 1989

Approved by Commissioner: Grace Berg Schaible, Atty General
Agency: Department of Law

Date: January 18, 1989

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

No.
CSHB 29 (L&C)
HOUSE 2/3/89

This bill amends AS 05 by establishing the Alaska Racing Commission and by authorizing parimutuel wagering at sanctioned horse race events. The bill provides that the commission, and its staff, would be responsible for regulating all sanctioned events under a comprehensive regulatory scheme that covers nearly every aspect of race operations and wagering. It is our view that a substantial body of regulations will need to be drafted and adopted to carry out the purposes of this bill. We are therefore requesting \$75,000, as a one-time expense, to handle the drafting effort. We believe that this is the minimum amount necessary to insure proper regulatory oversight, if this form of legalized wagering is authorized in the state.

Unfortunately, we cannot predict future legal costs that may occur once sanctioned racing is established, because of our total lack of experience in this area. It is conceivable, however, that if racing becomes well established that at least one civil attorney and one criminal attorney, plus support costs, could be required on a continuing basis due to racing activity. Because of the severe budget constraints that have already been felt by the department, and because of further budget reductions that may take place in FY 90, it will be necessary to request additional funds when and if racing activities so warrant.

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CSHB 29 (L&C)
PUBLISH DATE: HOUSE 2/3/89

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Public Safety
Title: "An Act establishing the Alaska Racing Commission..." BRU: Alaska State Troopers
Sponsor: Representative Larson Component: _____
Requestor: House Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Under Section 2 of the bill, the Department of Public Safety will be required to run criminal history checks on certain individuals. Because the number of persons whose records must be checked is expected to be very small, the Department believes that this impact can be absorbed using existing staff and resources.

This fiscal note applies to SCS CSHB29 (L+C)

*Shula Peterson
Senate L+C Committee*

Prepared by: Gavle A. Horetski, Deputy Commissioner Phone: 465-4322
Division: Office of the Commissioner Date: 1/18/89

Approved by Commissioner: A.A. English Date: 2-19-89
Agency: Department of Public Safety

Horse Racing At The Fair



TRIPLE TUFF leads the field in one of last year's races at the new Alaska State Fair race track south of Palmer.

Riding is Bobby McCarthy Jr. Triple Tuff is now owned by Len and Marsha Melton.

Photo Finish At State Fair

Nearly 1,000 people gathered at the Alaska State Fair race track in Palmer over the weekend to watch 22 horses charge across the finish line with one race so close only the photo finish camera could tell the winner. Great interest has generated among the crowd in racing.

Friday night the 220 winner was Pow Wow Gidget owned by Ellis Enterprises and ridden by Dana Richmond; second Thanks Doc, owner Jinx Coster, jockey Sissy Melton, third was Dungaree ridden by Steve Clark and owned by Dennis Clark. In the 350, Doc won over Pow Wow Gidget.

The 440 saw Babe's Twig owned and ridden by Cecil Premus take the race with Triple Tuff owned by Len Melton, ridden by Hoot Melton, hot on his heels and Moon's Hotshot, Ellis Enterprises and jockey Dana Richmond taking third. Just a Bird and Mac's Little Kid also ran.

General Bars ridden by Bob McCarthy, owner Dennis Clark, won over Nile Queen ridden by Kris Roetman, owned by Emmett Roetman. Both are thoroughbreds.

An exciting cow puny race

with eight entries had only a third place winner, Danny owned and ridden by Kelly Wilson. The first and second place animals were disqualified for fouls.

Outstanding weather contributed to standing room only for Saturday afternoon racing. Pow Wow Gidget took Thanks Doc and Ragged Ann owned by Esther Erikson and ridden by Terry Erikson in the 220.

The next racing date will be Saturday and Sunday at 2 p.m. on July 6 and 7. Race horse owners may practice at the Alaska State Fair, Inc. race track one mile from Palmer on Tuesday and Thursday evenings, 7:30-9:30 p.m. and Sunday afternoon from 2-4 p.m. (except on racing days). Ed Premus will be the gate keeper while Vernon Francis is on vacation.

Government

Valley cities would welcome track gambling

By JIM BRUGGERS
MAT-SU—Even though wagering on a horse race is against state law, the Palmer and Wasilla city councils think having a race track in the Valley is a good bet on the future.

The two councils are looking at parimutual betting as one way to make up for the state's declining oil wealth.

However, officials from both towns acknowledge that legislation will have to be passed in Juneau

before this form of gambling will be legal.

The issue surfaced last week, first in Wasilla and then in Palmer, in a sequence of events that has Palmer scrambling to maintain its lead in being the first Alaska city to allow gambling on horse races.

In Wasilla, Mayor Charles Bumpus announced that he would encourage parimutual betting in his town. An ordinance allowing it

pending state approval, is being drafted now, according to Wasilla Development Coordinator John Stein. That ordinance will be introduced at the Wasilla council's Aug. 12 meeting.

Stein said Friday that parimutual betting could be a good source of revenue for the city, through attracting tourism dollars as well as supporting agricultural-related businesses in the

Valley.

He said the "Anchorage market" might also support parimutual betting. But he cautioned that, before the city should take on such a project, a major feasibility study would need to be done.

Immediately after learning of Wasilla's interest in setting up a track, the Palmer council introduced its own ordinance at a special

meeting late Thursday afternoon.

According to Palmer Mayor George Carte, the meeting was called by City Manager Dave Soulak and at the request of councilwoman Marsha Melton, who is also the Alaska State Fair manager.

The mayor, who said he will probably oppose gambling in Palmer, said the meeting was called so Palmer could stay ahead of Wasilla in this issue.

He noted that the State Fair has, for a number of years, been interested in establishing parimutual betting at its race track.

In fact, the fair commissioned a study on the practice of parimutual betting in 1977.

The Palmer council's action, approved unanimously by Mike Pippel, Marsha Melton, Joe Berberich, Diana Long and Carte, established a public

hearing Aug. 13 before the Palmer council.

Carte said before the meeting that he isn't sure gambling would be appropriate in Palmer.

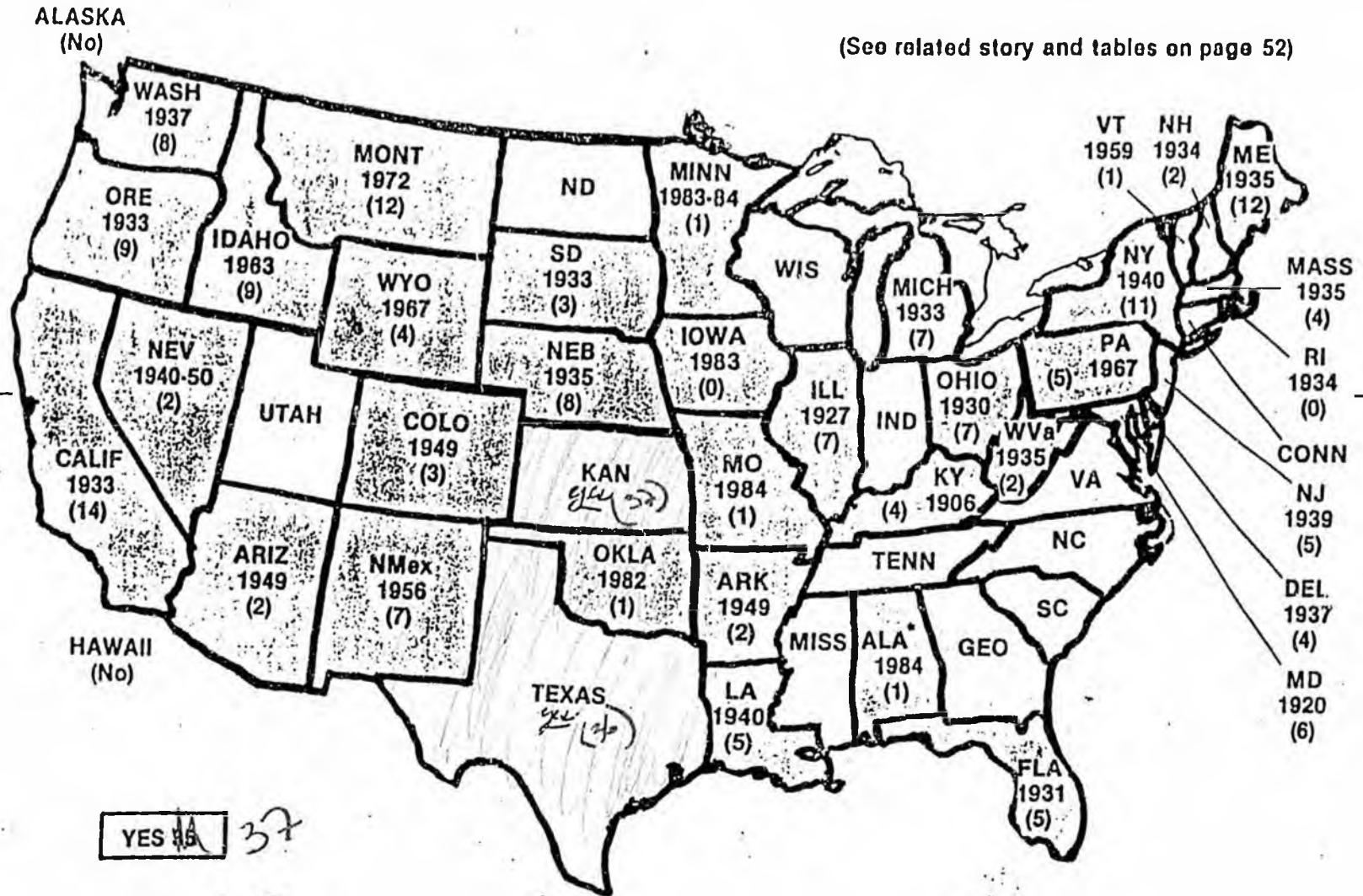
According to the fair's study, parimutual betting is the system of wagering used most often by race tracks. Odds are determined according to the approximate ratio of the amount bet on all horses to the amount bet on each individual horse, the report states.

Performance horse racing

Parimutuel wagering: A look at where it's at

racing

(See related story and tables on page 52)



YES 37

NO 13

() number of licensed parimutuel horse tracks including fairs

OPENING MARCH 1, 1989 IN ALTOONA Iowa's First Horse Racetrack



FIRST RACE DATE: March 1, 1989, the racetrack is scheduled to open.

ARCHITECTURAL STYLE: Exterior will have the flavor of an old English lodge or club.

THE GRANDSTAND WILL FEATURE:

- Three public levels: grandstand seating 2,520; clubhouse level 2,000; including dinner seating for 774. Several additional lounge areas.

- Closed circuit TV system, 180 screens to watch the races.

- Dining facilities and grandstand seating overlook the track; lounges have a view of the track or paddock area. Concessions at convenient locations at different levels.

- Outdoor bleachers at track level.

TOTAL PROJECT COST: \$51 million project for land, equipment and construction.

TOURISM: Tourism related to the track will generate \$5 1/2 million in business. This will include transportation, lodging, restaurants, and retail sales.

COSTS, BUSINESS AND JOBS:

- Total jobs estimated once the track is operational - 1,457.

- Activity of horse breeders, trainers, and boarding, raise total business activity to \$46 million a year with turnover estimated at \$92 million.

- During construction at times 300 to 500 people will be working at the site; payroll will run \$2,112 million a month.

TRACK SURFACE: Dirt Track.

TYPES OF RACING TO BE CONDUCTED

AT THE TRACK: Thoroughbred, Quarter Horse, and Standardbreds will be raced.

HORSE BOARDING AND BREEDING:

More than 1,000 horses will board and be trained at the track during the racing season. This activity, plus horse breeding produces about 1,000 jobs and \$29 million in payments.

PROJECTED FIRST SEASON:

March 1, 1989, to November 15, 1989.



**IOWA STATE
RACING COMMISSION**



Lucas State Office Building
Des Moines, Iowa 50319 515/281-7352

Presented by: Silvers
Introduced: -03/03/87
Drafted by: G.L.S.

MATANUSKA-SUSITNA BOROUGH

Resolution Serial No. 87-032

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH SUPPORTING
HOUSE BILL 32 AND SENATE BILL 63.

WHEREAS, the Alaska State Legislature has pending before it House Bill 32 and Senate Bill 63 that would authorize state controlled parimutuel betting on horse and dog racing where approved at a local option election, and

WHEREAS, the voters in the cities of Palmer and Wasilla have previously approved in an advisory vote the conduct of certain parimutuel wagering within their boundaries, and

WHEREAS, parimutuel wagering would create a direct source of revenue for the state and thereby reduce the need for new or increased state taxes, and

WHEREAS, authorization of parimutuel wagering would make possible a new, non-polluting industry in Alaska, and

WHEREAS, horse and dog racing in the borough would create a demand for feed, pasture and other agricultural products and services related to animal husbandry that are readily available in the borough, and

WHEREAS, horse and dog racing in the borough would be a tourist attraction for Alaska, bringing visitors from other states as well as other areas of Alaska, and

WHEREAS, horse and dog racing in the borough would generate additional use of the Alaska Railroad, and

WHEREAS, construction and operation of a race track and associated facilities and concessions in the borough would provide new employment opportunity for Alaskans;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE MATANUSKA-SUSITNA BOROUGH:

1. That the Assembly supports the concept of state controlled parimutuel wagering on horse and dog racing when locally approved and as generally set out in House Bill 32 and Senate Bill 63 and strongly urges the legislature to adopt legislation authorizing parimutuel wagering on such racing.

2. That copies of this resolution be sent to The Honorable Steve Cowper, Governor of the State of Alaska, and to each member of the Alaska Legislature.

PASSED AND APPROVED by the Assembly of the Matanuska-Susitna Borough this 4th day of March, 1987.

Dorothy A. Jones
Dorothy A. Jones, Mayor

ATTEST:

Chris Seagraves
Chris Seagraves, Clerk

(SEAL)

File with 17B 52

CITY OF PALMER, ALASKA

ORDINANCE NO. 321

AN ORDINANCE CREATING A NEW CHAPTER 3.32 OF TITLE 3 OF THE PALMER MUNICIPAL CODE ENTITLED PARI-MUTUEL WAGERING ON CERTAIN HORSE RACES.

THE CITY OF PALMER, ALASKA, ORDAINS:

Section 1. Classification. This ordinance shall be of a permanent nature and shall become a part of the City of Palmer Code of Ordinances.

Section 2. Severability. If any provisions of this ordinance, or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Chapter 3.32-Pari-Mutuel Wagering of Title 3 of the Palmer Municipal Code is hereby created as follows:

3.32.010 General. Pari-mutuel betting on horse racing may be permitted under this chapter to the extent not prohibited by Alaska State Statutes.

3.32.020 Sales Tax Applicability. A two (2) percent sales tax shall be charged on all gate admissions, concessions and gross monies deposited in the pari-mutuel system, to the extent not prohibited by Alaska State Statutes.

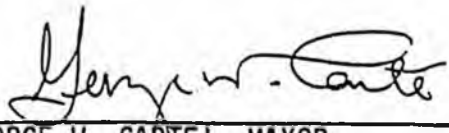
Section 4. Publication and Effective Date. This ordinance shall become effective immediately upon its adoption and publication shall be by posting a copy hereof on the City Hall bulletin board for a period of ten (10) days following its adoption, and it shall be published by being printed and included in the Palmer Municipal Code at its next regular supplementation and printing.

A notice of public hearing shall be given by such posting at least five (5) days before final passage.

First Reading: August 1, 1985

Public Hearing &
Second Reading: August 13, 1985

Adopted by the City Council of the City of Palmer, Alaska, this 13th day of August, 1985.



GEORGE W. CARTE, MAYOR

DAVID L. SOULAK, CITY CLERK



CITY OF WASILLA

P.O. BOX 870430
WASILLA, ALASKA 99687
PHONE: 376-5227

Requested by: Mayor Bumpus
Prepared by: Mayor's Office

RESOLUTION NO. WB5-J-6

A RESOLUTION OF THE CITY OF WASILLA SUPPORTING LOCAL OPTION FOR PARI-MUTUEL GAMBLING.

WHEREAS, the State of Alaska no longer has the funds to support local Capital Improvements that accomodates current growth patterns; and


WHEREAS, it is the City of Wasilla's goal to become financially independent, if possible; and

~~WHEREAS, Pari-Mutuel Gambling would enhance economic development and provide a major tax revenue source for the City of Wasilla;~~

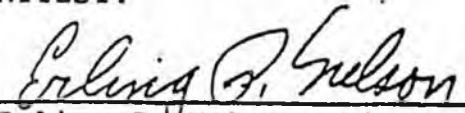
NOW, THEREFORE BE IT RESOLVED that the City of Wasilla supports local option for pari-mutuel gambling.

I certify that a resolution in substantially the above form was passed by a majority of those voting at a duly called and conducted meeting of the governing body of the City of Wasilla this 12th day of August, 1985.

APPROVED:


Charles H. Bumpus, Mayor

ATTEST:


Erling P. Nelson, City Clerk, CMC

(SEAL)

SAMPLE BALLOT

To Be Removed by Election Judge

To Be Removed by Election Judge

FOLD TO THIS LINE

CITY OF PALMER GENERAL ELECTION October 7, 1986

- Mark only by use of cross marks, "X" marks, check or plus signs. Place marks in squares.
- Marks must be inside or touching the squares so as to indicate the intent of the voter. Erasures and corrections will invalidate only that part of the ballot on which it appears.
- If you spoil or mar your ballot you may return it to the election judge and receive another ballot.

Mayor

Three Year Term
(Vote for not more than One)

GEORGE W. CARTE'

Council

Three Year Term
(Vote for not more than Two)

ROBERT M. "RED" HENDERSON

JEANNINE L. JOHNSON

Advisory Proposition No. 1

"Do You Support the Concept of Local Option Pari-Mutuel Horse Racing?"

Yes

No

CITY OF PALMER SPECIAL CITY COUNCIL MEETING MINUTES - OCTOBER 9, 1986

June Tull	Council	1	0	1
Eve Hermon	Council	1	0	1
Roger Saunders	Council	1	0	1
S. Luse	Council	1	0	1
Dorothy Saxton	Council	1	0	1
Jerry Hann	Council	3	0	3

ADVISORY PROPOSITION NO. 1	YES	264	6	270
	NO	155	1	156

There was a total of 464 votes cast.

MOVED BERBERICH, SECONDED JOHNSON to certify the election results as presented. MCU.

2. Award Bid - Water Well.

On October 3, 1986 bids were opened for the new water well located at the southwest corner of the airport. Two bids were received, one from RG&B Contractor for \$74,400 and the other from M-W Drilling for \$44,428. The administration recommended award to M-W Drilling as the low bidder. There were no irregularities in either of the bids.

MOVED BERBERICH, SECONDED PIPPEL to award the bid for the new water well to M-W Drilling, the low bidder in the amount of \$44,428. MCU.

3. Award Bid - Runway Paving.

Bids were opened at 10:30 A.M. today for the runway paving project. Three bids were received as follows: Hermon Brothers for \$159,166.80; Wilder Construct for \$163,300 and Rasco for \$309,630. The engineer's estimate was \$185,350. The administration recommended award to the low bidder, Hermon Brothers in the amount of \$159,166.80. These bids were reviewed by both the engineer and attorney and there were no irregularities.

MOVED BERBERICH, SECONDED LONG to award the Runway Paving bid to the low bidder, Hermon Brothers in the amount of \$159,166.80. MCU.

4. Award Bid - Town Square Project.

Four bids were received and opened at 11 A.M. today on the town square earthwork project which entails contouring the land and building berms. Bids were received from: Alaska Central Construction for \$12,800; Kopperud Transportation for \$21,695; Hermon Brothers for \$27,758; and Ohno Construction for \$35,280. The engineer's estimate was \$17,500. The administration recommended awarding this bid to the low bidder, Alaska Central Construction in the amount of \$12,800. These bids were also reviewed by the attorney.

MOVED LONG, SECONDED JOHNSON to award the Town Square Earthwork to the low bidder, Alaska Central Construction in the amount of \$12,800. MCU.

CITY OF PALMER
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D. ADJOURN

DAVID L. SOU

ATTACHMENT "A"

ELECTION WORKSHEET REGULAR ELECTION 10-7-66

SEAT "C" CANDIDATES	REGULAR		ABSENTEE		QUESTIONED		TOTAL	%
	#37	#38	#37	#38	#37	#38		
MOBLEY, VINCENT T.	168	108	12	11	0	0	299	47.54%
PATTERSON, DONALD C.	177	130	11	7	0	0	325	51.67%
WRITEINS	3	2	0	0	0	0	5	.79%
TOTAL	348	240	23	18	0	0	629	100.00%

SEAT "D" CANDIDATES	REGULAR		ABSENTEE		QUESTIONED		TOTAL	%
	#37	#38	#37	#38	#37	#38		
BEUTLER, CLYDE	93	66	3	7	0	0	169	26.04%
CARNEY, DOMONIC	129	127	13	6	0	0	275	42.37%
GROB, DONALD (RICK)	125	63	7	8	0	0	203	31.28%
WRITEINS	2	0	0	0	0	0	2	.31%
TOTAL	349	256	23	21	0	0	649	100.00%

SEAT "E" CANDIDATES	REGULAR		ABSENTEE		QUESTIONED		TOTAL	%
	#37	#38	#37	#38	#37	#38		
HJELLEN, PAT	157	108	13	12	0	0	290	43.22%
KEMP, MICHAEL	207	151	10	10	0	0	378	56.33%
WRITEINS	2	1	0	0	0	0	3	.45%
TOTAL	366	260	23	22	0	0	671	100.00%

SEAT "F" CANDIDATES	REGULAR		ABSENTEE		QUESTIONED		TOTAL	%
	#37	#38	#37	#38	#37	#38		
CARTER, THOMAS L.	157	149	10	5	0	0	321	50.00%
MAW, TERRY R.	69	46	1	2	0	0	118	18.38%
POSEY, DONALD R.	118	59	12	12	0	0	201	31.31%
WRITEINS	2	0	0	0	0	0	2	.31%
TOTAL	346	254	23	19	0	0	642	100.00%

ELECTION OF 1966

CANDIDATES	REGULAR		ABSENTEE		QUESTIONED		TOTAL	%
	#37	#38	#37	#38	#37	#38		
BUSHNELL, WILLET R.	51	37	6	2	0	0	101	14.15%
COTTE, COLLEEN S.	21	21	1	1	0	0	50	7.00%
DeCAMP, RICHARD A. (JES)	47	43	7	5	0	0	117	16.39%
LANGILL, FRANK S.	16	7	0	0	0	0	23	3.22%
MCCARTHY, RAYMOND P.	15	10	0	0	0	0	25	3.50%
MARTIN, ED SR.	55	37	5	2	0	0	99	13.87%
NEWCOMB, HAROLD S.	57	39	7	7	0	0	109	14.72%
PAGE, DOROTHY G.	57	44	1	5	0	0	104	14.57%
WRITEINS	5	1					6	.84%
TOTALS	383	285	24	22	0	0	714	100.00%

ADVISORY QUESTIONNAIRE

PARI-MUTUEL HORSE RACING

YES	181	181	15	16	0	0	393	61.99%
NO	130	99	6	6	0	0	241	38.01%
TOTAL							634	100.00%

HB

44

FILE 1

STATE OF ALASKA
THE LEGISLATURE

POUCHY STATE CAPITAL
JUNEAU ALASKA 99801
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 21, 1989

SUBJECT: Mandatory motor vehicle insurance - CSHB
44(L&C)am

TO: Senator Eliason

FROM: Michael Ford *m.f.*
Legislative Counsel

You requested a brief explanation of the attached amendment, regarding motor vehicle liability insurance for rented vehicles. The amendment would require that in the event that a person has multiple insurance coverage, insurance provided under AS 21.89.020(f)(2) would apply before coverage from another insurance policy would apply.

Please contact me if you have further questions.

MF:kb
wkk2/033

A M E N D M E N T

OFFERED IN THE SENATE

BY ELIASON

TO: CSHB 44(L&C) am

Page 13, line 9, after "policy;":

Insert "coverage required under this paragraph is primary if multiple coverage exists;"

PAYLESS[®] CAR RENTAL

Fairbanks International Airport Terminal
Post Office Box 81500 / Fairbanks, Alaska 99706
Telephone (907) 474-0177

January 16, 1989

Senator Steve Frank
Juneau, Alaska

Dear Senator Frank,

I spoke with your representative Mr. Rick Solie this morning concerning HB 44. I understand this is before the Senate Labor and Commerce Committee at the present time.

My interest concerns an amendment to Sec. 6. AS 21.89.020 (f) (2). It appears that the intent is to have the person who rents a motor vehicle will have this liability insurance as primary over the rental car agencies liability policy.

Even though I support this amendment, a more comprehensive solution which would benefit Alaskan rental car agencies should be included.

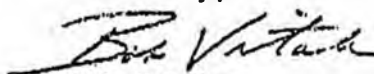
Enclosed is a copy of a Florida Statute imprinted on a rental agreement used in Florida defines what should be done in Alaska. Florida is a leading state for the business of renting cars especially to tourist. This law reflects the need to reduce the cost of rental cars. If you are aware of some of the rates in Florida, some as low as \$49.00 a week, you can see why this law was enacted. They know how to provide for the tourist industry in that state.

But the reality is that the people affected by this proposal already have insurance and would expect to have their own insurance company pay for any mistakes resulting in liability. (Bobato mentioned that people tend to be more careful when they know they have some responsibility.

I would appreciate very much if this amendment could be review and be enacted. If you have any additional questions, please call me anytime.

Your interest will be greatly appreciated.

Sincerely,



Bob Vitale
President

ALASKA DIAL-A-CAR, Inc.

Encl

This letter is re: Sew Zhavoff's
amendment. I showed letter
to Phil - Sew Zhavoff's staff -
& he stated that exempting
those committees wasn't the
intent. Phil stated - possibly
the idea should be dropped.

STATE OF ALASKA

DEPARTMENT OF PUBLIC SAFETY

DIVISION OF MOTOR VEHICLES

STEVE COWPER, GOVERNOR

P.O. BOX 20
JUNEAU, ALASKA 99802-0020

PHONE: (907)465-4335

February 22, 1989

The Honorable Dick Eliason
Chairman, Senate Labor & Commerce Committee
Alaska State Senate
P.O. Box V
Juneau, Alaska 99811

Re: CSHB 44(L&C)am
Mandatory Vehicle Insurance

Dear Senator Eliason:

A member of your staff asked me to comment on the language of AS 28.22.011 in CSHB 44(L&C)am, concerning what communities are exempt under the proposed mandatory insurance law. As presently drafted, proposed AS 28.22.011 contains the same language as the mandatory insurance law that was repealed effective January 1, 1989. DMV administered the law under the interpretation that if the vehicle was being driven either on a road connected by a land highway to the land-connected state highway system (subsection (a)(1)(A)), or on a road connected to a highway with an average daily traffic volume greater than 499 (subsection (a)(1)(B)), the vehicle was not exempt. Insurance for the vehicle was thus required. This interpretation was confirmed by an Attorney General's Opinion dated June 13, 1988, a copy of which is attached. The opinion quotes from two court cases which accept this interpretation.

If it is the intent of the legislature to exempt a person who falls within either subsection (a)(1)(A) or (B) of AS 28.22.011, then subsection (B) simply should be deleted. The reason for this is that any highway or vehicular way that is connected by a land highway to the land-connected state highway system is automatically connected to a highway or vehicular way with an average daily traffic volume greater than 499. You may want to consider including a definition of "land-connected state highway system". DMV interprets that to refer to the road from Homer to Fairbanks, and any highway connected to it.

If it is the intent of the legislature to apply the insurance requirement to a person who is operating a motor vehicle on a road connected to the land-connected state highway system or on a road connected to a highway with an average daily traffic volume greater than 499, then there is no need to change the present language of the bill.

Senator Eliason
February 22, 1989
Page 2

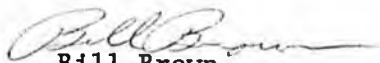
In regard to Senator Zharoff's proposed amendment to Page 1, we would interpret the proposed language in the same way that we are interpreting present language in the bill.

If the legislature chooses to exempt persons from the mandatory insurance law when the person operates on any road not connected by land highway or vehicular way to the land-connected state highway system, then the following communities, which are not on the current exemption list, would also be exempt:

Aleknagik	Hoonah	Saxman
Bethel	Juneau	Sitka
Cordova	Ketchikan	Solomon
Council	King Salmon	Taylor
Craig	Klawock	Teller
Dillingham	Kodiak	Thorne Bay
Douglas	Naknek	Unalaska
Dutch Harbor	Nome	Wrangell
Hollis	Petersburg	Yakutat

Please let me know if I can provide any further assistance.

Sincerely,



Bill Brown
Chief of Driver Services

BB:bc
Attachment

cc: Representative Dave Donley

If the clause is simplified, eliminating some of the verbiage, it is somewhat easier to understand. Cut down to size, the clause reads:

A vehicle shall be registered (and insured) except when it is not driven on the main state highway system or a heavily-travelled road.

When rephrased in this way, it is obvious how the statute is to be interpreted. Moreover, there is also a legal reason for reading the clause in the conjunctive.

It is an elementary principle of statutory construction that each part of a statute must be given meaning, if possible. 2A N. Singer, Sutherland Statutory Construction § 46.06 (4th ed. 1984); see also Williford v. State, 674 P.2d 1329, 1332 (Alaska 1983); Libby v. City of Dillingham, 612 P.2d 33, 39 (Alaska 1980). However, if the exemption clause were read in the disjunctive then only subparagraph (A) would be operative; subparagraph (B) simply would be read out of existence. After all, roadways are either connected to the land-connected state highway system 1/ or they are not, and therefore one could determine whether the exemption applied by looking only at subparagraph (A); subparagraph (B) could always be ignored.

The only way to give meaning to subparagraph (B) is to require that vehicles meet both conditions in order to be exempt. Not only is this conclusion required in terms of statutory construction, but it also finds support in legislative history, in case law, and in policy.

Two years after the legislature created this exemption clause in the mandatory insurance law, it also adopted the same clause in the vehicle registration statute. Former AS 28.10.011 required registration of every vehicle driven on the "state highway system established under AS 19.10.020", which included many lightly-travelled roadways in remote rural locations. Legislation enacted in 1986 adopted the present exemption clause. If the purpose of the amendment had been to exempt vehicles if either subparagraph (A) or (B) were met, then that could have been more easily accomplished simply by inserting the words

1/ Because the word "highway" includes the marine highway system (AS 28.40.100(6)), the exemption clause uses the phrase "land highway" so as to apply only to roadways on land. The clause also uses the phrase "land-connected" state highway system to refer to the main state highway road system in central and southcentral Alaska, thus excluding unconnected highways such as the highways in southeast Alaska and other places.

"land-connected" in front of the phrase "state highway system" in the then-existing statute. ^{2/} However, the amendment also added the requirement that the roadway be lightly travelled in order for the exemption to apply. Interpreting this exemption clause in the conjunctive gives meaning to subparagraph (B). ^{3/}

The legislative purpose in requiring motor vehicle insurance is set out in AS 28.20.010. The legislature found that financial responsibility by way of insurance can best be served by applying the law to any "motor vehicle that is to be operated on vehicular ways of the state where the potential for motor vehicle accidents is substantial". Sec. 13, ch. 70, SLA 1984. The exemption clause and the purposes underlying it were interpreted by one superior court judge to exempt vehicles only if subparagraphs (A) and (B) were both met:

~~The legislature determined that the potential for motor vehicle accidents is greater on those highways connected to the land-connected state highway system or with an average daily traffic volume greater than 499 vehicles, and included those roads within the scope of the legislation.~~

Lewis v. State, 4FA-86-1279 Civil, December 8, 1986, opinion of the Honorable James R. Blair, at page 3. Judge Blair's opinion was affirmed by the Alaska Supreme Court, which further explained the meaning of the exemption clause by pointing out that only "those who drive solely on certain little-used roads are exempt." Lewis v. State, Memorandum Opinion and Judgment No. 387 at 5 (Jan. 20, 1988).

2/ Alternatively, the statute could have been amended to refer to highways by name or number. However, that would have left no room for changes in traffic patterns and use, such as the opening of a large industrial development. The requirement of a certain daily volume permits periodic monitoring without the necessity of statutory amendment.

3/ The insurance exemption clause in AS 28.22.200 was enacted in 1984. Since that time, the division of motor vehicles has consistently applied the "conjunctive" interpretation described earlier. In 1986, when enacting the registration exemption clause in AS 28.10.011(11), the legislature copied the already-existing insurance exemption clause verbatim. In doing so, the legislature was no doubt aware of the existing interpretation applied by the division of motor vehicles, and must have intended that that interpretation apply when it adopted the same language. It may therefore be presumed that the current
(Footnote Continued)

The purposes behind vehicle registration and insurance, expressed by the legislature and acknowledged by the courts, are furthered only if most vehicles in the state must comply, and those purposes would be frustrated if the exemption clause were to be read in the disjunctive. Under that interpretation there would be no registration or insurance required anywhere in southeast Alaska, for example, because roadways there are not part of the main "land-connected" state highway system. The statutes should not be interpreted in a way that exempts such a large percentage of vehicles, which would be manifestly contrary to legislative intent. Consequently, we think it is clear that the word "or", as used in AS 28.10.011(11) and AS 28.22.200(a)(1), must be read in the conjunctive, so that unless both conditions are satisfied, the vehicle is not exempt and must be registered and insured. 4/

For all these reasons, the present interpretation by the division of motor vehicles should continue to be applied. If you have any questions, please do not hesitate to contact me.

DJF:jf-60

cc: Representative Adelheid Herrmann
Alaska Legislature

xc: Jay Dulany, DMV Director, DPS
Bill Brown, Chief Driver Services, DMV, DPS ✓
6/16/88 - jlm

(Footnote Continued)

interpretation is the correct one. N. Singer, supra, § 49.09; see also Kott v. State, 678 P.2d 386, 395 (Alaska 1984).

4/ "While normally phrases separated by 'or' should be read disjunctively, courts will not give a statute that interpretation if it will frustrate the legislative intent." State v. Andrews, 723 P.2d 85, 87-8 (Alaska 1986) (Rabinowitz, J., dissenting) (citations omitted).

A M E N D M E N T

OFFERED IN THE SENATE

BY ELIASON

TO: CSHB 44 (L&C) am

Page 13, line 13, after "vehicles":

Insert ";

(4) liability coverage for incidental use of a nonowned
motor vehicle"

New # 1
A M E N D M E N T

OFFERED IN THE HOUSE

BY GRUENBERG
DONLEY

TO: CSHB 44 (L&C)

Page 5, line 15, after "who":

Insert ", with criminal negligence as defined in AS
11.81.900, provides false information required under AS
28.22.021 - 28.22.051"

Page 5, lines 16 - 18:

Delete "provides information required under AS 28.22.021
- 28.22.051 with criminal negligence and with the intent to
mislead a public servant in the performance of a duty"

REPRESENTATIVE
C.E. "SWACK" SWACKHAMMER

Alaska State Legislature



House of Representatives

SOLDOTNA

312 TYEE STREET
SOLDOTNA, ALASKA 99699
(907) 262-7841

JUNEAU

BOX V
JUNEAU, ALASKA 99811
(907) 465-2689

January 24, 1989

Michael L. Daugherty, Director
Homer Police Department
4060 Heath Street
Homer, AK 99603-7609

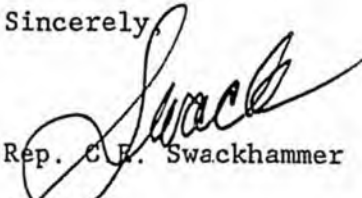
Dear Mike;

Thank you for bringing the problems in House Bill 44 to my attention. The bill has passed through the House and is currently in Senate Labor and Commerce. By copy of our correspondence, I will bring this to the attention of the senate.

I concur, there should be an exemption or other consideration for officers and emergency personnel.

Again, thanks for bringing this to my attention. I appreciate your continued awareness and concerns. If I can be of help, please do not hesitate to contact this office.

Sincerely,


Rep. C.E. Swackhammer

CES/cn

cc: Senate Labor and Commerce Committee



CITY OF HOMER

POLICE DEPARTMENT

4060 HEATH STREET

HOMER, AK., 99603-7609

(907)235-8113

January 16, 1989

The Honorable C. E. Swackhammer
PO Box V, Mail Pouch 3100
Juneau, AK 99811

Dear Representative ^{Swack} Swackhammer:


It has recently come to our attention that a problem exists in House Bill #44 in its present form. Emergency responders, peace officers, fire, or EMS personnel may drive a privately owned vehicle in the scope of their employment or the emergency rendering of aid. By way of example, assume an officer responds to a multiple vehicle accident with the roadway obstructed; if that officer drives one of the vehicles to clear the roadway or to secure it for evidence/impound and is involved in an accident, he could suffer mandatory revocation of his operator's license if the vehicle was uninsured.

I would recommend some form of exemption from Chapter 22 be afforded to protect this group of persons from jeopardizing their licenses in the scope of their employment. A possible solution could be to amend 28.22.011(c) to include the language.

"Operator" additionally shall not include a peace officer, fireman, emergency medical responder who moves or drives a motor vehicle of another during the course of and within the scope of their employment.

Thank you for your consideration and resolution of this problem area. If you have any questions, do not hesitate to call.

Sincerely,


Michael L. Daugherty
Director of Public Safety

As required by AS 28.22.200(b), following is a list of areas that are exempt from the mandatory insurance law. As of 9/01/86 these areas are also exempt from vehicle registration per AS 28.10.011(11) amended in 1986 legislature.

June 10, 1986

Adak	Chignik Lake	Kaktovik	Napaïskak	St. George
Afognak	Chisana	Kalskag	Napakiak	St. Mary's
Akhiok	Christian	Kaltag	Nelson Lagoon	St. Michael
Akiachak	Chuathbaluk	Kanatak	New Stuyahok	St. Paul
Akiak	Clark's Point	Karluk	Newhalen	Sanak
Akolmiut	Cold Bay	Kasaan	Newtok	Sand Point
Akulurak	Crooked Creek	Kashegelok	Nightmute	Savoonga
Akutan		Kasigluk	Nikolai	Scammon Bay
Alakanuk	Deering	Katalla	Nikolski	Selawik
Alatna	Diomedede	Kiana	Noatak	Shageluk
Allakaket		King Cove	Nolan	Shaktoolik
Amakdedori	Edna Bay	King Island	Nondalton	Sheldon Point
Ambler	Eek	Kipnuk	Noorvik	Shemya
Amchitka	Egavik	Kivalina	Nuiqsut	Shismaref
Angoon	Egegik	Kiwalik	Nulato	Shungnak
Aniak	Ekuk	Kobuk	Nunachuak	Shungnak Village
Annette	Ekwok	Kokhanok	Nunapitchuk	Skwentna
Anvik	Elfin Cove	Kokrines	Nushagak	Sleetmute
Arctic Village	Elim	Koliganek	Nyac	Snettisham
Atka	Emanguk	Kongiganak	Old Harbor	South Naknek
Atkasuk	Emmonak	Kotlik	Ophir	Squaw Harbor
Attu	English Bay	Kotzebue	Oscarville	Stebbins
	Excursion Inlet	Koyuk	Ouzinkie	Stevens Village
Baranof		Koyukuk	Owl Village	Stuyahok
Barrow	False Pass	Kvichak		
Beaver	Flat	Kwethluk	Pavlof Harbor	Takotna
Bell Is. Hot Spgs.	Fort Yukon	Kwigillingok	Pedro Bay	Taku Harbor
Belkofski	Fortuna Ledge	Kwiguk	Pelican	Tanana
Belmezok		Kwinhagak	Pennock Island	Tanunak
Bettles	Galena		Perryville	Tatitlek
Bettles Field	Gambell	Lake Minchumina	Pikmiktalik	Tenakee Springs
Biorka	Golovin	Larsen Bay	Pile Bay	Tetlin
Birch Creek	Goodnews Bay	Latouche	Pilot Point	Tin City
Brevig Mission	Grayling	Levelock	Pilot Station	Todd
Buckland	Gustavus	Lime Village	Pitka's Point	Togiak
		Little Diomedede	Platinum	Token
Candle	Hawk Inlet	Long	Pt. Baker	Toksook Bay
Canyon	Haycock	Lower Kalskag	Pt. Hope	Tuluksak
Cape Pole	Holy Cross		Pt. Lay	Tuntutuliak
Cape Yakataga	Hooper Bay	Manokatak	Poorman	Tununak
Chalkyitsik	Hughes	Marshall	Port Alexander	Twin Hills
Chandalar	Huslia	Mary's Igloo	Port Alsworth	Tyonek
Chaniliut	Hyder	McGrath	Port Ashton	
Chakaktolik		Medfra	Port Graham	Ugashik
Chase	Iditarod	Mekoryuk	Port Heiden	Umiat
Chatham	Iguigig	Meshik	Port Lions	Unalakleet
Cheching	Igushik	Meclakatla	Port Moller	Unga
Chenik	Iliamna	Meyoryuk	Port Wakefield	
Chefornak	Ivanoff Bay	Meyers Chuck		Venetie
Chernofski		Moses Point	Quinhagak	
Chevak	Kachemak	Mountain Village		Wainwright
Chichagof	Kaguyak	Mumtrak	Rampart	Wales
Chignik	Kake		Red Devil	White Mountain
Chignik Lagoon	Kakhonak	Napaimiut	Ruby	Whittier
			Russian Mission	Wiseman
				Woody Island

A M E N D M E N T

OFFERED IN THE SENATE

TO: CSHB 44(L&C) am

Page 2, line 4, after "include":

Insert "(1)"

Page 2, line 6, after "employer" insert:

"; or

(2) an emergency service volunteer who operates, during the course and within the scope of responding to an emergency, a motor vehicle not owned by the volunteer"

STATE OF ALASKA
THE LEGISLATURE

111
POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 17, 1989

SUBJECT: Mandatory auto insurance - CSHB 44(L&C) am
TO: Representative Dave Donley
FROM: Michael Ford *MF*
Legislative Counsel

The attached amendment would establish the penalty for falsely certifying the existence of motor vehicle liability insurance on a registration form, as a class A misdemeanor. Without this amendment, false certification would be punished as a felony, under AS 28.10.491. The amendment is "blank" because the bill is in a Senate committee.

Please contact me if you have any questions.

Enclosure

MF:kb
wkk1/039

A M E N D M E N T

TO: CSHB 44(L&C) am

Page 16, after line 27:

Insert a new bill section to read:

"* Sec. 12. AS 28.10.491(a) is amended to read:

(a) Upon conviction, a person is guilty of a felony who

(1) alters, forges, or counterfeits a certificate of title or registration, or a registration plate, decal, tab, or sticker of this or another jurisdiction;

(2) alters or forges an assignment of a certificate of title or an assignment or release of a security interest on a certificate of title of this or another jurisdiction or on a form the department prescribes;

(3) has possession of or uses a certificate of title or registration, registration plate, decal, tab, or sticker of this or another jurisdiction knowing it to have been altered, forged, or counterfeited;

(4) wilfully removes or falsifies a vehicle identification number;

(5) wilfully conceals or misrepresents the identity of a vehicle or vehicle equipment;

(6) buys, receives, possesses, sells, or disposes of a vehicle or vehicle equipment, knowing that a vehicle identification number or equipment has been unlawfully removed or falsified;

(7) removes from the state a vehicle that [WHICH] is the subject of a security interest created under AS 28.01 - 28.35 or under AS 45.01 - 45.09, without the written consent of the secured party, and with intent to defraud the secured party or the state; [OR]

(8) represents a motor vehicle or house trailer to be a new vehicle and who sells or procures the sale of that motor vehicle as a new vehicle without presenting a "manufacturer's statement of origin"; or [.]

(9) makes a false statement or otherwise conceals or withholds a material fact in an application for registration or certificate of title or falsely affirms with respect to a matter required to be sworn to, affirmed, or furnished under this chapter or regulations adopted under this chapter; except that a person who with criminal negligence as defined in AS 11.81.900, falsely certifies to the department the existence of a motor vehicle liability insurance policy under AS 28.10.021(a)(2), is guilty of a class A misdemeanor."

Renumber the following bill sections accordingly.

STATE OF ALASKA

DEPARTMENT OF LAW

CRIMINAL DIVISION

STEVE COWPER, GOVERNOR

REPLY TO:

CRIMINAL DIVISION CENTRAL OFFICE
P.O. BOX KC
JUNEAU, ALASKA 99811-0310
PHONE: (907) 465-3428

OFFICE OF SPECIAL PROSECUTIONS
AND APPEALS
1031 WEST 4TH AVENUE, SUITE 318
ANCHORAGE, ALASKA 99501-5993
PHONE: (907) 279-7424

January 16, 1989

The Honorable Dave Donley
Alaska State Representative
P.O. Box V
Juneau, Alaska 99811

Dear Representative Donley:

As we discussed this morning, the Department of Law believes that a minor amendment should be made to CSHB44 (L&C) to avoid imposing felony penalties on persons who falsely certify that they have insurance on an application for automobile registration. I discussed this issue with the Legislative Affairs Agency bill drafter, Mike Ford, and I understand that he will prepare an appropriate amendment to the bill for consideration in the Senate.

The amendment is necessary for the following reasons: (1) In Section 7 of the bill, AS 28.10.021 requires the owner of an automobile to certify the existence of a motor vehicle liability policy "before the issuance of certificate of registration by the department." (2) In Section 8 of the bill, "the department may refuse to register a vehicle if...the applicant fails to certify to the department [the information required by Section 7]. (3) The only penalty provision that applies to false statements in an application for registration is contained in existing AS 28.10.491, which states: (a) "Upon conviction, a person is guilty of a felony who ... (9) makes a false statement or otherwise conceals or withholds a material fact in an application for registration or certificate of title."

Since I understand your intent was to provide for misdemeanor, rather than felony, penalties for false statements of this nature, I would recommend that AS 28.10.491 be amended to read"

"(9) makes a false statement or otherwise conceals or withholds a material fact in an application for registration or certificate of title, or falsely affirms with respect to a matter required to be sworn to, affirmed, or furnished under this chapter or regulations adopted under this chapter, except that a person falsely making a certification required by AS 28.10.021(a)(2) is guilty of a misdemeanor under AS 11.56.210."

Letter to Representative Donley
CSHB44 (L&C)

January 16, 1989
Page Two

We would prefer to see penalties provided under existing criminal statutes in Title 11, rather than adding new criminal provisions to Title 28. The amendment suggested above does so by making reference to AS 11.56.210, the A misdemeanor crime of unsworn falsification.

I would be happy to discuss this matter with you in more detail at any time.

Very truly yours,

GRACE BERG SCHAIBLE
ATTORNEY GENERAL

By: 

Laurie H. Otto
Assistant Attorney General

cc: Bob Evans
Mike Ford
Gayle Knechtel
Bill Brown

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 19, 1989

SUBJECT: Mandatory automobile insurance -
CSHB 44(L&C) am

TO: Senator Fred Zharoff

FROM: Michael F. Ford *M.F.*
Legislative Counsel

Enclosed is an amendment (6-0101Ha) to CSHB 44(L&C) am, that changes the language in Sec. 28.22.011(a) concerning persons who are exempt from the mandatory insurance requirement. The amendment is intended to prevent the language of Sec. 28.22.011(a)(1)(A) and (a)(1)(B) being interpreted as requirements that must both be met in order to qualify for the insurance exemption.

The difficulty this amendment raises, is that it may not prevent the Department of Law and the Division of Motor Vehicles from continuing to read "or" as "and." The existing language of the section is correctly drafted to allow the exemption to apply if a person qualifies under either (a)(1)(A) or (a)(1)(B). In short, if the administration continues to believe that "or" is in fact "and", this amendment may not change that interpretation. In addition to amending the bill, you may wish to consider adopting a letter of intent concerning this issue. This should eliminate any doubt as to the will of the legislature, in application of this section of the law.

Please contact me if you have further questions.

MFF:gc
WKG6/002

Enclosure

A M E N D M E N T

OFFERED IN THE SENATE

BY ZHAROFF

TO: CSHB 44(L&C) am

Page 1, line 23:

Delete "(A)"

Page 1, line 23, after "system":

Delete ","

Insert ";"

Page 1, line 24:

Delete "(B)"

Insert "the motor vehicle is being driven or moved on a highway, vehicular way, or other public property that is not connected by a land highway or vehicular way to"

A M E N D M E N T

OFFERED IN THE SENATE

BY ZHAROFF

TO: CSHB 44(L&C) am

Page 3, line 26:

Delete "If"

Insert "Except as provided in (h) of this section, if"

Page 5, after line 14:

Insert a new subsection to read:

"(h) Subsection (a) does not apply to a person who is required to provide proof under AS 28.22.021(1) if the person

(1) is involved in an accident that results in property damage of less than \$1,000 and the damage occurs only to the property of the person required to show proof of insurance;

(2) provides proof of motor vehicle liability insurance that complies with this chapter or a certificate of self-insurance that complies with AS 28.20.400 to the department; and

(3) provides proof satisfactory to the department that the failure to have in effect motor vehicle liability insurance or to self-insure as required by this chapter at the time of the accident was not intentional."

TO: Tam Cook, Director
Legal Services Division

FROM: Representative Adelheid Herrmann

DATE: January 20, 1988

SUBJECT: Legal Clarification

On Thursday, January 14, HB 44, relating to motor vehicle liability insurance and vehicle registration, passed the House. This bill would require a person to provide proof of insurance when registering an automobile.

Section 28.22.200 of the Alaska Statutes provides for exemptions to the law. The interpretation of this section of the statute however, is not clear.

The statutes read as follows: the operator or owner of a vehicle subject to registration shall have motor vehicle liability insurance, unless

- (1) the motor vehicle is being driven on a highway in the state that is not connected by a land highway to
 - (A) the land-connected state highway system, or
 - (B) a highway or vehicular way with an average daily traffic volume greater than 499; and,

The Department of Public Safety however, has interpreted this section to read that "if a motor vehicle is being driven on a highway in the state that is not connected by a land highway to

- (A) the land-connected state highway system and
- (B) a highway or vehicular way with an average daily traffic volume greater than 499; and

In King Salmon, for example, there is no road connection the land connected state highway system. It has been suggested that this provision alone would exempt King Salmon.

Legal Services
page 2

Another issue revolves around the question of "what is considered a state highway"? The Department of Transportation apparently considers all roads maintained by the state as part of the state highway system. As you know, many rural communities receive state funds to maintain roads but they are not connected to the land connected highway system.

Your assistance in reviewing this section of the law and in clarifying some of the issues will be appreciated.

(907)465-4335

February 11, 1988

The Honorable Adelheid Herrmann
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Representative Herrmann:

The Mandatory Insurance Law exempts the operator or owner in some areas of the State from the requirement to have motor vehicle liability insurance (AS 28.22.200). The same exemption applies to vehicles subject to registration (AS 28.10.011(11)).

The exemption clauses list two situations. I have been advised that each subsection (A) and (B) must stand alone when read with the lead section ((1) for mandatory insurance or (11) for registration). Further, that if a vehicle is operated under either situation, the exemption will not apply. If the statute was to be interpreted that an exemption would exist when a vehicle fell within one of the situations then the statute must reflect "either" A or B.

Therefore, operators in Dillingham, King Salmon, Naknek, Unalaska, and Dutch Harbor are not exempt because these communities are all connected to a road with an average daily traffic volume greater than 499. South Naknek is not connected to the land-connected state highway system, or to a road with an average daily traffic volume greater than 499, therefore, operators are exempt while operating in that community.

If I can be of any further assistance let me know.

Sincerely,

Bill Brown
Chief of Driver Services

BB:bc

MEMORANDUM

January 25, 1988

SUBJECT: Motor Vehicle Liability Insurance

TO: Representative Adelheid Herrmann

FROM: Michael F. Ford
Legislative Counsel

You have asked for an explanation of AS 28.22.200(a), that requires a vehicle owner to obtain liability insurance unless the owner qualifies for the exemption established under that subsection. Specifically you have asked if (a)(1)(A) and (B) must both be met in order to qualify for the exemption. Under the express terms of the statute, the exemption applies if the motor vehicle meets the criteria specified in (a)(1)(A) or (a)(1)(B). If the legislature intended to require a motor vehicle to meet both (A) and (B) of (a)(1) in order to be exempted from obtaining insurance, then "and" would have been used and not "or" between (a)(1)(A) and (B). An example of the use of "and" is contained in AS 28.22.200, to require that an owner meet both (a)(1) and (2) before qualifying for the exemption.

You have also asked what is a "state highway". Under AS 28.40.100(6), "highway" means streets that are publicly maintained. Therefore a "state highway" would a public street maintained by the state. The commissioner of the Department of Transportation and Public Facilities has the power to designate those highways that are a part of the Alaska Highway system, under 17 AAC 05.010. I do not think that simply receiving state funds to maintain local roads would qualify the road as a part of the state highway system.

Please contact me if you have further questions.

MEF:gc
WKG1:050

MEMORANDUM

State of Alaska

Department of Law

TO: Honorable Arthur English
Commissioner
Department of Public Safety

DATE: June 13, 1988

FILE NO.: 663-88-0394

TEL. NO.: 465-3428

DEPARTMENT OF PUBLIC SAFETY
COMMISSIONER'S OFFICE
Juneau, Alaska

SUBJECT: When "Or" Is "And";
Or (or is it "and") Motor
Vehicle Insurance and
Registration in Rural
Areas.

FROM: Dean J. Guanello
Assistant Attorney General

JUN 14 1988

This memorandum is in response to requests by you and Representative Adelheid Herrmann for an interpretation of certain exemption clauses in Alaska's motor vehicle laws. The particular clause appears in both AS 28.10.011 (motor vehicle registration) and AS 28.22.200 (motor vehicle insurance). The statutes exempt certain vehicles from registration and insurance if the roadway upon which the vehicle is being operated is "not connected" to

- (A) the land-connected state highway system, or
- (B) a highway or vehicular way with an average daily traffic volume greater than 499;...

Because the statutes use the word "or", you have asked whether the exemption criteria should be interpreted in the disjunctive or in the conjunctive. The division of motor vehicles interprets the clause conjunctively, thus requiring that both subparagraphs (A) and (B) be satisfied in order to avoid registration and insurance. However, the legislative affairs legal services division interprets the clause disjunctively, which means the exemption would be available if either subparagraph (A) or (B) were met. See, Legislative Affairs Agency memorandum to Representative Herrmann, dated January 25, 1988.

With all due respect to the contrary opinion of the Legislative Affairs Agency, we believe the interpretation of the division of motor vehicles is the correct one. In other words, vehicles that are driven on roadways removed from the main "land-connected" state highway road system must be registered and must have insurance unless, in addition, they are only driven on a road system consisting solely of lightly-travelled (less than 500 vehicles per day) roads. There are a number of ways of explaining how we have reached this conclusion and why it is correct on both legal and policy grounds.

There is no question that the statute is not well drafted and that, as a result, this uncertainty has been created.

If the clause is simplified, eliminating some of the verbiage, it is somewhat easier to understand. Cut down to size, the clause reads:

A vehicle shall be registered (and insured) except when it is not driven on the main state highway system or a heavily-travelled road.

When rephrased in this way, it is obvious how the statute is to be interpreted. Moreover, there is also a legal reason for reading the clause in the conjunctive.

It is an elementary principle of statutory construction that each part of a statute must be given meaning, if possible. 2A N. Singer, Sutherland Statutory Construction § 46.06 (4th ed. 1984); see also Williford v. State, 674 P.2d 1329, 1332 (Alaska 1983); Libby v. City of Dillingham, 612 P.2d 33, 39 (Alaska 1980). However, if the exemption clause were read in the disjunctive then only subparagraph (A) would be operative; subparagraph (B) simply would be read out of existence. After all, roadways are either connected to the land-connected state highway system 1/ or they are not, and therefore one could determine whether the exemption applied by looking only at subparagraph (A); subparagraph (B) could always be ignored.

The only way to give meaning to subparagraph (B) is to require that vehicles meet both conditions in order to be exempt. Not only is this conclusion required in terms of statutory construction, but it also finds support in legislative history, in case law, and in policy.

Two years after the legislature created this exemption clause in the mandatory insurance law, it also adopted the same clause in the vehicle registration statute. Former AS 28.10.011 required registration of every vehicle driven on the "state highway system established under AS 19.10.020", which included many lightly-travelled roadways in remote rural locations. Legislation enacted in 1986 adopted the present exemption clause. If the purpose of the amendment had been to exempt vehicles if either subparagraph (A) or (B) were met, then that could have been more easily accomplished simply by inserting the words

1/ Because the word "highway" includes the marine highway system (AS 28.40.100(6)), the exemption clause uses the phrase "land highway" so as to apply only to roadways on land. The clause also uses the phrase "land-connected" state highway system to refer to the main state highway road system in central and southcentral Alaska, thus excluding unconnected highways such as the highways in southeast Alaska and other places.

"land-connected" in front of the phrase "state highway system" in the then-existing statute. ^{2/} However, the amendment also added the requirement that the roadway be lightly travelled in order for the exemption to apply. Interpreting this exemption clause in the conjunctive gives meaning to subparagraph (B). ^{3/}

The legislative purpose in requiring motor vehicle insurance is set out in AS 28.20.010. The legislature found that financial responsibility by way of insurance can best be served by applying the law to any "motor vehicle that is to be operated on vehicular ways of the state where the potential for motor vehicle accidents is substantial". Sec. 13, ch. 70, SLA 1984. The exemption clause and the purposes underlying it were interpreted by one superior court judge to exempt vehicles only if subparagraphs (A) and (B) were both met:

~~The legislature determined that the potential for motor vehicle accidents is greater on those highways connected to the land-connected state highway system or with an average daily traffic volume greater than 499 vehicles, and included those roads within the scope of the legislation.~~

Lewis v. State, 4FA-86-1279 Civil, December 8, 1986, opinion of the Honorable James R. Blair, at page 3. Judge Blair's opinion was affirmed by the Alaska Supreme Court, which further explained the meaning of the exemption clause by pointing out that only "those who drive solely on certain little-used roads are exempt." Lewis v. State, Memorandum Opinion and Judgment No. 387 at 5 (Jan. 20, 1988).

2/ Alternatively, the statute could have been amended to refer to highways by name or number. However, that would have left no room for changes in traffic patterns and use, such as the opening of a large industrial development. The requirement of a certain daily volume permits periodic monitoring without the necessity of statutory amendment.

3/ The insurance exemption clause in AS 28.22.200 was enacted in 1984. Since that time, the division of motor vehicles has consistently applied the "conjunctive" interpretation described earlier. In 1986, when enacting the registration exemption clause in AS 28.10.011(11), the legislature copied the already-existing insurance exemption clause verbatim. In doing so, the legislature was no doubt aware of the existing interpretation applied by the division of motor vehicles, and must have intended that that interpretation apply when it adopted the same language. It may therefore be presumed that the current
(Footnote Continued)

The purposes behind vehicle registration and insurance, expressed by the legislature and acknowledged by the courts, are furthered only if most vehicles in the state must comply, and those purposes would be frustrated if the exemption clause were to be read in the disjunctive. Under that interpretation there would be no registration or insurance required anywhere in southeast Alaska, for example, because roadways there are not part of the main "land-connected" state highway system. The statutes should not be interpreted in a way that exempts such a large percentage of vehicles, which would be manifestly contrary to legislative intent. Consequently, we think it is clear that the word "or", as used in AS 28.10.011(11) and AS 28.22.200(a)(1), must be read in the conjunctive, so that unless both conditions are satisfied, the vehicle is not exempt and must be registered and insured. 4/

For all these reasons, the present interpretation by the division of motor vehicles should continue to be applied. If you have any questions, please do not hesitate to contact me.

DJF:jf-60

cc: Representative Adelheid Herrmann
Alaska Legislature

xc: Jay Dulany, DMV Director, DPs
Bill Brown, Chief Driver Services, DMV, DPS ✓
6/16/88 - jlm

(Footnote Continued)

interpretation is the correct one. N. Singer, supra, § 49.09; see also Kott v. State, 678 P.2d 386, 395 (Alaska 1984).

4/ "While normally phrases separated by 'or' should be read disjunctively, courts will not give a statute that interpretation if it will frustrate the legislative intent." State v. Andrews, 723 P.2d 85, 87-8 (Alaska 1986) (Rabinowitz, J., dissenting) (citations omitted).

PAYLESS[®]

CAR RENTAL

Fairbanks International Airport Terminal
Post Office Box 81500 / Fairbanks, Alaska 99708
Telephone (907) 474-0177

January 16, 1989

Senator Steve Frank
Juneau, Alaska

Dear Senator Frank,

I spoke with your representative Mr. Rick Solie this morning concerning HB 44. I understand this is before the Senate Labor and Commerce Committee at the present time.

My interest concerns an amendment to Sec. 6. AS 21.89.020 (f) (2). It appears that the intent is to have the person who rents a motor vehicle will have this liability insurance as primary over the rental car agencies liability policy.

Even though I support this amendment, a more comprehensive solution which would benefit Alaskan rental car agencies should be included.

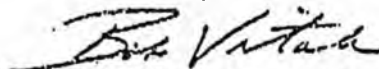
Enclosed is a copy of a Florida Statute imprinted on a rental agreement used in Florida defines what should be done in Alaska. Florida is a leading state for the business of renting cars especially to tourist. This law reflects the need to reduce the cost of rental cars. If you are aware of some of the rates in Florida, some as low as \$49.00 a week, you can see why this law was enacted. They know how to provide for the tourist industry in that state.

But the reality is that the people affected by this proposal already have insurance and would expect to have their own insurance company pay for any mistakes resulting in liability. (I) Noboto mention that people tend to be more careful when they know they have some responsibility.

I would appreciate very much if this amendment could be review and be enacted. If you have any additional questions, please call me anytime.

Your interest will be greatly appreciated.

Sincerely,



Bob Vitale
President
ALASKA DIAL-A-CAR, Inc.

Encl

1 uninsured or underinsured motor vehicles.

2 * Sec. 6. AS 21.89.020 is amended by adding new subsections to read:

3 (f) An automobile liability insurance policy must provide

4 (1) that all expenses and fees, not including counsel fees,
5 incurred because of arbitration or mediation shall be paid as deter-
6 mined by the arbitrator;

7 (2) liability coverage in the amount set out in AS 28.22.-
8 101(d) for motor vehicles rented in the United States or Canada by a
9 person insured under the policy;

10 (3) physical damage coverage for motor vehicles rented in
11 the United States or Canada, if the policy provides physical damage
12 coverage; if the insured declines physical damage coverage the insurer
13 shall offer physical damage coverage for rented vehicles.

14 (g) An insurance company offering automobile liability insurance
15 in this state shall offer a short term policy valid for no more than
16 seven days. The coverage available for the short term policy must be
17 comparable to coverage available for longer term policies.

18 * Sec. 7. AS 28.10.021 is repealed and reenacted to read:

19 Sec. 28.10.021. APPLICATION FOR REGISTRATION. (a) The owner of
20 a vehicle subject to registration shall apply for registration under
21 this chapter by properly completing the form prescribed by the commis-
22 sioner under AS 28.05.041. Before the issuance of a certificate of
23 registration by the department, the owner shall

24 (1) pay all registration fees and taxes required under this
25 chapter and federal heavy vehicle use taxes required under 26 U.S.C.
26 4481 (Internal Revenue Code of 1954);

27 (2) unless the owner qualifies as a self-insurer under
28 AS 28.20.400 or is exempted from obtaining liability insurance under
29 AS 28.22.011, certify to the department the existence of a motor

CSSSHB 7(Fin)

The report was signed by Senators Ferguson (Chairman) and Josephson, recommending do pass and Halford recommending do not pass; and Representatives Barnes (Chairman), Furnace and Koponen recommending do pass.

The letter of intent appears below:

"LETTER OF INTENTCSSH 7

The Legislature directs the Department of Public Safety and the Department of Transportation to coordinate efforts toward the goal of implementing a procedure to more precisely determine how many Alaskan motorists drive uninsured.

The Department of Public Safety is also directed to compile statistics regarding the compensation of persons involved in traffic accidents toward the goal of determining what percentage of persons involved in accidents are adequately compensated for personal injury or property damage via insurance or other means available under the financial responsibility law.

Within 15 days of the convening of the first session of 15th Alaska State Legislature, the Departments of Public Safety and Law will report to the Legislature on the number of persons checked for insurance under the law and the disposition of those citations, the effect of the law in reducing the number of uninsured drivers and suggestions for changes in the mandatory law.

/s/
Rep. Ramona Barnes
Chairman, House

/s/
Sen. Frank Ferguson
Chairman, Senate"

Representative Barnes moved and asked unanimous consent that the House adopt the 2d Conference Committee report on CSSSHB 7(Fin) and SCSSSHB 7(L&C), thus adopting CSSHB 7, and recommended that the members vote yes.

Representative Barnes moved and asked unanimous consent that she be allowed to withdraw her previous motion. There being no objection, it was so ordered.

This will be taken up at a later time under Unfinished Business.

HB 7 set up mandatory insurance

CONSIDERATION OF THE DAILY CALENDARSECOND READING OF HOUSE BILLSHB 298

HOUSE BILL NO. 298 (establishing a National Petroleum Reserve, Alaska, special revenue fund; effective date) was read the second time with the Resources Committee report (page 2978 of the journal), the Judiciary Committee report (page 3398 of the journal) and the Finance Committee report (page 3437 of the journal).

Representative Barnes moved and asked unanimous consent that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 298 (Judicial (same title) be adopted in lieu of the original bill. There being no objection, it was so ordered.

CSHB 298(Jud)

Representative Barnes moved and asked unanimous consent that CSHB 298(Jud) be considered engrossed, advanced third reading and placed on final passage. There being no objection, it was so ordered.

CSHB 298(Jud) was read the third time.

The question being: "Shall CSHB 298(Jud) pass the House?" The roll was taken with the following result:

CSHB 298(JUD)

Yeas: 32 Abood, Adams, Barnes, Bettisworth, Bussell, Cato, Clocksin, Cowdery, Davis, Duncan, Flood, Fritz, Fuller, Furnace, Goll, Grussendorf, Hayes, Herrmann, Huribert, Koponen, Lindauer, Liska, Malone, Martin, Miller, M.M., Pestinger, Szymanaki, Tischer, Uehling, Ward, Wendte, Zharoff

Nays: 3 Lacher, Larson, Phillips

Excused: 2 Miller, M.W., Vaska

Absent: 2 Ringstad, Shultz

Vacant: 1

41

STATE OF ALASKA
1989 LEGISLATIVE SESSION

No. 1
BILL VERSION: CSHB 44 (L&C)
PUBLISH DATE: HOUSE 1/11/89

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to motor vehicle liability insurance
Sponsor: Rep. Donley
Requestor: Rep. Donley

Agency Affected: Public Safety
BRU: Motor Vehicles
Component: Field Services

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	-0-	16.3	32.6	32.6	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	1.2	2.5	2.5	-0-	-0-
SUPPLIES	-0-	.2	.4	.4	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	17.7	35.5	35.5	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	21.6	43.2	43.2	43.2	43.2
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	17.7	35.5	35.5	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	17.7	35.5	35.5	-0-	-0-

POSITIONS:

FULL-TIME	-0-	1	1	1	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS:

[Empty box for analysis]

Handwritten signature: Dave Donley

Prepared by: Rep. Dave Donley, Chair
Division: House Labor and Commerce Committee

Phone: 465-4954
Date: 1/11/89

Approved by Commissioner: Rep. Dave Donley, Chair
Agency: House Labor and Commerce Committee

Date: 1/11/89

Fiscal Note Passed - House

42

STATE OF ALASKA
1989 LEGISLATIVE SESSION

No. 2
BILL VERSION: CSHB 44 (L&C)
PUBLISH DATE: HOUSE 1/11/89

FISCAL NOTE

REQUEST:

Revision Date: _____
Tide: Mandatory Motor Vehicle Insurance

Agency Affected: Commerce & Econ. Dev.
BRU: Div. of Insurance

Sponsor: Rep. Donley
Requestor: House Labor & Commerce

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Paul Roller, Director
Division: Division of Insurance

Phone: 465-2515
Date: 1/9/1989

Approved by Commissioner: Larry Mercurieff, Commissioner
Agency: Dept. of Commerce & Economic Development

Date: 1/9/1989

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF PUBLIC SAFETY

P.O. BOX 20
JUNEAU, ALASKA 99802-0020

DIVISION OF MOTOR VEHICLES

PHONE: (907)465-4335

February 2, 1989

The Honorable Dick Eliason
Chairman, Senate Labor & Commerce Committee
Alaska State Senate
P.O. Box V
Juneau, Alaska 99811

Re: CSHB 44(L&C)am
Mandatory Motor Vehicle Insurance

Dear Senator Eliason:

The Department of Public Safety's fiscal note dated January 31, 1989, for CSHB 44(L&C)am indicates that there are two positions currently involved in administration of the mandatory insurance law. You have asked about the cost of these two positions, which is as follows: Document Processing Clerk III, range 10D, \$36,012; and Clerk IV, range 9E, \$35,173, for a total of \$71,185. This includes both salary and benefits.

You also wanted to know if these were the only positions that were associated in any way with administering the mandatory insurance law. The answer is no; they are the only ones who are devoted full time to the task. Some other DMV employees are also involved in administering the mandatory insurance law, to a more limited extent. An example would be the administrative review hearing officers. The majority of their time is devoted to administrative hearings regarding the revocation of motorists' licenses for DWI offenses and review of point system license actions. However, when a person requests a hearing as a result of receiving a suspension notice under the mandatory insurance law, these hearing officers will conduct the hearing. In calendar year 1988, there were 119 requests for administrative hearings under the mandatory insurance law.

Please let me know if I can provide any further assistance.

Sincerely,



Bill Brown
Chief of Driver Services

BB:bc

cc: Representative Dave Donley

FISCAL NOTE

REQUEST:

Revision Date: 1/31/89
Title: An Act relating to motor vehicle liability insurance
Sponsor: Rep. Donley
Requestor: Senate L&C

Agency Affected: Public Safety
BRU: Motor Vehicles
Component: Driver & Field Services

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	31.0	109.1	125.4	125.4	92.8	92.8
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	3.9	9.4	10.7	10.7	8.2	8.2
SUPPLIES	.2	.7	.8	.8	.5	.5
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	35.1	119.2	136.9	136.9	101.5	101.5

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	21.6	43.2	43.2	43.2	43.2
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FUNDING: (Thousands of Dollars)

GENERAL FUND	35.1	119.2	136.9	136.9	101.5	101.5
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	35.1	119.2	136.9	136.9	101.5	101.5

POSITIONS:

FULL-TIME	3	4	4	4	3	3
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS: (Attach a separate page if necessary)

ASSUMPTION: Effective date of March 1, 1989, with exception of sections 7, 8, & 10.

PROGRAM SUMMARY: HB 44 reinstates mandatory motor vehicle liability insurance requirements, which were repealed effective January 1, 1989. HB 44 requires that a person certify, at the time of application for registration of a motor vehicle, that he or she has motor vehicle liability insurance. This is a new requirement, not present under the prior law. One Motor Vehicle Representative II position (range 9B) will be needed to screen and process registration applications submitted by mail. This position is

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Date: 1/31/89

Approved by Commissioner: A. H. English
Agency: Department of Public Safety

Date: 1-31-89

requested for the renewal by mail program in Anchorage for the first three fiscal years after the effective date of sections 7, 8, & 10 concerning registration of motor vehicles. It is anticipated that, after the program is in effect for a couple of years, there will be less rejected applications, and the position will no longer be required. As a result of experience gained in the Emission Inspection Program, we know that the renewal by mail form will not always be adequately completed in regard to certifying insurance is in existence. Thus, some forms will need to be returned to the applicant. Of the 431,049 registrations in 1987, 99,614 were renewals by mail. It is estimated 10% of the renewals by mail will be incomplete in regard to certification of insurance.

HB 44 requires that a motorist involved in an accident or cited for a moving violation carrying a point assessment of six points or more must prove that he or she had the required insurance coverage on the date of the accident or violation. These requirements were contained in existing law, but the division has not administered the requirement in connection with six-point violations since July, 1987 due to budget limitations. To enforce this aspect of the new law three Document Processing Clerk II positions (Range 8B) are being requested to process certifications of insurance, court documents for six or more point violations, and other related documents in Juneau. The three positions will not be sufficient to totally enforce the mandatory insurance provisions, and some existing personnel will be used to assist. With these three additional staff the mandatory insurance program can be fully administered.

Two current positions devote all their time to administering the Mandatory Insurance Law, since we are still processing 1988 accident reports. If the law is reenacted the employees in these two positions will continue to perform their present duties. If the law remains repealed, one of the positions will continue to handle paperwork generated as a result of the Mandatory Insurance Law (reinstatements following suspension, SK22 insurance filings, etc.) for at least one year. The other position will be assigned to handle DWI administrative revocations, which is currently handled by a federally-funded position. The federal funding is due to expire June 30, 1989.

All suspension notices must be sent via certified mail, return receipt requested, which costs \$2.00 per notice. This is the reason for the contractual service cost. Only suspension notices for six or more point violations are included, since those for accident reports are included in the present operating budget.

The estimates of increased revenues are based on the change in fees contained in section 10 of the bill. In 1987, 43,163 vehicles were registered under AS 28.10.421(c). With section 10 being effective January 1, 1990, an estimated 21,581 would be registered in FY90.

EXPENDITURES: (FY89)

Personal Services	
3 Doc Proc Clk II, Jno, 8B	31.0
Contractual	
Postage, 1,143x2.00	2.3
Printing 4,000 suspension notices	
@ \$325 per 1,000	1.3
other forms	.3
	<u>3.9</u>

cost explained
in letter

Commodities

office supplies/microfilm	<u>.2</u>
	35.1

Three positions are budgeted for four months in FY89, and 12 months in FY90, assuming mandatory insurance effective date of March 1, 1989. One position is budgeted for six months in FY90, and 12 months in FY91 because of January 1, 1990 effective date for certifying existence of insurance at the time of registration.