

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

8427 SENATE LABOR & COMMERCE

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 327

Revision Date: 1/28/94
 Title: An Act extending the termination date of the Board of Veterinary Examiners;....
 Sponsor: Reps. Toohey and Bunde
 Requestor: Rep. Toohey

Department: Commerce and Economic Dev.
 BRU: Occupational Licensing
 Component: Operations

COMPONENT SERIAL NO. 1844

Expenditures/Revenues		(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00	
PERSONAL SERVICES							
TRAVEL							
CONTRACTUAL							
SUPPLIES							
EQUIPMENT							
LAND & STRUCTURES							
GRANTS, CLAIMS							
MISCELLANEOUS							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 General Fund							
1005 GF/Program Receipts							
1006 GF/MHTIA							
Other							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	

Estimate of any current year (FY 94) cost: \$ None

POSITIONS							
FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0	
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0	
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0	

ANALYSIS: (Attach a separate page if necessary)
 The bill extends the termination date of the Board of Veterinary Examiners to June 30, 1997. Funding for the board is included in the FY 95 operating budget request; therefore, new funds are not required.

Average Annual Cost: \$28.1
 Average Annual Revenue: \$33.9

Prepared by: Jennifer Strickler, Administrative Officer
 Division: Occupational Licensing
 Approved by Commissioner: Paul Fuhs
 Agency: Commerce and Economic Development

Phone: 465-2144
 Date: 1/28/94
 Date: _____

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CED - Occupational Licensing - Fiscal Note

Audit Report



DEPARTMENT OF COMMERCE AND
ECONOMIC DEVELOPMENT
BOARD OF VETERINARY EXAMINERS

December 3, 1993



Audit Control Number:

08-1409-94

Division of Legislative Audit
P.O. Box 113300, Juneau, Alaska 99811-3300

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December 3, 1993

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 of the Alaska Statutes, the attached report is submitted for your review.

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT BOARD OF VETERINARY EXAMINERS

December 3, 1993

Audit Control Number

08-1409-94

The objective of the audit was to determine whether the Board of Veterinary Examiners should continue its existence. Alaska Statute 08.03.010(24) has scheduled the board for termination on June 30, 1993. As of the date of this report, the board is technically in its one-year "wrap up" period and, if no action is taken by the legislature, the board will be dissolved at June 30, 1994. We recommend that the legislature enact legislation that extends the board's termination date until June 30, 2001.

The audit was conducted in accordance with generally accepted government auditing standards. Fieldwork procedures utilized in the course of developing the findings and discussion presented in this report are discussed in the Objectives, Scope, and Methodology section of this report.

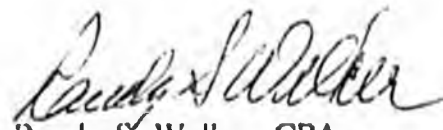

Randy S. Welker, CPA
Legislative Auditor

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OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with the intent of Titles 24 and 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Board of Veterinary Examiners to determine if it should continue in existence.

As required by statute, the legislative committee of reference is to consider this report as part of the legislative oversight process in determining whether this board should be reestablished. The law currently specifies that the Board of Veterinary Examiners will terminate on June 30, 1993 and will have one year from that date to conclude its affairs. As of the date of this report, the board is technically in its one-year "wrap up" period.

During the course of our examination, we reviewed and evaluated the following:

- Applicable statutes and regulations.
- Interviews with Board of Veterinary Examiners board members.
- Interviews with Department of Commerce and Economic Development, Division of Occupational Licensing personnel.
- Interviews with Human Rights Commission and Equal Employment Opportunity Office personnel.
- Interviews with other states' licensing agency personnel.
- Licensing files.
- Investigation files.
- Annual reports prepared by the board.
- Minutes of the Board of Veterinary Examiners' meetings.
- Office of the Ombudsman closed case files.
- Division of Occupational Licensing Policy and Procedures Manual.
- Contents of the Director of the Division of Occupational Licensing correspondence files.
- Other documents and interviews as deemed pertinent.

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ORGANIZATION AND FUNCTION

The Board of Veterinary Examiners (the board) was established in the Department of Commerce and Economic Development in April 1963 by Chapter 91, SLA 1963. It is a regulatory board consisting of four licensed veterinarians and one public member (see inset at right). Members are appointed by the governor and approved by the legislature. Board members serve staggered, four-year terms. The authority of the board is outlined within Alaska Statutes 08.98.010 - .250.

Board of Veterinary Examiners Members

James B. Leach III, DVM, Chairman
Jonathan Bettridge, DVM
Paul O. Frith, DVM
Virginia Johnson, DVM
Barbara J. Marcisak, Public Member

The board determines the minimum quality of veterinary care in the State by:

1. Examining applicants and approving the issuance of licenses to qualified applicants;
2. Establishing or amending rules and regulations necessary to enforce state statutes; and
3. Conducting disciplinary proceedings in accordance with law.

The board is organized under the Department of Commerce and Economic Development, Division of Occupational Licensing. The division provides the board with licensing and investigative support. The licensing section processes applications, maintains license files, answers inquiries, and performs other administrative duties for the board.

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REPORT CONCLUSIONS

Alaska Statute 08.03.010(24) requires that the Board of Veterinary Examiners be terminated on June 30, 1993. Alaska Statute 08.03.020 provides one year in which to conclude its affairs if the legislature does not enact legislation for the continuance of the board. As of the date of this report, the board is technically in its one year "wrap up" period and, if no action is taken by the legislature, the board will be dissolved June 30, 1994. We recommend that the legislature enact legislation that extends the board's termination date until June 30, 2001 (see Recommendation No. 1).

The Findings and Recommendations section describes areas where weaknesses or conflicts exist. We have made recommendations which, if implemented, will improve the efficiency and effectiveness of the board.

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FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

The legislature should reestablish the Board of Veterinary Examiners (the board) with a termination date of June 30, 2001.

The regulation and licensing of qualified professionals is necessary to protect the public's interest. The board has performed its statutory duties and appears to be licensing qualified individuals to serve the public. Assurance that licensed professionals act in a competent manner is provided by investigation of complaints and revocation or suspension of licenses when appropriate.

Alaska currently has the most restrictive time period for sunset reviews, with sunsets scheduled for every four years. In the 24 states with sunset laws, agency reestablishment has ranged from 4 to 13 years. The average review cycle is eight years with many states going to review cycles of ten years or longer.

The board is well established and has consistently been found to satisfy a public purpose. The board has demonstrated an ability to conduct business in an adequate manner and deficiencies have been relatively minor. Though the sunset review this year does reveal a few areas to be addressed (see following recommendations), there does not appear to be any need to review the board every four years.

Recommendation No. 2

The board should pursue legislation that stipulates the penalty for unlicensed activity.

Alaska Statute 08.98.120 states that a person may not practice veterinary medicine, surgery, or dentistry without a license. However, statutes are silent as to the penalty for unlicensed activity.

This is inconsistent with several other professions regulated by boards associated with the Department of Commerce and Economic Development (DCED), Division of Occupational Licensing (OL). For example, AS 08.13.190 states that the unlicensed practice of barbers and hairdressers is a class B misdemeanor. Alaska Statute 08.48.291 makes unlicensed practice for architects, engineers, and land surveyors a class A misdemeanor. The unlicensed practice of chiropractors is defined in AS 08.20.200 as a misdemeanor.

At its February 1993 meeting the board proposed changing the statute to include a civil penalty for unlicensed activity of up to \$5,000. The board should contact the Department of Law to determine whether a criminal or civil penalty would be most effective and pursue appropriate legislation.

Recommendation No. 3

DCED should continue to work with the Office of the Governor, Office of Management and Budget (OMB) in establishing fee levels for occupational licensees that are more reflective of the actual regulatory cost of the occupation.

OL's methodology for determining FY 93 fees allocates costs to a board or occupation in one of two ways. Some costs, termed direct costs by OL, are directly distributed to a specific licensing program. Direct costs include personnel assigned to one specific occupation, travel associated with board business, public notices of board proceedings, and printing of board applications and statute booklets. Other costs, termed indirect costs, are allocated based upon the percentage of licensees in each occupation compared to the total number of occupational licensees. These costs include the expenditures associated with licensing examiners', investigators', hearing officers', management's, and clerical staff's time.

Effective August 24, 1992, DCED was required to establish fee levels so that the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation (AS 08.01.065(c)). Prior to FY 93, DCED could establish fees that reflected, but did not exceed, the actual costs of the activity for which the fee was charged and could establish a fee at less than full cost if they deemed it unreasonable to impose the full cost of the activity on the licensee.

Our office and OMB have both reviewed OL's cost allocation methodology to determine if it is sufficient to meet the requirements of AS 08.01.065(c). Both our office and OMB do not believe that OL's cost allocation methodology distributes costs reflective of the actual effort spent. The primary disparity involves the classification of licensing examiners', investigators', and hearing officers' time. The manner in which these three categories of employees' cost have been allocated prior to FY 94 can cause occupations with a large number of licensees to absorb costs that are not associated with the actual effort spent regulating their profession.

In addition to our concerns with OL's cost allocation methodology, we found problems in how they distributed costs in their calculation of a two-year average of expenditures used in determining FY 93 license fees. The percentages applied to allocate indirect costs were not always correct. These inconsistencies were caused by formula errors on spreadsheets prepared by OL staff. Also, documentation supporting some expenditures on the spreadsheets has not been retained. Review of selected current information available does not confirm these numbers. As discussed with OL staff, we recommend that OL retain original supporting documentation in their future distribution of costs.

In their September 1993, *Occupational Licensing Fee-Setting Policy Assessment* report OMB made seven recommendations to OL on how to allocate costs so that the intent of AS 08.01.065(c) is met. According to OMB's report, "A follow-up review for this project will be scheduled for March 1994." DCED has recently indicated that, for the determination of the FY 94 fees, they will allocate costs for licensing examiners, investigators, and hearing

officers based on estimated time spent by those employees, with periodic adjustments to actual time spent in accordance with our office and OMB's recommendations. As of October 1993, the allocation of direct and indirect costs using FY 93 expenditures has not been performed.

DCED should continue to work with OMB in establishing fee levels for occupational licensees that are more reflective of actual regulatory cost of the occupation.

Recommendation No. 4

OL should request statutory changes to AS 08.01.050 and AS 08.01.070 to clarify responsibilities for the taking of board meeting minutes and production of an annual report.

Alaska Statute 08.01.050 establishes DCED's administrative duties for professional licensing boards. Alaska Statute 08.01.070 identifies the administrative duties of the boards. Included in the board's responsibilities are the taking of minutes and records of all proceedings, forwarding of a draft of the minutes of proceedings to the department within 20 days after the proceedings, and submission of an annual performance report to the department before the end of the fiscal year. However, we found that OL rather than the board performed these duties.

For example, the licensing examiner is responsible for tape recording the board proceedings, recording votes, taking notes, and preparing the minutes. OL also compiles much of the information in the board's annual report. OL has the records needed to determine statistics such as the number of licenses issued and examinations given and passed.

We recommend that OL review the statutes and request changes that reflect actual responsibilities and timelines that are both practical and timely.

Recommendation No. 5

OL should develop and implement written policies and procedures for reporting potential violations of the Executive Branch Ethics Act to the Department of Law (Law).

The Alaska Executive Branch Ethics Act (AS 39.52) requires members of boards and commissions to disclose potential violations of that Act to their designated supervisor. The designated supervisor for members of a board is the chair or acting chair of the board. Functionally, OL staff advise the professional licensing boards as to the reporting necessary for compliance with the Ethics Act, as does Law. Disclosures by board members are compiled by OL for submission to Law. These reports are required to be submitted on a quarterly basis. Law reviews these submissions and makes available to the public a summary of the reports received with sufficient deletions to prevent disclosure of a person's identity.

These reports have not been submitted in a timely manner. In 1991, no reports were submitted to Law. In 1992, reports were submitted three to six months after the end of the quarter. In 1993, the first two quarters' reports were submitted in July. In addition, division personnel have indicated that there is some confusion as to what should be reported. While staff at Law believe that OL understands what should be reported, written policies and procedures governing the reporting of potential ethical violations would benefit OL as well as board members. There would be clear criteria for OL staff to follow as to what should be reported as well as when it should be reported.

Recommendation No. 6

OL should, in conjunction with the Equal Employment Opportunity Office (EEO), review the Board of Veterinary Examiners licensure application forms to assure that personal questions of a potential discriminatory nature are essential for prudent licensure.

The veterinary application requires a photo of the candidate. EEO within the Department of Administration, Division of Personnel discourages agencies from asking applicants information on sex, height, weight, and hair and eye color. If an applicant were denied a license, the board or OL may find it difficult to prove that there was no discrimination involved if this type of information had been provided to the board members reviewing the application for licensure.

The veterinarian application forms should be reviewed with EEO to make sure that a photo is pertinent to licensure of veterinary candidates. OL indicated that one of the reasons photos are required is to prevent fraud when a licensee moves from one state to another. If a photograph is considered necessary for identification, to prevent fraud or for other reasons, it should be separated from the application prior to review of the application for licensure.

Recommendation No. 7

OL should investigate complaints regarding the competency of veterinarians in a timely manner.

OL has not been following up on investigative cases regarding the competency of veterinarians in a timely manner. In our test of four cases, two errors were noted. One case opened in July 1991 alleging a veterinarian's negligence had no investigative action until March 1992. When the board decided in October 1992 to close this case with a warning letter to the respondent, the letter was not mailed until February 1993. Another case, opened September 1992, regarding alleged fraud and/or misrepresentation by a veterinarian is still open at the date of this report. Documentation in the file indicates no investigative action was undertaken during a four month period.

OL staff indicate that the reason for the delays is that these cases were not a priority. The division has established priorities for responding to cases among the different license or

certification categories they are charged with investigating. The most egregious cases which represent an immediate danger to public health and safety are responded to immediately. Other cases which are not immediately life threatening may be delayed.

While we understand OL's need to prioritize investigations, monitoring compliance with statutory and regulatory requirements is very important to any licensing or certification program. When complaints are not addressed in a timely manner, the public's perception of the reliability of state licensing or certification may be diminished. OL should work cases on a timely basis to ensure that the support and respect of the public for its enforcement duties is maintained.

Recommendation No. 8

OL should establish a record tracking system for license files to provide for improved file security and accountability.

In our test of five applicants for licensure by examination and four applicants for temporary permits, several errors were noted. One licensed veterinarian's file did not have documentation of verification of board approval for licensure. Neither was approval indicated in the board minutes. In addition, one applicant's file could not be found by OL staff.

After giving OL the opportunity to locate the missing file, the staff again was unable to find the missing record. Nonavailability of the supporting records may raise concern that the permit/license was not issued in accordance with Alaska statutes and regulations.

OL should establish a record tracking system that will provide an audit trail of files or document(s) removed from files.

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ANALYSIS OF PUBLIC NEED

Limited Analysis

The following analyses of board activities relate to the public need factors defined in the "sunset" law, Alaska Statute 44.66.050. These analyses are not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

The extent to which the board, commission, or program has operated in the public interest.

The board has endeavored to ensure quality among those licensed to practice veterinary medicine, surgery and dentistry. This has been achieved by, among other things, administering a series of examinations to applicants for licensure. One examination is a national clinical competency examination and the other is a national written examination. The third examination is a state examination questioning applicants about Alaskan laws and regulations as well as such things as practices in extremely cold climates.

The board distributes a handbook to all applicants for licensure and to all licensed veterinarians. The handbook assists veterinarians new to the State to become familiar with disease problems that exist in Alaska. It also provides information on state laws and regulations pertaining to domestic animals and it provides a list of resource agencies and contact persons. The handbook is updated approximately every two years by board members.

The extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.

During FY 91 and FY 92, the board achieved their statutory requirement of meeting at least three times during the year. In FY 93, the board met only twice.

Since the last sunset audit, the board has adopted regulations as indicated below:

- A. Significant changes were made in the requirements for veterinary technicians. Effective April 1993, they are now required to be registered by the board. Prior to registration, a national examination must be passed. Continuing competency must be demonstrated prior to renewal of a registration by the applicant. In addition, unethical conduct has been defined in regulation.
- B. Regulations were adopted, effective October 1992, to allow the issuance of courtesy licenses to veterinarians. These are licenses that can be used only for a special event and are valid for up to 30 days. A special event can be a sporting event, an

emergency situation, or a clinic or seminar in veterinary medicine conducted by specialists certified by the American Veterinary Medical Association.

- C. Several regulations pertaining to continuing education were adopted. The number of credit hours required for renewal increased from 10 to 15 per calendar year. This change became effective December 1990.
- D. Regulations were adopted, effective December 1990, to allow board members to recommend to the governor the removal of a member that is absent from three meetings within a two-year period.

While no statutory changes have been made since the last sunset audit, the board, at its February 1993 meeting, has resolved to recommend changes to statutes. Changes proposed by the board would require applicants for licensure by credentials to meet the licensing requirements that are in effect at the time the applicant applies for a license in Alaska. Current statutes require applicants to meet the Alaskan requirements that were in effect at the time the applicant was licensed in the other jurisdiction.

The intent behind this proposal is apparently to require all applicants to take the national clinical competency examination (which became effective in the early eighties), regardless of when the applicant was licensed in another state. We question whether this is an appropriate change. Individuals licensed in Alaska prior to the requirement of a clinical competency examination are not being required to take such an examination at this date. We do not believe licensees from other states should be held to a higher standard than those licensed in Alaska during the same timeframe.

The extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

Again, while no statutory changes have been made since the last sunset audit, the board, at its February 1993 meeting, has resolved to recommend changes to statutes. Those changes include providing a civil penalty of up to \$5,000 for persons that practice veterinary medicine without being licensed or authorized to practice. The statutes are currently silent on this issue (see Recommendation No. 2).

The extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

In accordance with AS 44.62.310 and AS 08.01.050, board meetings have been open to the public. A public comment period is made available at the meetings.

The extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

As discussed above, a public comment period is made available at each meeting. The board periodically changes the city in which to have its board meetings in order to be accessible to a greater number of people. In addition, a public comment period is made available in the process of adopting new regulations.

The efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the Office of the Ombudsman have been processed and resolved.

Since the last sunset audit in FY 88, 30 cases have been logged by OL's Investigative Unit and none in the Office of the Ombudsman's closed case files. We reviewed four of the cases reported during the period FY 91 through FY 93 and determined that two were not being investigated in a timely manner (see Recommendation No.7).

The extent to which the board or commission which regulated entry into an occupation or profession has presented qualified applicants to serve the public.

Based on the board's Annual Performance Report at the end of FY 93 there were 227 licensed veterinarians and 82 registered veterinary technicians. During FY 93, the board issued licenses to 29 veterinarians and registered 82 veterinary technicians.

The board is statutorily responsible for approving the issuance of all licenses. A person may apply for licensure by credentials or by examination.

In our test of five applicants for licensure by examination and four applicants for temporary permits, several errors were noted. One licensed veterinarian's file did not have documentation of verification of board approval for licensure. Neither was approval indicated in the board minutes. In addition, one applicant's file could not be found by OL staff. OL should improve their filing and documentation procedures while managing case files (see Recommendation No. 8).

All applicants for licensure by examination are not submitting official college transcripts as required by 12 AAC 68.010. The reason is that OL has conflicting requirements of requesting a diploma on the application forms. Applicants are confused as to the type of documentation required. During our test of eight applicants, we found that three submitted diplomas and five submitted transcripts. OL needs to change their application forms to be consistent with regulation requirements.

The extent to which state personnel practices, including affirmative action requirements have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

The application forms used by OL requires information which has been questioned by the Department of Administration, Division of Personnel, Equal Employment Opportunity Office (see Recommendation No. 6).

The extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

Please refer to the Findings and Recommendations section of this report.

APPENDICES

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APPENDIX A

Department of Commerce and Economic Development
Board of Veterinary Examiners
Schedule of Revenues Compared with Expenditures
(Unaudited)
(Note 1)

Revenues (Note 2)	\$13,418
Expenditures (Note 3)	<u>28,107</u>
Excess of Expenditures over Revenues (Note 3)	<u>(\$14,689)</u>

Note 1

The Schedule of Revenues Compared with Expenditures was prepared from discussions with Division of Occupational Licensing (OL) personnel and from OL prepared documents comparing revenue and expenditures for fee determination. The records were not audited by us and, accordingly, we do not express an opinion on the Board's Schedule of Revenues Compared with Expenditures.

Note 2

A significant portion of revenues is comprised of license renewal fees. For the current fee structure, see Appendix B. Licenses are renewed biennially. Because of the biennial collection cycle, revenues vary substantially year to year. Therefore, OL combined revenues collected in FY 90 and FY 91 and calculated an average in order to obtain a representative amount of annualized revenues collected for comparison with expenditures.

Note 3

Expenditures consist of direct costs resulting from board member activities. (i.e., travel and per diem) and an allocation of OL's overhead costs. Our understanding of the allocation methodology is discussed in Recommendation No. 3 of this report and is the subject of a September 1993 Office of Management and Budget (OMB), Division of Audit and Management Services report entitled *Occupational Licensing Fee-Setting Policy Assessment*. Both our office and OMB do not believe that OL's method of allocating costs to a professional licensing board distributes costs reflective of the actual effort spent regulating their profession.

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APPENDIX B
Department of Commerce and Economic Development
Board of Veterinary Examiners
Application, License and Other Fees¹

Application and Other Fees²

Type of Fee	Amount
Application	\$ 50
National written examination for veterinarians	100
Clinical competency test for veterinarians	100
State written examination for veterinarians	100
Examination for veterinary technicians	70
Temporary license	100
Temporary permit	100

License Fees

License Category	Initial	Biennial Renewal ³
Veterinarian	\$200	\$200
Veterinary Technicians	80	80
Courtesy license ⁴	75	N/A

¹The licensing fees charged by the Division of Occupational Licensing for the Board of Veterinary Examiners are set out in the Alaska Administrative Code at § 12 AAC 02.350. The last fee change for this board was effective September 5, 1993. According to Division of Occupational Licensing staff, at this time there are no planned fee changes for this board.

²The Division of Occupational Licensing is also authorized to charge administrative fees. Administrative fees include: duplicate license fee, photocopying fee, and penalty for reinstatement of a registration, license, permit or certificate which remains lapsed for more than 60 days.

³The next biennial renewal for the Board of Veterinary Examiners' licensees is December 31, 1994.

⁴Alaska Statute 08.02.030 states that boards may establish criteria for issuing a temporary license to nonresidents who enter the State so that, on a temporary basis, they may practice the occupation regulated by the board. The Board of Veterinary Examiners also has regulations to issue courtesy licenses to qualified individuals. Courtesy licenses are issued so as to authorize the licensee to practice veterinary medicine for a special event only.

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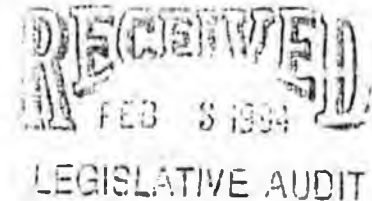
DEPARTMENT OF COMMERCE AND
ECONOMIC DEVELOPMENT

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February 3, 1994

Mr. Randy Welker
Legislative Auditor
Legislative Budget and Audit Committee
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99811-3300



Dear Mr. Welker:

Thank you for the opportunity to review the preliminary audit report regarding whether the Board of Veterinary Examiners should be continued or terminated under AS 44.66.010.

Recommendation No. 1

The legislature should reestablish the Board of Veterinary Examiners (the board) with a termination date of June 30, 2001.

The department concurs. The department believes that the board is operating in the public's interest and protection. The board is currently updating the state examinations to ensure that they adequately test new applicants for licensure in Alaska.

Recommendation No. 2

The board should pursue legislation that stipulates the penalty for unlicensed activity.

The department concurs. The board's proposal to seek a legislative change to include a civil fine up to \$5,000 for unlicensed activity is still in the proposal stage. The board will be discussing this issue at the February 1994 meeting in Juneau. It is anticipated that the board will seek support for the legislative change at that time.

Recommendation No. 3

The Department of Commerce and Economic Development (DCED) should continue to work with the Office of the Governor, Office of Management and Budget (OMB) in establishing fee levels for occupational licensees that are more reflective of the actual regulatory cost of the occupation.

The department agrees with this recommendation subject to the following comments.

An OMB audit of the department's fee setting practice, was completed in early October. OMB's recommendations for defining direct costs, including the implementation of timekeeping records for licensing staff, investigators, and hearing officers, has been implemented effective July 1, 1993 by the division.

The OMB audit recommended a cap on incremental fee increases of no more than 10-25% per licensing period. This is problematic inasmuch as it places a limit on recovering the actual cost of licensing the profession. Unpredictable and unforeseen program expenses occur due to investigations, litigation, and legal challenges which are not controlled by the board or the division. Limiting expenditures in order to comply with these caps is anticipated to have serious effects on the division's abilities to comply with their statutory mandates. Under the present scheme, once a program has expended its "acceptable limit" for fee increase adjustments under the OMB recommendations and in accordance with AS 08.01.065, the board will effectively be shut down for the remainder of the fiscal year. The consequences have potential health and safety risks as well as potential economic hardships for licensees who wish to renew their licenses, sit for examinations, etc. The division will make requests for additional spending allocation to Legislative Budget and Audit Committee to alleviate these harsh consequences, but failing favorable consideration, the division must control its expenditures.

The division does not fully concur with the audit findings that errors were made in the calculation of a two-year average of expenditures used to determine the FY 93 license fees, and as a result, license fees did not truly reflect the cost of providing regulatory services to each occupation. Detailed expenditure information used in calculating a two-year average was based on information obtained from the state accounting system. The data generated from the state accounting system for the purposes of this audit has changed from data obtained by division staff when fee decisions were made.

In conclusion, the Department of Commerce and Economic Development has worked with the OMB auditor regarding this issue.

Recommendation No. 4

The Division of Occupational Licensing (OL) should request statutory change to AS 08.01.050 and AS 08.01.070 to clarify responsibilities for the taking of board meeting minutes and production of an annual report.

The department concurs. A rewrite of AS 08.01 is available, and the division is seeking legislative support to introduce it. The rewrite makes numerous revisions including amendments to the statutes cited in this recommendation.

The rewrite included revisions which make drafting minutes a department responsibility. It also provides for an annual report deadline submission of

August 1. The annual report deadline revision is necessary as many statistics needed for the annual report are not available until June 30, thus making it impossible for the boards to meet the existing deadline of submission by June 30.

The division disagrees that the annual report authorship should be amended to make annual report submission a department responsibility. We recognize that division staff are instrumental in assisting boards when completing reports. Staff provide statistical and clerical assistance, however, this report must be reflective of the boards' position on various matters involving the profession regulated including legislative and regulatory needs, budget requests, and upcoming goals. These are areas which the board is solely responsible for developing.

Recommendation No. 5

OL should develop and implement written policies and procedures for reporting potential violations of the Executive Branch Ethics Act to the Department of Law (Law).

The department agrees and will comply with this recommendation. A written procedure developed by staff will be limited to include directives for staff follow-up at each meeting with collection of ethic reports, as well as clarifying dates which quarterly reports must be compiled and forwarded to the Attorney General. We concur that staff is responsible for the timely submission to the Department of Law. This is the limit of responsibility on behalf of the department.

All other policy, procedures, interpretations, and written directives for what must be reported, must come from the Department of Law. Guidance on when a member must report a conflict, what should be reported, confirmation of what constitutes a conflict, and who has authority to rule/overrule a decision made by a designated supervisor, are all matters which are beyond the scope of DCED staff expertise. Consequently, the department disagrees with the statement in the text of recommendation No. 5 which states, "Functionally, OL staff advise the professional licensing boards associated with them as to the reporting necessary for compliance with the Ethics Act"

The department has asked for a written directive from the Department of Law, in layman's terms, which clarifies these matters. Any forthcoming directives from the Department of Law will be distributed to board members.

Recommendation No. 6

OL should, in conjunction with the Equal Employment Opportunity Office (EEO), review the Board of Veterinary Examiners licensure application forms to assure that personal questions of a potential discriminatory nature are essential for prudent licensure.

The department disagrees with this recommendation. We believe the procedures for denying an applicant and the practice of listing the specific reasons for denial in the notice to the applicant provides adequate protection for the board from being subject to discrimination complaints based on the height/weight questions.

Recommendation No. 7

OL should investigate complaints regarding the competency of veterinarians in a timely manner.

The division agrees that complaints regarding the competency of veterinarians should be investigated timely, however, investigative staff are sometimes overwhelmed by higher priority cases which represent an immediate danger to public health and safety. Cases which do not present any potential danger to the public may be delayed.

Recommendation No. 8

OL should establish a record tracking system for license files to provide for improved security and accountability.

The department concurs with this recommendation. The division has maintained a "file out" card system in the past, which proved to work well in locating files which were being used by other staff. Occasionally, documents are misfiled by staff and it is a matter of time before the error is noted and the file is returned to the proper location. I suspect this is the case with the file noted in the text of Recommendation #8.

Sincerely,


Paul Fuhs
Commissioner

PF/KW/mme357.kw
020394b

HB

358

Alaska State Legislature

Senator Tim Kelly, Chair
Senator Steve Rieger, Vice Chair
Senator Bert Sharp
Senator Judy Salo
Senator Georgianna Lincoln



STATE CAPITOL, SUITE 101
JUNEAU, ALASKA 99801-1182
PHONE: (907) 465-3822
FAX: (907) 465-3756

SENATE LABOR AND COMMERCE COMMITTEE

716 W. 4TH, SUITE 400
ANCHORAGE, AK 99501-2133
PHONE: (907) 258-8180
FAX: (907) 258-4524

September 14, 1993

Senator Randy Phillips, Chair
Legislative Budget and Audit Committee
State Capitol, Room 103
Juneau, Alaska 99801-1182
FAX: 465-4979

Dear Senator Phillips,

It has come to my attention that the Office of Management and Budget has submitted RPL 10-4-4013 to the Legislative Budget and Audit Committee requesting general fund program receipts to fill two authorized vacant positions in the State Recorder's office. I am writing to encourage the committee to approve this request.

When the legislature this last session passed the final version of SB 99, the governor's omnibus fee and cost reduction bill, the Department of Motor Vehicles' authority to issue titles to mobile homes was repealed. This provision was included in the bill as originally introduced, but removed in the Senate Finance Committee at Senator Frank's request. The House reinserted the provision and the Senate concurred in the House amendments.

This change has significantly lengthened the time involved in selling or purchasing mobile homes, or manufactured housing. In order to arrange financing for purchasers, potential lender's must now file a U.C.C. 11, or search, and then a U.C.C. 1, or lien, both in the U.C.C. central office and the local recorder's district office. Given the current backlog at the recorder's office due to the increased volume of real estate filings, this process can take weeks.

Previously, financing could be arranged when the lender was presented with the title, which could be obtained if needed by a trip to the DMV that same day. (Moreover, lender's are less comfortable providing loans for manufactured housing without a title.)

Senator Randy Phillips, Chair
Legislative Budget & Audit Committee
September 14, 1993
Page 2

Next session it is my intent to see this problem addressed legislatively. Until then, however, the recorder's office must have the necessary personnel to get caught up on their backlog and expedite new filings. The two positions the State Recorder has requested are unfilled authorized positions, and I understand the program receipts would more than cover their cost.

I'd like to thank you and the committee in advance for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim", with a horizontal line above it.

TIM KELLY, Chair
Senate Labor & Commerce Committee

cc: Senator Steve Frank
Representative Eldon Mulder
Representative Brian Porter
Ira Walker, Alaska Manufactured Housing Association
Jay Dulaney, Director, DMV
Sharon Young, State Recorder

ALASKA MANUFACTURED HOUSING ASSOCIATION

September 21, 1993

Senator Tim Kelly
716 W 4th Ave., Suite 400
Anchorage, AK 99501-2133

Dear Senator Tim:

Enclosed please find a letter of support for amending SB 99 from Dick Enberg. You may already have received it directly.

As you know, the Alaska Manufactured Housing Association is acutely aware of the problems being experienced by the lending institutions, which also create problems for the mobile home industry. If mobile home sales become more difficult to finance, then the value of everyone's home is reduced. We hope the Legislature recognizes the hardship caused by the elimination of title registration by D.M.V.

AMHA has no objection to the setting of a reasonable fee for title registration or transfer. We would expect the program to be expense neutral.

We wish to express our appreciation to you for attending our meeting of September 16 and your willingness to sponsor the amendatory bill.

Sincerely,



Bernard L. Marsh
Executive Secretary

BLM:ckf

cc: Ira Walker
Leonard Gross



First National Bank
of Anchorage

September 16, 1993

Alaska State Legislature
3111 C Street
Anchorage, Alaska 99503

Honorable Members of the Legislature:

First National Bank of Anchorage respectfully requests that the State reconsider its 1993 legislation regarding the Division of Motor Vehicles no longer issuing titles to mobile homes. As mobile homes are sold and titles cease to be issued, it will become increasingly difficult for consumers, lenders and dealers alike to determine whether or not a mobile home is encumbered or who a lien or mortgage holder might be.

When lending against a mobile home for which no current title exists, financial institutions will have to use extreme caution. When a potential buyer approaches a financial institution about mobile home financing, it will be imperative that they have a clear record of all previous owners of the mobile home that they wish to purchase. A UCC search will need to be requested on all prior owners, both with the State and with the district in which the mobile home is located. A search, with copies of any lien documents that may be in existence, currently costs \$15.00 per name per district in which the information is requested. Even after a thorough search of both the state and local district's records, it is possible that a lien may exist in another district (where a prior owner may have had the mobile home at one time). Aside from searching the State's records and each of the individual 34 district's records for liens against all prior owners, it is impossible to verify that a mobile home is unencumbered. It is also important to note here that the State does not guaranty the validity of it's own search.

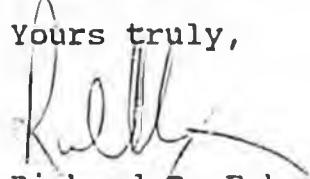
An entirely different set of problems will be created when individual sellers elect to "carry" the financing themselves. It is my opinion that this method of financing will cease.

Consumers will have the same problems when purchasing a used mobile home with their own funds. Not only are they likely to be hesitant to purchase a mobile home, at a cost of anywhere from between \$5,000 to \$50,000, and not be given a Title but, because the general public has little knowledge of the Uniform Commercial Code, they will be ill-prepared when it comes to protecting themselves against purchasing a mobile home which may be subject to existing liens, or worse yet, purchasing it from someone who doesn't have the right to sell it. Anyone can draft a bill of sale, claiming to own a mobile home, and then sell it to an unwitting buyer. As the economy picks up, the sale of both new and used mobile homes is picking up as well. The potential for fraudulent transfer of ownership looms much larger with the current legislation in place.

If State budget constraints are to blame for the elimination of DMV processing of mobile home titles, then dealers, financial institutions or the consumers themselves should pay an appropriate fee to cover the costs of maintaining a title system. The cost of the UCC searches, both in time and money, far exceeds the potential cost of titling/registration.

Once again, we ask that you take time to reconsider this legislation, in the interest of both the Alaskan consumer and the financial institutions to whom they turn for financing.

Thank you in advance for your consideration.

Yours truly,


Richard C. Enberg
Sr. Vice President
Corporate Lending Division
(907) 265-3563

cc: Leonard H. Gross, Vice President
Southwood Manor, Inc.

CRA ASSESSMENT FACTOR V-K

DEPARTMENT OF NATURAL RESOURCES

SUPPORT SERVICES DIVISION

State Recorder's Office
3601 C Street, Suite 1180
Anchorage, AK 99503
(907) 762-2437

October 6, 1993

The Honorable Tim Kelly, Chair
Senate Labor & Commerce Committee
Alaska State Legislature
716 W. 4th, Suite 400
Anchorage, AK 99501-2133

Re: Recorder's/UCC Component, Department of Natural Resources

Dear Senator Kelly:

Your correspondence to the Legislative Budget and Audit Committee dated September 14, 1993, in support of the Recorder's Office RPL 10-4-4013 was sincerely appreciated. LB&A did approve our request to receive and expend program receipts in the amount of \$89.6 to fund two vacant positions and additional expenses associated with unusually high recording volumes occurring in the first quarter of FY94. The increased workload is directly attributable to the large numbers of refinances occurring in all component locations, and generally increasing economic activity statewide.

Recording volumes are typically cyclical and are of course entirely determined by external forces over which we have no control. The user community willingly pays for recording services, and the component generates approximately \$1 million in excess of its requisite operating funds annually. The Revised Program funding approved by LB&A comes at a very critical time for the component, which has been facing increasing numbers of operational backlogs.

Your letter expressed particular concern about the time frames associated with UCC searches in the component's district offices and in UCC Central. While all component locations strive to complete all searches within 24 to 48 hours of receipt, occasional document processing backlogs extend this turnaround time to five days or more. One of the recording offices operated by the Alaska Court System (Seward) has been experiencing about a two week turnaround. Of course, the mail time is also a factor over which we have no control. Conceivably, two weeks or more could elapse between the time a lender sends a search request by mail and the time the certified response is received by return mail after processing, but the actual processing time is almost always less than five days, and usually less than two. In the past year, the

Senator Kelly
October 6, 1993
Page Two

Anchorage Recorder's Office has occasionally had a maximum turnaround time of up to seven days, but is ordinarily well within the 48 hour processing time frame. Two factors should actually help to lessen the turnaround time on UCC searches statewide. The RPL funding approved by LB&A last month will provide additional staffing in Anchorage, the state's largest volume office, and a portion of the daily workload of these recorders is the processing of UCC searches in the order in which they are received.

Additionally, we are in the process of completing an automated UCC search program for the district offices, similar to that already implemented at UCC Central. A pilot of this program should be in place during the second quarter of FY94. While this automated program won't reduce turnaround times significantly on copy searches (since the copying process is entirely manual), it will speed up the process substantially on information only searches, which comprise approximately one-third of the search volume generated statewide.

* | Your letter also addressed DMV's titling of mobile homes and the elimination of that authority by legislation last session. From feedback we have received, this has been particularly troublesome for the public to accept. We continue to get numerous calls from the public who are seeking advice on how to document their ownership of mobile homes. We are unable to offer legal advice of this nature. These people are uncomfortable with not having a physical document of title to evidence their ownership, such as the title documents formerly issued by DMV. Many times they are seeking to record a mobile home bill of sale or similar document which we are unable to accept due to statutory and regulatory restrictions. Real property owners can record their deeds to place the entire world on notice of their interest. Without DMV titles, there is no public notice of a person's ownership interest in a mobile home.

While lenders can and do file UCC financing statements on mobile homes that they finance, there is currently no mechanism for a mobile home owner to document his ownership in the public record. You have indicated that your intent is to see that this problem is addressed legislatively in the next session. Resumption of the DMV titling process would certainly eliminate a lot of the confusion for the public and would significantly reduce the number of public inquiries in our office on this subject.

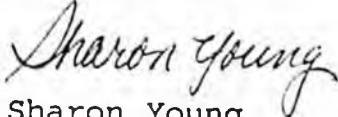
Once again, thank you for your support of our Revised Program request. We will endeavor to maximize this investment and will take steps to assure that your concerns about UCC searches are promptly and adequately addressed.

- LTR FROM STATE RECORDER -
ON U.C.C. FILES FOR MOBILE HOMES

Senator Kelly
October 6, 1993
Page Three

Please do not hesitate to contact me at any time if you have questions about our component or its activities.

Sincerely,

A handwritten signature in cursive script that reads "Sharon Young".

Sharon Young
State Recorder

cc: Nico Bus, Acting Director
Support Services Division

Alaska State Legislature

Senator Tim Kelly, Chair
Senator Steve Rieger, Vice Chair
Senator Bert Sharp
Senator Judy Salo
Senator Georgianna Lincoln



STATE CAPITOL, SUITE 101
JUNEAU, ALASKA 99801-1182
PHONE: (907) 465-3822
FAX: (907) 465-3756

SENATE LABOR AND COMMERCE COMMITTEE

October 21, 1993

716 W 4TH, SUITE 400
ANCHORAGE, AK 99501-2133
PHONE: (907) 258-8180
FAX: (907) 258-4524

Benard L. Marsh, Executive Secretary

Alaska Manufactured Housing Association
2550 Denali Street, Suite 504
Anchorage, Alaska 99503

Dear Ben,

Thank you for forwarding Mr. Enberg's letter supporting the issuing of titles from the Department of Motor Vehicles (DMV) for manufactured housing. It should prove helpful this coming session as we attempt to favorably resolve this issue.

For your information, I've enclosed a letter from Sharon Stone, the State Recorder, regarding supplemental funding provided by the Legislative Budget and Audit Committee. These funds should address the U.C.C. Central Office and district offices' backlog, resulting in more timely U.C.C. searches and filings. You will note that from the recorder's perspective, re-establishing titling of manufactured housing in the DMV would help alleviate public confusion and provide a needed mechanism for owners to document their ownership in the public record.

Thanks again for bringing this matter to my attention. I look forward to working with you to resolve this issue next session.

Sincerely,

A handwritten signature in cursive script that reads "Tim".

TIM KELLY

cc: Senator Steve Frank
Senator Randy Phillips
Representative Eldon Mulder
Representative Brian Porter
Ira Walker, AMHA
Leonard Gross, AMHA
Dick Enberg, First National Bank of Anchorage
Jay Dulaney, DMV

Alaska State Legislature

Representative Brian S. Porter



DISTRICT 20

CHAIRMAN
HOUSE JUDICIARY COMMITTEE

MEMBER
HOUSE LABOR & COMMERCE COMMITTEE
SELECT COMMITTEE ON LEGISLATIVE ETHICS

MEMBER
FINANCE SUBCOMMITTEES
DEPARTMENT OF LAW
DEPARTMENT OF PUBLIC SAFETY
COURTS

SESSION:
STATE CAPITOL, ROOM 118
JUNEAU, ALASKA 99801-1182
PHONE: (907) 465-4930
FAX: (907) 465-3834

INTERIM:
710 W. 4TH AVE., SUITE 040
ANCHORAGE, AK 99501-2133
PHONE: (907) 258-8197
FAX: (907) 258-5510

MEMORANDUM

DATE: January 18, 1994

TO: Representative Al Vezey, Chairman
House State Affairs Committee

FROM: Representative Brian Porter *Brian*

RE: HB 358

Please consider scheduling HB 358 in your committee at your earliest convenience. The legislation deals with the resumption of the DMV titling mobile homes to facilitate transfer of ownership, financing and public record.

I respectfully request timely consideration with this matter as it would benefit all concerned.

Thank you.

BP:phl

cc: Representative Eldon Mulder

cc: Senator Tim Kelly



Alaska State Legislature

Bruce Porter
Rep Eldon Moulder
Senator Tim Kelly

Please enter into the record my testimony to the _____ committee name
committee on House Bill # 358, dated 1-28-94
bill/subject

I am a citizen of Alaska and a resident of Juneau. My husband and I live in the Churchill Tractor Park in Lemon Creek.

We just recently made our final payment on our tractor and have learned that the handling of trailer titles is confused.

We have visited D.M.V. here in Juneau and have discovered, this agency no longer issues titles.

At present, we would like a tangible document that records title transfers for tractors/mobilehomes.

I am in communication with the previous title holder(?) The only piece of paper I have is a "Bill of Sale" (she created) without any verification that its now legally ours

Signed: Katharine E Campbell Don Campbell
Testifier

Representing (Optional)

5905 Churchill Way # 54 Juneau AK 99801
Address

(907) 780-4298 (Please call me)
Phone No.

We are supporting House Bill # 358

Thank you

BEN MARSH & ASSOCIATES

MEMO

DATE: February 11, 1994

TO: Josh Fink
Senator Kelly's Office
FAX: 465-3756

FROM: Ben Marsh, Executive Secretary
Alaska Manufactured Housing Association
FAX: 276-8801

In an attempt to estimate the number of sales or conveyances of mobile homes per year in Alaska, I have conducted a survey among our members. Our members are mobile home court owners and/or mobile home dealers. As a group, we represent about half of the 8000± mobile homes in Alaska.

Attached hereto is my survey sheet, showing our member courts, with the number of sales or conveyances that occurred in 1993 in circles at each name. The numbers include units sold by the court, units bought by the court, and changes in ownership within the court. Such changes indicate sales between individuals.

The survey sheet shows that 34 members responded and 785 sales were reported. Assuming 1993 was a typical year, and our membership speaks for one-half the units in Alaska, you can estimate the total number of sales per year in Alaska at ± 1500.

Another approach is to consider the 8000 units in Alaska. On the average, mobile homes are owned about eight years before re-sale. Thus each year will see about 1000 turn-overs.

Some sales may be duplications. For instance, a dealer's sale may also be shown as a park owner's purchase. However, I believe it safe to say that over 1000 mobile home conveyances occurred in Alaska in 1993.

I hope this will provide a basis for the fiscal note for HB 358. If there is further information I can provide, let me know. Incidentally, the Juneau parks that responded are Thunder Mountain, Glacier View, Kodzoff, Switzer Village, Lemon Creek, Churchill Park, and Sprucewood. Two of these are members of AMHA. The owner of Thunder Mountain and Switzer Village are eager to testify and there may be others.

We have no members in Fairbanks, therefore no Fairbanks sales were reported.

1993 SALES

- | | | |
|--|--|---|
| <p>AHFC (29)
PO Box 101020
Anchorage, AK 99510
561-1900</p> | <p>AK Pacific Venture - Plaza 36 (26)
405 W 27th Ave
Anchorage, AK 99503
563-3993</p> | <p>Alta Vista Traller Court (3)
1100 W 32nd Ave
Anchorage, AK 99503
277-3037</p> |
| <p>Baxter Road Traller Court (10)
4235 McLean Place #1B
Anchorage, AK 99504
337-2622</p> | <p>Beachcrest Mobile Home Court (16)
11385 N T Highway
Ketchikan, AK 99901</p> | <p>Churchill Park -Wright Service (10)
3264 Pioneer Ave
Juneau, AK 99801</p> |
| <p>Creekside Estates (9)
951 E Creekside Dr. #19
Wasilla, AK 99654
373-3030</p> | <p>Dimond Estates (50)
1200 W Dimond Blvd
Anchorage, AK 99515
344-6611</p> | <p>Forest Park Traller Park (6)
4223 Westwood Drive
Anchorage, AK 99517
243-4969</p> |
| <p>Glencaren & Nanook Courts (49)
2221 Muldoon Road
Anchorage, AK 99504
337-9464</p> | <p>Green Acres (1)
8020 Chipper Tree Circle
Anchorage, AK 99507
344-2303</p> | <p>Hawkins Enterprises (47)
PO Box 140330
Anchorage, AK 99514
333-5925</p> |
| <p>Kathy 'O Estates (7)
909 Chugach Way #12
Anchorage, AK 99503
562-2148</p> | <p>C/O B. Packa Knowlton's Inlet View MHP (10)
PO Box 770394
Eagle River, AK 99577
696-2446</p> | <p>Malasplna Park/Glacier Terrace (46)
4100 DuBarr
Anchorage, AK 99504
333-2012</p> |
| <p>Manoog's Isle MHP (31)
PO Box 1563
Anchorage, AK 99510
563-3382</p> | <p>Mayflower Circle Park (28)
6208 Stadem Drive
Anchorage, AK 99504
333-6025</p> | <p>McRae Court (10)
2702 McRae Road #1
Anchorage, AK 99517
243-1975</p> |
| <p>Miller's MHP (2)
PO Box 91464
Anchorage, AK 99509
562-7150</p> | <p>Penguin Traller Court (11)
1918 Wellington Place
Wanatchan, WA 98801
561-5514 (509)663-2851</p> | <p>Penland MHP See Penland Sel
3620 Penland Pkwy
Anchorage, AK 99508
276-2232</p> |
| <p>Penland Sales, Inc. (147)
3620 Penland Pkwy
Anchorage, AK 99508
277-7275</p> | <p>Range View MHP (5)
905 Muldoon Road #A54
Anchorage, AK 99504
333-5889</p> | <p>Riviera Terrace MHP (19)
3307 Boniface Pkwy Sp 9B
Anchorage, AK 99504
333-5380</p> |
| <p>Scenic View Mobile Home Ct (3)
6747 Double Tree Ct
Anchorage, AK 99518
522-3754</p> | <p>Southwood Manor MHP (92)
9499 Brayton Dr #68
Anchorage, AK 99507
344-0111</p> | <p>Thomas Properties (10)
PO Box 90908
Anchorage, AK 99509
561-7578</p> |
| <p>Thunder Mountain MHP (36)
8479 Thundor Mtn Road
Juneau, AK 99801
789-7555</p> | <p>Top Hand Trailer Court (1)
2409 McRae
Anchorage, AK 9503
243-2611</p> | <p>Twin Birch Traller Court (7)
2920 Tudor Road
Anchorage, AK 99507
563-3006</p> |

5 additional Parks in Juneau - (114)



3585 OLD DAIRY RD, SUITE 103, JUNEAU, AK 99901
Off. (907) 790-4848 FAX (907) 790-4800

DATE: MARCH 2, 1994

TO: REPRESENTATIVE AL VESEY
STATE AFFAIRS COMMITTEE

TAW
FROM: TERRY A. WHITBECK, BROKER
ALL STAR, REALTORS
JUNEAU, ALASKA

RE: HOUSE BILL NO. 358

This is testimony in support of House Bill 358 allowing owners of mobile homes to secure a certificate of title from the Department of Public Safety.

I am the Broker/Owner of All Star, Realtors in Juneau, Alaska. Our company is the market leader of the Juneau Multiple Listing Service (JMLS) in the mobile homes in parks market. Of the 61 mobile homes in parks listed with JMLS since 1/1/93 we have listed 52%. All Star, Realtors also sold 61% of the mobile homes sold through JMLS since January 1, 1993.

Of the 897 mobile homes in 10 parks in Juneau, approximately 6% to 10% will be for sale during the year. Approximately 7% of this 897 belong to out of town owners.

The situation of treating mobile homes in parks as personal property without any sort of registration or recording of liens leaves the owner and potential buyer without any protection of ownership of their home or asset.

Without a title there is no way of knowing for certain that the person selling the mobile home is the legal owner. Another related question is whether the owner has the right to sell without paying off a lienholder.

Currently the only way we have to transfer ownership is through a Bill of Sale. This Bill of Sale can be purchased by anyone at any office supply store and can be completed by anyone. There typically is no provision for a lienholder on the Bill of Sale. Since a Bill of Sale is for personal property it cannot be recorded at the State Recorder's Office.

There is nothing to prevent a dishonest owner from selling a mobile home without clear title to an unsuspecting buyer who later finds out he/she has paid \$35,000 cash for their home only to find out that Alaska Housing Finance is foreclosing due to nonpayment of the mortgage.

HB 358 TESTIMONY PAGE 2

Without a title, how can an honest owner prove that he or she does indeed own the mobile home offered for sale.

Further, what is to prevent a tenant, whose landlord lives out of town, from creating a Bill of Sale and selling the mobile home to an unsuspecting buyer.

For many young couples a mobile home is their first home due both to cost of housing and availability. These couples have not purchased a home before and have no way of knowing that a Bill of Sale may not be genuine or whether the person they are dealing with is honest.

Common cash buyers of mobile homes are the retirees. These folks are typically on a fixed income and prefer to pay cash in order to keep their monthly expenses at a minimum. It could be devastating to their health and financial well-being to buy a mobile home and face eviction by the rightful owner or to be told that Alaska Housing Finance Corporation has a mortgage on their home.

Finally, there is nothing to protect the real estate agent from fraud in a mobile home sale. To date, we have required that sellers produce a title and have sellers sign the title over to the new buyers, however, these buyers are likely to be sellers some day. How can they prove ownership to us in the future? How can the real estate agent assure a buyer their ownership is genuine?

Those who own and live in mobile homes consider them real property. By issuing a certificate of title, their ownership interests can be assured and protected.

I respectfully urge you to pass HB 358.

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3367 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

March 8, 1994

Received
MAR 10 1994
LEGISLATIVE

SUBJECT: Mobile home titles - (HB 358)
TO: Representative Brian Porter
FROM: Michael F. Ford *MF*
Legislative Counsel

You have asked a series of questions regarding titles for mobile homes. Generally the legislature is free to create any system it chooses for providing title to a mobile home purchaser. In the past, the Department of Public Safety issued titles to mobile home owners, in a the same manner as the system for issuing title to a motor vehicle owner. Under HB 358, the Department of Public Safety would again be issuing titles to mobile home owners. The following are your questions, with our response:

1. Is a title issued through DMV the best way to do this?

This answer depends on the purpose for issuing the title. If the purpose for issuing title is to indicate ownership in the same manner as a motor vehicle title, then the DMV system would seem to have some advantages. The department already issues titles for motor vehicles and has issued mobile home titles in the past. It would seem a relatively minor change to require DMV to add mobile homes to the process. The fiscal impact could be negated by simply charging an appropriate amount for issuing the title.

2. What other means are currently available to establish reasonable assurance of ownership?

Ownership of a mobile home can be established by possession, by a bill of sale, or by any written or oral evidence that the person is the rightful owner.

3. Is there a better way to establish proof of ownership or a public record of ownership?

I don't know that another system would be better, but the legislature could create a different system than that contemplated by HB 358. The system could be similar to

- QUESTIONS ADDRESSED BY
LEGISLATIVE LEGAL -

Representative Brian Porter
March 8, 1994
Page 2

the title system used to reflect ownership of a motor vehicle, but could be administered by another department, such as Commerce and Economic Development. There will be administrative costs to any system. The only existing system I know of is the one in DMV.

4. Is a U.C.C. filing an appropriate vehicle for mobile homes?

I don't believe that the U.C.C. is the appropriate place for handling mobile home titling. The U.C.C. filing system is a generic system primarily designed for establishing security interests in personal property, not for recording titles. It would be inconsistent with the uniform purpose of the U.C.C to set up some type of special mobile home ownership system within the U.C.C. itself. However, the physical recording system could also be used for recording titles under a separate statute.

5. Would a filing of a bill of sale, warranty deed, or quitclaim deed be an appropriate vehicle?

If the goal is to assure ownership, either a title from a state agency, or a bill of sale would likely be sufficient. A deed would not seem appropriate in that deeds usually are only provided for real property. While a mobile home may be covered in a deed as an improvement to real property, a deed would not normally be used when only the ownership of the mobile home is in question.

6. What would have to be done to get title insurance companies to issue policies on mobile homes?

I am not aware that title insurance is unavailable for mobile home owners. There is nothing in existing law that prohibits a title insurer from issuing title insurance on a mobile home. Under AS 21.66.480 "title insurance" is defined as insurance for the owner of real or personal property against liens, defects, or unmarketable titles. Therefore under existing law a title insurer could issue title insurance for a mobile home. Before issuing title insurance, a title insurer must first make a determination that the title is insurable in accordance with established underwriting practices (See AS 21.66.170). If title insurance is not available due to a lack of evidence of a title for a mobile home, perhaps a state system for issuing titles would alleviate this problem. I would suggest you also contact the division of insurance on this matter. They may have further information on title insurance underwriting requirements.

If you have further questions on these matters please contact me.

MFF:gc
94-179.glc

Alaska State Legislature



While in Session:
State Capitol Building
Juneau, Alaska 99801-1182
907-465-3719

Interim:
119 N. Cushman
Suite 211
Fairbanks, Alaska 99701
907-456-5081

Representative Al Vezey

March 10, 1994

Memo to: Michael F. Ford
Legislative Counsel

Subject: HB 358, Registration of mobile homes

Currently AS 28.10.421(b) provides for the registration of house trailers. This would imply to me that the DMV currently issues titles for house trailers. My question is what is the difference between house trailers and mobile homes?

The problem with issuing any title is that it can become time consuming if the chain of title is broken. What would we have to do to set a firm guideline as to what the state would require in order to issue a title. If the title is broken and can not be reasonably established by the DMV, what means of establishing clear title can we offer the public?

Could we require a quiet title action?

Could we require that the concerned party provide a series of notarized affidavits or equivalent establishing an unbroken chain of title?

What legal restraints are there on title agencies that would prevent them from issuing title insurance on a mobile home or a house trailer?

I would like to clarify AK statutes so that the DMV can issue titles for mobile homes without getting bogged down in title searches. Do you have any suggestions.

cc: Rep. Porter
Juanita Hensley

R E C E I V E D

MAR 10 1994

Rep. Brian Porter

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

MAR 17 1994

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

March 17, 1994

SUBJECT: Registration of mobile homes - (HB 358)
TO: Representative Al Vezey
FROM: Michael F. Ford *M.F.*
Legislative Counsel

You have asked several questions relating to registration and titling procedures of the Department of Public Safety. Each question will be addressed in turn.

1. Given that the department registers house trailers and not mobile homes, what is the difference between the two.

While neither term is defined, I believe that house trailer is intended to cover a vehicle that is designed to be towed behind a another vehicle on a frequent basis, while a mobile home is a vehicle that may be moved or towed on a highway, but is not designed to be moved or towed frequently.

2. What means can be established to provide clear title to a mobile home owner.

Probably the best system is some form of title issued by the state, similar to car titles. The Department of Public Safety used to issue titles for mobile homes and could be authorized to do so again. Also, there is already existing law that sets guidelines as to what the state would require in order to issue a title in situations where ownership is in question. See AS 28.10.216.

3. Can the state require a quiet title action or affidavit in order to establish clear title.

The state can impose any requirements necessary to prove ownership, including an affidavit, a judgment of a court, a bill of sale or some other method.

4. What legal restraints are there on title companies that would prevent issuance of title insurance on a mobile home or house trailer.

Representative Al Vezey
March 17, 1994
Page 2

The only impediment to title insurance is that the title must be "insurable." This means that under the established underwriting practices, that the insurer is confident that the person insured is the legal owner of the property. If there is doubt as to the ownership, then the title company could decline to issue the insurance. See AS 21.66.170.

5. How can the Department of Public Safety be authorized to issue titles for mobile homes without getting bogged down in title searches.

If the problem is avoiding extra administrative costs in providing clear title, the legislature could shift the burden of providing clear evidence of ownership to the applicant. In short, the department would only issue mobile home titles when adequate proof of ownership is provided. This should reduce the administrative cost to a minimum.

Please contact me if you have further questions.

MFF:pl
94-218.plm

Alaska State Legislature

Representative Brian S. Porter



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HOUSE JUDICIARY COMMITTEE

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SELECT COMMITTEE ON LEGISLATIVE ETHICS

MEMBER
FINANCE SUBCOMMITTEES
DEPARTMENT OF LAW
DEPARTMENT OF PUBLIC SAFETY
COURTS

DISTRICT 20

MEMORANDUM

DATE: March 24, 1994

TO: Representative Ron Larson
Co-Chair House Finance Committee

From: Representative Brian S. Porter *Brian*

RE: CSHB 358 Mobile Home Certificates of Title

Please consider scheduling CSHB 358 in your committee as soon as possible. This legislation deals with the resumption of the DMV titling mobile homes to facilitate transfer of ownership, financing and public record.

HB 358 unanimously passed through State Affairs today after thorough sub-committee review and personal attention from Chairman Vezey.

There is no opposition to the bill and it should take very little of your committee's time. A final CS is being drafted today and will follow to complete the bill file.

Thank you for your prompt attention to this matter.

BP:phl

MEMORANDUM

DATE: 3/21/94

TO: STATE AFFAIRS SUB-COMMITTEE MEMBERS
Representative Olberg

FROM: Patrick Lounsbury, Legislative Asst.
for Representative Brian Porter

RE: Mobile Home Title Sub-committee meeting

HB 358 has been researched per the request of Chairman Vezey by the Legal department. Enclosed are their findings. Please review at your earliest convenience as the Bill is scheduled to be heard this Thursday the 24th. A policy statement from the Title Insurance Industry is expected as well which will show their hesitation with getting involved in this area.

I have scheduled a tentative sub-committee meeting for 3/23/94 @ 9:30am in the Judiciary conference room. Please inform me if this is inconvenient at ext. 4930.

MEMORANDUM

DATE: 3/4/94

TO: Legal Research

From: Patrick Lounsbury, Legislative Asst.
for Representative Brian Porter

RE: Mobile Home Titles

HB 358, Mobile Home Registration and Titles, is currently in House State Affairs. Representative Vezey believes the goal is to provide reasonable assurance of ownership rights and would like your department to address-

1. Is a title issued through DMV the best way to do this?
2. What other means are currently available to establish reasonable assurance of ownership?
3. Is there a better way to establish proof of ownership or a public record of ownership?
4. Is a U.C.C. filing an appropriate vehicle for mobile homes?
5. Would a filing of a bill of sale, warranty deed, or quick claim deed be an appropriate vehicle?
6. What would have to be done to get title insurance companies to issue policies on mobile homes?

Your timely consideration of this matter will be greatly appreciated and, if possible, a response in time for the State Affairs meeting held (8 am) March 10, 1994 will be of tremendous value.

Thank you.

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DILLON & FINDLEY

A PROFESSIONAL CORPORATION

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March 28, 1994

Hon. Al Vezey, Chair
House State Affairs Committee
Alaska State Legislature
Room 102, State Capitol
Juneau, Alaska 99801-1182

HAND-DELIVERED

Re: HB 358, certificate of title for mobile home

Dear Representative Vezey:

A couple of weeks ago, you asked for comments on this bill. I said that I would try to find an expert to send you some comments. Well, I have not found one, so here are some top-o'-the-head comments of my own.

Before certain changes were made by ch. 63, SLA 1993, AS 28.10.011(12) exempted mobile homes from the vehicle registration requirements of AS 28.10. Section 79 of ch. 63, SLA 1993 repealed that exemption. However, simultaneously, sec. 63 of the same Act amended the general definition of "vehicle" for Title 28 to exclude mobile homes. (See AS 28.40.100(a)(22).) The legal effect of both approaches appears to be the same with regard to required registration.

But then sec. 57 of that Act amended AS 28.10.201(b) to delete the reference to the repealed AS 28.10.011(12). This deletion from the provision authorizing the department to issue a certificate of title for certain exempt vehicles thus prevents a mobile home owner from obtaining an Alaskan certificate of title.

So, the net effect of last year's amendments appears to be to retain the mobile home exemption from required registration and to remove permissive registration. I was not following that measure last year, and have not researched the reasons for those changes.

Section 1 of HB 358 would require the department to issue a certificate of title for a mobile home if the owner applies for it and pays the fee. No owner is required to obtain such a certificate. It is the owner's choice. I would imagine that an owner might want a certificate of title for purposes of assuring a lending institution of his or her ownership. A title might also prove helpful in case of theft. There are probably other reasons

Rep. Al Vezey
HB 358, mobile home cert. of title
March 28, 1994

Page 2

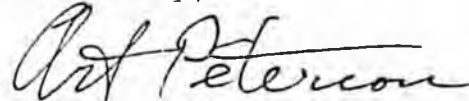
why an owner might want to obtain a certificate of title.

I don't see any particular problem with sec. 1 from an owner's point of view. The department would have the slight additional burden of issuing the certificates to those who applied for them.

Section 2 of HB 358 includes mobile homes in the definition of "vehicle" for the limited purposes of AS 28.10's provisions relating to certificates of title. It thus partially counters last year's AS 28.40.100(a)(22)(B), and is consistent with sec. 1 of the bill.

I have no position on this bill, but merely observe that, in its provision of another option to the public, HB 358 could be beneficial. I hope that you find these comments helpful.

Yours truly,



Arthur H. Peterson

cc: Hon. Brian Porter
Alaska House of Representatives

Hon. Eldon Mulder
Alaska House of Representatives

Alaska State Legislature

Representative Brian S. Porter



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HOUSE JUDICIARY COMMITTEE

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SPONSOR STATEMENT

When the legislature passed the final version of SB 99, the Governor's Omnibus Fee and Cost Reduction bill, the Department of Motor Vehicles' authority to issue titles to mobile homes was repealed. This change has significantly lengthened the time involved in selling or purchasing mobile homes.

Previously, financing could be arranged when the lender was presented with the title, which was easily accessible through the DMV. As it is now, when a potential buyer approaches a financial institution about mobile home financing, a UCC search will need to be made on all prior owners, both with the State and with the district in which the mobile home is located.

As mobile homes are sold and titles cease to be issued, it will be increasingly difficult for consumers, lenders and dealers alike to determine whether or not a mobile home is encumbered or who a lien or mortgage holder might be. Without DMV titles, there is no public notice of a person's ownership interest in a mobile home.

If mobile home sales become more difficult to finance, then the value of everyone's home is reduced.

Dealers, financial institutions and consumers are in agreement that they themselves should pay an appropriate fee to cover the costs of maintaining a title system. The costs of UCC searches, both in time and money, far outway the potential cost of titling/registration.

Resumption of the DMV titling process would certainly eliminate a lot of time and confusion for both the public and financial institutions with the transfer and documentation of mobile homes.

SUE FISON 343-41254
ANCHORAGE MUNICIPAL STATISTICIAN

90,492 - TOTAL HOUSING UNITS
4,884 - MH IN PARKS
1,194 MH ON LOTS

MARK GRANSTED
FAIRBANKS COMMUNITY RESEARCH CENTER

31,823 - TOTAL HOUSING UNITS
2,268 - MHOMES - TRAILERS

ANCHORAGE

.067% OF MARKET ARE MOBILE HOMES

FBX

.071% OF MARKET ARE MOBILE HOMES

FAIRBELT TOTAL	122,315	THU
	8,346	MHU
	<hr/>	
	.068%	MARKET

$8,346 \times 50 = 417,300$

To	Josh Fink	From	Kathy
Co	Sen. Kelly	Co.	Senate Finance
Dept.		Phone #	9-1-93
Fax #	258-4524	Fax #	465-2187

SENATE FINANCE COMMITTEE
APRIL 24, 1993

EXCERPT FROM TAPE SFC-93, #68, SIDE 2

RE: SB 99 FINANCIAL ADMINISTRATION OF STATE GOVT.

SEC. 55 - DELETION OF MOBILE HOMES FROM LIST OF VEHICLES SUBJECT TO REGISTRATION.

JUANITA HENSLEY - SEC. 55 WILL DELETE THE REQUIREMENT THAT WE TITLE MOBILE HOMES. THE DEPARTMENT FEELS THAT A MOBILE HOME IS REAL ESTATE PROPERTY, AND THEY USUALLY ARE AFFIXED TO A LOT OR REAL ESTATE LAND, AND THEY BECOME A PERMANENT FIXTURE. THEY HAVE TO HAVE A SPECIAL PERMIT IF THEY ARE GOING TO BE MOVING THESE TYPES OF VEHICLES ON THE HIGHWAY. WE FEEL THAT THEY SHOULD BE TITLED AS REAL ESTATE PROPERTY AS OPPOSED TO MOTOR VEHICLES.

CO-CHAIR FRANK - IT SAYS 'PERSONAL PROPERTY' HERE. IN YOUR EXPLANATION ON THIS SHEET. I DON'T KNOW WHOSE EXPLANATION THIS IS. OMB'S EXPLANATION, IT SAYS PERSONAL PROPERTY.

JUANITA HENSLEY - WELL, PERSONAL PROPERTY OR REAL ESTATE PROPERTY, WE FEEL THAT THEY SHOULD BE TITLED THROUGH REAL ESTATE. YOU KNOW, IT IS REAL ESTATE PROPERTY. THEY DO HAVE FIXED FEES. THEY TAKE THE WHEELS OFF OF THEM. THEY ARE NO LONGER A VEHICLE THAT CAN BE MOVED AT WILL. IN FACT, IN ORDER TO MOVE THESE VEHICLES, THEY HAVE TO HAVE A SPECIAL ROAD PERMIT TO MOVE THEM. AND THAT'S USUALLY SO THAT THEY CAN AFFIX THEM. IT'S NOT IN ANY WAY A RECREATIONAL TRAVEL TRAILER.

CO-CHAIR FRANK - I HEAR YOU. I USED TO BE A BANKER, AND WE USED TO HAVE THESE TITLES, AND I ALWAYS THOUGHT IT WAS KIND OF STRANGE. BUT, THEY ARE IN A HECK OF A LOT LESS FIX THAN A REGULAR HOUSE. AND THEY CAN BE MOVED. I GUESS I'M WONDERING IF YOU'VE HEARD FROM THE MOBILE HOME DEALERS ASSOCIATION, IF THERE IS SUCH A THING, OR INDIVIDUAL MOBILE HOME DEALERS. NOT TO BE NECESSARILY CRITICAL OF YOUR INTENT, I JUST WANT TO MAKE THAT THERE IS SOME WAY OF TRANSITIONING TO ANOTHER SYSTEM THAT WON'T CAUSE LOTS OF PROBLEMS OUT THERE IN THE PRIVATE SECTOR WITH REGARD TO FINANCING AND THE SALE OF MOBILE HOMES. THERE'S PROBABLY NOT A HECK OF A LOT OF IT GOING ON NOW DAYS, BUT I JUST WONDER IF YOU'VE COMMUNICATED WITH AND HAVE THE SUPPORT OF PEOPLE THAT DEAL WITH THESE THINGS, LIKE BANKS AND MOBILE HOME DEALERS.

JUANITA HENSLEY - Mr. CHAIRMAN, THE REASON THAT WE PROPOSED THIS SECTION IS BECAUSE ONCE WE TITLE A MOBILE HOME, IT CAN BE SOLD FOUR OR FIVE TIMES WITHOUT THE NEW OWNERS EVER CHANGING THAT TITLE OVER TO THEIR NAME. AND THEN MAYBE THE FIFTH OWNER DECIDES THAT THEY'RE GOING TO GET IT PROPERLY TITLED, AND THEY CANNOT FIND THE OWNER TO GET THE TITLE FROM THEM, ETC. IT TAKES A LOT OF OUR TITLE AND RESEARCH TIME ON THE DIVISION'S PART. AND WE ARE PROJECTING A [INDISCERNIBLE] LOSS OF REVENUE TO THE STATE ON THIS. WE HAVE DEALT WITH SOME REAL ESTATE TITLE COMPANIES THAT HAVE HAD SOME PROBLEMS IN THIS AREA BECAUSE WE CAN'T TRACK DOWN THE TITLE OWNER.

CO-CHAIR FRANK - YOU KNOW, SOME ARE AFFIXED TO THE GROUND AND SHOULD BE CONSIDERED REAL ESTATE, BUT SOME, FRANKLY, ARE KIND OF MOBILE. THEY CAN MOVE INTO ANOTHER PARK IF THEY DECIDE THEY WANT TO MOVE TO A DIFFERENT PARK. I DON'T KNOW. I JUST DON'T WANT TO RUN INTO A SITUATION WHERE WE'VE PASSED A LAW THAT HAS GOOFED UP THE WAY COMMERCE WORKS OUT THERE IN THE PRIVATE SECTOR, WITHOUT HAVING CHECKED WITH THOSE THAT IT WILL AFFECT. I WOULD LIKE TO HAVE AN OPPORTUNITY TO CHECK ON THAT PARTICULAR ONE. I DON'T DISAGREE WITH YOUR INTENT. I JUST WANT TO MAKE SURE WE'VE THOUGHT IT THROUGH PROPERLY.

JUANITA HENSLEY - OKAY.

SEC. 59 - TECHNICAL AMENDMENT WHICH DELETES 'MOBILE HOMES' FROM STATUTE SETTING ANNUAL MOTOR VEHICLE REGISTRATION TAX RATES.

JUANITA HENSLEY - SEC. 59 DELETES MOBILE HOMES FROM THE MOTOR VEHICLE REGISTRATION TAX [INDISCERNIBLE]. IT WILL ALLOW MUNICIPALITIES TO TAX THEM UNDER PERSONAL PROPERTY TAX AS OPPOSED TO THE DIVISION COLLECTING THIS AS A VEHICLE TAX FOR THEM.

CO-CHAIR FRANK - OKAY, NEXT.

SEC. 61 - AMENDS THE DEFINITION OF TITLE SECTION TO DELETE 'MOBILE HOMES' FROM THE DEFINITION OF 'VEHICLE' (RELATED TO AMENDMENT IN SEC. 55).

JUANITA HENSLEY - SEC. 61 DEFINES 'THE VEHICLE' TO EXCLUDE MOBILE HOMES. THOSE ARE THE SECTIONS THAT RELATE DIRECTLY TO MOTOR VEHICLES WITH THE EXCEPTION OF SEC. 70 WHICH IS THE REPEALER SECTION OF THE MOBILE HOMES AND THE REQUIREMENT OF

REGISTRATION [INDISCERNIBLE].

SENATE COMMITTEE REPORT

DATE: 4/6/94

FURTHER: Finance

DATE TURNED INTO OFFICE: 4/14/94

L&C Committee considered CS FOR HOUSE BILL NO. 358(STA)

"An Act allowing a mobile home owner to obtain a certificate of title from the Department of Public Safety."

and recommends:

replace with SEN CSCSHB 358 (L&C)
or adopt previous _____ CS _____
 attaches amendment(s)

same title
 new title
 technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal
PUBLIC SAFETY	3/2/94		✓

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS:

[Signature]
[Signature]
Judith P. Sato

OTHER RECOMMENDATIONS:

[Signature] NR

Tim Kelly-Dolan

Chair: Signature and Recommendation

STATE OF ALASKA
1994 LEGISLATIVE SESSION

Bill No: HB 358

Revision Date: _____ Dept. Affected: Public Safety
 Title: "An Act allowing a mobile home owner to request a certificate of title." BRU: Motor Vehicles
 Component: Field Services
 Sponsor: Representative Porter
 Requestor: H. STA COMPONENT SERIAL NO. 502

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

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL						
CHANGE IN REVENUES (1004)	10.1	10.0	10.0	10.0	10.0	10.0

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL						

Estimate of current year (FY 94) impact: \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

200 titles per year @ \$50.00 \$10.0

Handwritten: 1/20/94

Prepared By: Charles B. Hosack Phone: 269-5559
 Division: Motor Vehicles Date: 1/19/94
 Approved by Commissioner: *[Signature]* Date: 1/20/94
 Agency: Richard L. Burton, Dept. of Public Safety

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

No. 2
Bill Version: CSHB 358(STA)
(H) Publish Date: 3/25/94

Revision Date: _____ Dept. Affected: Public Safety
Title: Mobile home registration and titles BRU: Motor Vehicles
Component: Field Services
Sponsor: Representative Porter
Requestor: H. STA COMPONENT SERIAL NO. 502

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

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	36.7	36.7	36.7	36.7	36.7	36.7
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT	10.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	46.7	36.7	36.7	36.7	36.7	36.7
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (1004) Revenue Code	10.0	10.0	10.0	10.0	10.0	10.0

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	46.7	36.7	36.7	36.7	36.7	36.7
1005 GF/Program Re- ceipts						
1006 GF/MHTIA						
Other						
TOTAL	46.7	36.7	36.7	36.7	36.7	36.7

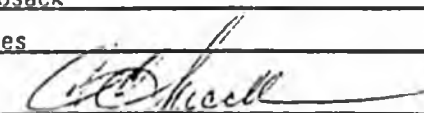
Estimate of current year (FY 94) impact: \$ _____

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

200 Titles per year @ \$50.00 \$10,000 (please see attached)

Prepared By: Charles R. Hosack Phone: 269-5559
Division: Motor Vehicles Date: 2/1/94
Approved by Commissioner:  Date: 2/4/94
Agency: Richard L. Burton, Dept. of Public Safety

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COMMITTEE COPY

Budget Section
File # 1000
LEGISLATIVE COUNCIL

This bill requires the Division of Motor Vehicles to issue titles to all mobile home owners. For the purposes of this fiscal note analysis, the mobile home industry in Alaska has advised they sell approximately 1,500 mobile homes a year and another 1,000 homes are sold by individual owners. This would require the division to title approximately 2,500 mobile homes yearly.

Based on this information, three full-time Motor Vehicle Representative II's would be required. Since this bill requires owners to title the mobile homes, one of the positions would be used to do the research on all of the older mobile homes. Research is very labor intensive since the titles will not stay on the computer system if there has been no activity for several years. The periodic purging of records is done to reduce computer storage costs. Since mobile homes were not required to be registered there is usually no activity on the record after the initial title issuance. The other two positions would be used to issue mobile home titles. It is anticipated these positions would be located in Anchorage since the majority of the mobile home sales occur in that area of the state.

COST SUMMARY

Personnel

3 PFT Motor Vehicle Representative II's (range 9) 110.0

Equipment

3 Computer workstations @10.0 each 30.0

TOTAL 140.0

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO: CSHB 358(STA)

Revision Date: 03/29/94 Dept. Affected: Public Safety
 Title: An Act relating to a certificate of title BRU: Motor Vehicles
for a mobile home. Component: Field Services
 Sponsor: Representative Porter
 Requestor: H.JUD COMPONENT SERIAL NO. 502

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

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	110.0	110.0	110.0	110.0	110.0	110.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT	30.0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	140.0	110.0	110.0	110.0	110.0	110.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (1005) <small>Revenue Code</small>	250.0	250.0	250.0	250.0	250.0	250.0

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	140.0	110.0	110.0	110.0	110.0	110.0
1006 GF/MHTIA						
Other						
TOTAL	140.0	110.0	110.0	110.0	110.0	110.0

Estimate of current year (FY 94) impact: \$ _____

POSITIONS:

FULL-TIME	3	3	3	3	3	3
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)
 2,500 titles per year @ \$100.00 250.0 in Revenue Please see attached

Prepared By: Juanita M. Hensley Phone: 465-2650
 Division: Motor Vehicles Date: 03/29/94
 Approved by Commissioner: _____ Date: 03/29/94
 Agency: Richard L. Burton, Dept. of Public Safety

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MHW
3/27/94

This bill requires the Division of Motor Vehicles to issue titles to all mobile home owners. For the purposes of this fiscal note analysis, the mobile home industry in Alaska has advised they sell approximately 1,500 mobile homes a year and another 1,000 homes are sold by individual owners. This would require the division to title approximately 2,500 mobile homes yearly.

Based on this information, three full-time Motor Vehicle Representative II's would be required. Since this bill requires owners to title the mobile homes, one of the positions would be used to do the research on all of the older mobile homes. Research is very labor intensive since the titles will not stay on the computer system if there has been no activity for several years. The periodic purging of records is done to reduce computer storage costs. Since mobile homes were not required to be registered there is usually no activity on the record after the initial title issuance. The other two positions would be used to issue mobile home titles. It is anticipated these position would be located in Anchorage since the majority of the mobile home sales occur in that area of the state.

COST SUMMARY

Personnel

3 PFT Motor Vehicle Representative II's (range 9) 110.0

Equipment

3 Computer workstations @10.0 each 30.0

TOTAL 140.0

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO: HB 358

Revision Date: _____ Dept. Affected: Public Safety
 Title: "An Act allowing a mobile home owner to request a certificate of title." 3RU: Motor Vehicles
 Sponsor: Representative Porter Component: Field Services
 Requestor: H. STA COMPONENT SERIAL NO. 502

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

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL						
CHANGE IN REVENUES (1004)	10.0	10.0	10.0	10.0	10.0	10.0

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL						

Estimate of current year (FY 94) impact: \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)
 200 titles per year @ \$50.00 \$10.0

Prepared By: Charles B. Hosack Phone: 269-5559
 Division: Motor Vehicles Date: 1/19/94
 Approved by Commissioner: [Signature] Date: 1/20/94
 Agency: Richard L. Burton, Dept. of Public Safety

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO: SSHB 358

Revision Date: 03/02/94 Dept. Affected: Public Safety
 Title: An Act relating to a certificate of title BRU: Motor Vehicles
for a mobile home. Component: Field Services
 Sponsor: Representative Porter
 Requestor: H.STA COMPONENT SERIAL NO. 502

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

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	110.0	110.0	110.0	110.0	110.0	110.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT	30.0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	140.0	110.0	110.0	110.0	110.0	110.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (1006)	250.0	250.0	250.0	250.0	250.0	250.0
<small>Revenue Code</small>						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	140.0	110.0	110.0	110.0	110.0	110.0
1006 GF/MHTIA						
Other						
TOTAL	140.0	110.0	110.0	110.0	110.0	110.0

Estimate of current year (FY 94) impact: \$ _____

POSITIONS:

FULL-TIME	3	3	3	3	3	3
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

2,500 titles per year @ \$100.00 250.0 in Revenue Please see attached

Prepared By: Juanita M. Hensley Phone: 465-2650
 Division: Motor Vehicles Date: 03/02/94

PHB
3/2/94

Department of Public Safety
Fiscal Note Analysis
SSHB 358
Page 2 of 2

This bill requires the Division of Motor Vehicles to issue titles to all mobile home owners. For the purposes of this fiscal note analysis, the mobile home industry in Alaska has advised they sell approximately 1,500 mobile homes a year and another 1,000 homes are sold by individual owners. This would require the division to title approximately 2,500 mobile homes yearly.

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COST SUMMARY

Personnel

3 PFT Motor Vehicle Representative II's (range 9)	110.0
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Equipment

3 Computer workstations @10.0 each	30.0
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TOTAL	140.0
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01/13/1994 11:52:05 =====

01/13/94 Position Information Inquiry/Update 11:52:29

Position: 12-125305	Project: 0	Salary Costs: 24,288.00
Component: 12-55-07-07-01-03		Benefits Costs: 12,365.66
Scenario: 2 FY: 95	COLA %= 0.00	Total Costs: 36,653.66

 Actuals from Payroll (Status: FILLED) ° Retirement Code: A

A ° Step: B for 12.0 months & Step: C for 0.0 months (total: 12.00)
 94/03/16 ° Merit Date; use merit defaults? N (8.5 @ B & 3.5 @ C)
 1 ° Class/Sched Prefix: 1 Schedule: 1A (actual: 1A)
 GG ° Bargaining Unit: GG Range: 09 (actual: 08)
 EBA ° Location Code: EBA Place: ANCHORAGE
 P7549 ? ° Job Class Code: P7550 Title: MOTOR VEHICLE REP II
 F ° Seasonal Indic.: F Type: FACL - FULL TIME / OMB AUTH

Optional Override Salary Rates:

Monthly Rate: 0.00 for 0.0 months & rate of 0.00 for 0.0 months
 Hourly Rate: 0.00 for 0.0 months Frozen at this rate? (Y/N): N

Press ENTER to update record; enter # or use PF key to go to another screen:
 1=Premium pay info 2=Funding info 4=Code Translations 6=Calculations
 8=Detail Report 12=Exit w/o update Selection: 0

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO: CSHB 358(STA)

Revision Date: 03/29/94 Dept. Affected: Public Safety
 Title: All Act relating to a certificate of title BRU: Motor Vehicles
for a mobile home. Component: Field Services
 Sponsor: Representative Porter
 Requestor: H.JUD COMPONENT SERIAL NO. 502

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

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	110.0	110.0	110.0	110.0	110.0	110.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT	30.0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	140.0	110.0	110.0	110.0	110.0	110.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (1005)	250.0	250.0	250.0	250.0	250.0	250.0
<small>Revenue Code</small>						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	140.0	110.0	110.0	110.0	110.0	110.0
1006 GF/MHTIA						
Other						
TOTAL	140.0	110.0	110.0	110.0	110.0	110.0

Estimate of current year (FY 94) impact: \$ _____

POSITIONS:

FULL-TIME	3	3	3	3	3	3
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

2,500 titles per year @ \$100.00 250.0 in Revenue Please see attached

Prepared By: Juanita M. Hensley Phone: 465-2650
 Division: Motor Vehicles Date: 03/29/94
 Approved by Commissioner: _____ Date: 03/29/94
 Agency: Richard L. Burton, Dept. of Public Safety

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

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Handwritten:
3/27/94

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COST SUMMARY

Personnel

3 PFT Motor Vehicle Representative II's (range 9)	110.0
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Equipment

3 Computer workstations @10.0 each	30.0
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TOTAL	140.0
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8-LS1265VA
Ford
9/20/93

Received
SEP 22 1993
H. BRIAN PORTER

SENATE BILL NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY SENATOR KELLY

Introduced:
Referred:

A BILL
FOR AN ACT ENTITLED

1 "An Act allowing a mobile home owner to request a certificate of title from the
2 Department of Public Safety."

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

4 * Section 1. AS 28.10.201(b) is amended to read:

5 (b) The owner of a vehicle described in AS 28.10.011 as being exempt from
6 registration and the owner of a snowmobile or off-highway vehicle may not apply for,
7 nor may the department issue, a certificate of title for such a vehicle. However, the
8 department

9 (1) may issue a certificate of title to the owner of a vehicle exempt
10 from registration under AS 28.10.011(3), (6), (7), or (11) only upon application by that
11 owner; and

12 (2) shall issue a certificate of title to the owner of a mobile home
13 upon application and payment of a fee of \$50 by the owner.

14 * Sec. 2. AS 28.10.661 is amended to read:

1 Sec. 28.10.661. DEFINITIONS [DEFINITION OF DEALER]. In [UNLESS
2 OTHERWISE SPECIFICALLY DEFINED OR UNLESS THE CONTEXT
3 OTHERWISE REQUIRES, IN] this chapter and in regulations adopted under this
4 chapter, unless the context requires otherwise,

5 (1) "dealer" means a person engaged in the business of buying, selling,
6 or exchanging vehicles of a type required to be registered under this chapter and who
7 maintains a place of business or by word of mouth, advertising, or in any other manner
8 represents to be in the business of buying, selling, or exchanging vehicles;

9 (2) "vehicle" includes mobile homes for the purposes of provisions
10 relating to certificates of title.

8-LS1323E
Ford
2/2/94

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 358
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES PORTER, Mulder

Introduced:

Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act allowing a mobile home owner to request a certificate of title from the
2 Department of Public Safety."

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

4 * Section 1. AS 28.10.201(b) is amended to read:

5 (b) The owner of a vehicle described in AS 28.10.011 as being exempt from
6 registration and the owner of a snowmobile or off-highway vehicle may not apply for,
7 nor may the department issue, a certificate of title for such a vehicle. However, the
8 department

9 (1) may issue a certificate of title to the owner of a vehicle exempt
10 from registration under AS 28.10.011(3), (6), (7), or (11) only upon application by that
11 owner; and

12 (2) shall issue a certificate of title to the owner of a mobile home
13 upon application and payment of a fee of \$50 by the owner; a certificate of title
14 issued under this paragraph must comply with AS 28.10.231.

1 * Sec. 2. AS 28.10.651 is amended to read:

2 Sec. 28.10.661. DEFINITIONS [DEFINITION OF DEALER]. In [UNLESS
3 OTHERWISE SPECIFICALLY DEFINED OR UNLESS THE CONTEXT
4 OTHERWISE REQUIRES, IN] this chapter and in regulations adopted under this
5 chapter, unless the context requires otherwise,

6 (1) "dealer" means a person engaged in the business of buying, selling,
7 or exchanging vehicles of a type required to be registered under this chapter and who
8 maintains a place of business or by word of mouth, advertising, or in any other manner
9 represents to be in the business of buying, selling, or exchanging vehicles;

10 (2) "vehicle" includes mobile homes for the purposes of provisions
11 relating to certificates of title.

§ 28.10.216

or issuance of title
furnish additional
ownership, includ-
surety bond. (§ 7

§ 7 ch 178 SLA

ership. (a) When
ip of a vehicle or
nterests in it, the
ther
ntil the applicant
rtment
icant, and
sts in the vehicle;

suance of a certifi-
nent and executed

is section must be
e of the vehicle as
indemnify former
of the vehicle and
in or undisclosed
injured party may
the liability of the
unt of the bond or

the end of three
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tends the periods
nal decision in the
SLA 1979)

§ 28.10.220

MOTOR VEHICLES

§ 28.10.231

Sec. 28.10.220. Farm vehicles. [Repealed, § 7 ch 178 SLA 1978.]

Sec. 28.10.221. Refusal, suspension, and revocation of title.

(a) The department may refuse to issue a certificate of title and may suspend or revoke a previously issued certificate of title when

(1) the certificate of title was fraudulently procured or erroneously issued or required information or fees have not been provided;

(2) the vehicle has been scrapped, dismantled, or destroyed beyond repair;

(3) the vehicle has been reported to the department as stolen or unlawfully converted, until the department learns of the recovery of the vehicle or that the report of its theft or conversion was false or erroneous; or

(4) authorized by any other provision of law.

(b) Suspension or revocation of a certificate of title under (a) of this section does not affect the rights of a lienholder named on the certificate.

(c) A certificate of title that is suspended or revoked shall be returned immediately to the department by the owner or other person lawfully entitled to possession of the certificate of title. (§ 7 ch 178 SLA 1978)

Sec. 28.10.230. Sunday school buses. [Repealed, § 7 ch 178 SLA 1978.]

Sec. 28.10.231. Certificate of title contents. (a) A certificate of title issued by the department must contain

(1) the date issued;

(2) the name and residence and mailing address of the owner;

(3) the name and address of the primary lienholder, if any;

(4) a description of the vehicle including its make, year of manufacture, identification number; and

(5) other information the department may reasonably require.

(b) The certificate of title must contain a space for the assignment and warranty of title by the owner or dealer selling the vehicle and a space for the assignment or release of the security interest of a lienholder, and may contain forms for application for title by a transferee, and for the naming of a primary lienholder.

(c) The department may not indicate on a certificate of title more than the primary lienholder and the primary registered owner when indicating lienholders and registered owners. (§ 7 ch 178 SLA 1978)