

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 8672

11379 SENATE TRANSPORTATION (



Mr. James E. Hofferberth &  
Dr. Marita M. King  
3074 Trentwood Road  
Columbus, Ohio 43221

October 9, 2002

Dear Paula and Vigo,

We just wanted to send you a note thanking you for your hospitality during our visit to Alaska. Our trip to Denali was a highlight of our six week excursion.

Alaska is a beautiful state. We consider it to be one of the must see areas around the world.

We want to call to your attention, however, an unfortunate situation that exists along the Alaska Highway (Rt. 2) between the Canadian border and Tok, and extending down the Tok Cutoff (Rt. 1) to Gilenallen. Virtually all of the state facilities in this area are closed, and there are no toilets or trash holders at other pull-off sites along the roads. The result is a proliferation of trash and human excrement along the highway.

In addition, one encounters many important road signs destroyed beyond usefulness apparently by gunfire, and private properties lining the road strewn with what can only be described as junk.

Crossing the border from Canada into Alaska is a shock that does a great disservice to your beautiful state. This situation, which we observed at the height of the tourist season, is a palpable discouragement for visitors. Marita and I feel that if we had not had the incentive to meet with you in Anchorage, we would likely have turned around and returned to Canada where visitors are made to feel very welcome, and public facilities are readily available, well equipped and tidy.

We hope you will call this to the attention of your state authorities. Alaska is a beautiful state, and I want to be proud of it as part of the great United States of America. At present, however, that image is stained by the situation described above.

Thanks again for your warm hospitality.

Sincerely,

Jim & Marita

**Comparison of Minimum TE Expenditures Required Under Federal Law,  
and Total Level of TRAAK Project Funding  
1998 – 2003**

**Transportation Enhancements versus the TRAAK Program**

The table below is a comparison between the Actual Transportation Enhancement Set-aside required in Federal law versus the TRAAK Program from the State Transportation Improvement Program (STIP). This does not include separated bike paths or waysides that were included in projects in the National Highway System program, Alaska Highway System or Community Transportation Program.

	TE Apportionment	TE+Match	TRAAK Program	
1998	4,772,972	5,303,302	17,283,000	Original 1998-2000 STIP
1999	5,928,128	6,586,809	25,982,300	1998-2000 STIP Amendment # 11
2000	6,777,172	7,530,191	28,444,000	1998-2000 STIP amendment #23
2001	7,383,072	8,203,413	27,975,000	Original 2001-2003 STIP
2002	7,586,952	8,429,947	28,397,100	2001-2003 STIP Amendment #6
2003	6,490,029	7,211,143	22,096,200	2001-2003 STIP FINAL Amendment #17*
		43,264,806	150,177,600	

\*2003 TRAAK Program was reduced approximately \$9 Million in January, 2003 per a Best Interest Finding from Acting Commissioner Barton. This funding was added to the CTP program.

**Comparison of the Anchorage Metropolitan Area Transportation Solutions (AMATS)  
Enhancements Allocation at 10% and 15%**

	<b>Total AMATS Allocation</b>	<b>Actual</b>	<b>15%</b>	<b>10%</b>
2000	\$35,700	\$5,450	\$5,355	\$3,570
2001	\$38,350	\$6,375	\$5,828	\$3,885
2002	\$35,900	\$5,200	\$5,385	\$3,590
2003	\$42,850	\$9,015	\$6,428	\$4,285
<b>Average</b>		<b>\$6,498</b>	<b>\$5,749</b>	<b>\$3,833</b>
2004	\$56,270	\$8,752	\$2,814	\$5,627
2005	\$57,251		\$9,090	\$5,725
2006	\$59,276		\$8,305	\$5,927
<b>Average</b>			<b>\$6,736</b>	<b>\$5,760</b>



# Alaska State Legislature

Please enter into the record my testimony to the SENATE TRANSPORTATION  
Committee name

Committee on SR 71, dated 2-27-03  
Bill/Subject

*2 PAGES*

Signed:

\_\_\_\_\_

Testifier

\_\_\_\_\_

Representing (Optional)

\_\_\_\_\_

Address

\_\_\_\_\_

Phone number

DANA L. OLSON  
HC-30 BOX 5438  
WASILLA, AK 99654

SB 71 (Senate transportation) Feb 27, 2002.

I believe the objectivity of AS 19.05.125 purpose is in conflict with SB 71. AS 19.05.125 "A common defense to United States"

I raise the issue of sufficiency of the term municipality to tax in order to address homeland security, and thus "A common defense to United States".

The word transportation enhancement project has no definition under this chapter and is too vague and overbreath. Please define specifically this term.

I expect that means to address homeland security under National Security can not be ~~not~~ abridged by AK Legislature.

Sincerely  
Dana L. Olson



## Senate Bill 71 Transportation Enhancement Projects

810 N St, Ste 203, Anchorage Alaska 99501 / Ph. 907.258.6171 / Fax 907.258.6177  
PO Box 22151, Juneau Alaska 99802 / Ph. 907.463.3366 / Fax 907.463.3312 / [www.aevoters.org](http://www.aevoters.org)

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To: Senators  
From: Matt Davidson, Alaska Conservation Voters  
Date: March 12, 2003

The development and maintenance of public trails, sidewalks, community boardwalks, and tourism enhancements are vital for a balanced transportation system in Alaska. SB 71, a thinly veiled attempt to block the extension of the Coastal Trail in Anchorage, will directly impact funding of badly needed projects serving pedestrians, snowmachiners, dogmushers, bicyclists, and tourism businesses across the state. We ask that you vote against SB 71.

SB 71 cuts funding for the Trails and Recreation Access for Alaska (TRAAK) program and limits the ability of the municipalities of Anchorage and Fairbanks to make their own choices about the level of federal money they put towards transportation enhancements.

It is inappropriate and unnecessary for the Legislature to dictate how local governments can spend their share of federal transportation dollars.

While the TRAAK program will remain above the federal minimum required of Transportation Enhancement funding after the SB 71 cut, this is merely the *federal minimum*. Alaska's rural communities depend on trails and boardwalks funded by the TRAAK program for basic transportation. Alaska's special circumstances make it totally appropriate for the state to commit more than the required minimum to transportation enhancements. Under SB 71, vital projects will be forced to compete for a shrinking slice of the money available for non-traditional transportation projects.

The TRAAK cut also hurts programs funded by Transportation Enhancement monies. The SAFEKIDS program, partially funded by TRAAK money, provides helmets at a low cost and educates children and adults on safe snowmobile practices on the Kenai Peninsula.

The balanced development of Alaska's transportation system requires the balanced allocation of the state's Federal transportation dollars. We urge you to protect local government decision-making and maintain an adequate level of federal dollars for Transportation Enhancement projects in Alaska. Please vote against Senate Bill 71.

Thank you

Matt Davidson, Conservation Advocate

Alaska Conservation Voters is a nonprofit organization dedicated to protecting Alaska's environment through public education and advocacy. Our 34 member organizations represent over 35,000 Alaskans.

Alaskans building a better future.

## Projects Supported by TRAAK Money

Diverse and necessary projects like these will suffer under the proposed SB 71 cuts.

### **Development and maintenance of trails for alternative methods of transportation:**

- Contract trail grooming of existing winter loop trails south of the Kenai River and east of the Sterling Highway. Brush trails as needed.
- Reroute and construct snowmobile trails in Hatcher Pass.
- Construct a storage building for trail grooming equipment, and brush and maintain trails for year-round use for the existing 28 mile trail system maintained by the Alaska Dog Musers' Association north of Fairbanks.
- Vacate and realign a portion of the Iditarod Trail in the Mat-Su Borough.
- Repair an existing 80-foot long bridge across the Little Chena River to provide a safe crossing for the Chena Hot Springs Winter Trail. Principle beneficiaries are snowmobilers and dog mushers.

### **Sidewalks, boardwalks and trails for pedestrians and bicyclists:**

- Construct pedestrian facilities in downtown Ketchikan.
- Construct three bridges for creek crossings in the Homer Area.
- Develop a year-round multiple use trails system at the abandoned dump site in Circle.
- Improve trails for subsistence and wood gathering near Fort Yukon.

### **Enhancing Alaska as an International Tourist Destination:**

- Wrangell Petroglyphs Wayside in Wrangell.
- Construct numerous enhancements to the Seward Highway Scenic Corridor.
- Castle Hill Scenic Overlook in Sitka.
- Lake Aleknagik Wayside in Southwestern Alaska.
- Matanuska Glacier Overlook on the Glenn Highway.

### **Promotion of public safety:**

- Avalanche safety education workshops.
- Trail etiquette and safety education in the Fairbanks Northstar Borough.
- Develop and install information kiosks and safety brochures in the Lower Susitna Drainage trail.
- Develop interpretive aids for the Lowenfels Nature Trail in Anchorage.

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# ALASKA STATE LEGISLATURE



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## Senator Gary Stevens

### Memorandum

Date: February 27, 2003

To: Senator John Cowdery  
Chair, Senate Transportation Committee

Fr: Senator Gary Stevens

Re: SB 83

I respectfully request a committee hearing on SB 83, "An Act naming the Sven Haakanson Sr. Airport at Old Harbor" at your earliest convenience.

Thank you.

Best regards,

A handwritten signature in black ink, appearing to read "Gary Stevens", with a long horizontal line extending to the right.

Senator Gary Stevens

# ALASKA STATE LEGISLATURE



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## Senator Gary Stevens

### SPONSOR STATEMENT-SB 83

SB 83, "An Act naming the Sven Haakanson, Sr. Airport at Old Harbor." will name the state airport in the City of Old Harbor in memory of Sven Haakanson, Sr., who passed away on November 23, 2002.

A lifelong resident of Old Harbor, and community mayor for 27 years, Sven Haakason was well known in Alaska. Sven also played a vital role in establishing corporations and associations that have become a familiar and important part of Alaska's corporate and nonprofit world. He was one of the founders of the Kodiak Area Native Association (KANA), Koniag Inc., and served on the boards of several corporations and organizations on Kodiak Island. In 2002, Sven was named the Elder of the Year by the Koniag Native Corporation.

Senate Bill 83, which is supported by the people of Old Harbor, will recognize a man who gave so much of his time and energy to the community. Passage of this bill will ensure that Sven Haakanson Sr.'s memory will live on for generations to come. I urge your support.

Copy of a citation passed earlier this session

In Memoriam

Sven Haakanson Sr.

The members of the Twenty-third Alaska State Legislature join the family and friends of Sven Haakanson Sr. in honoring his life, and mourning his passing on November 23, 2002.

A lifelong resident of Old Harbor, Sven Haakanson is remembered fondly as a leader, organizer, dedicated family man, and a devout member of the Three Saints Orthodox Church. Among his many contributions to his community were 27 years of service as Old Harbor's mayor, the longest mayoral in Alaska history. In 2002, Sven was named the Elder of the Year by the Koniag Native Corporation.

Sven also played a vital role in establishing corporations and associations that have become a familiar and important part of Alaska's corporate and nonprofit world. He was one of the founders of the Kodiak Area Native Association (KANA), Koniag, and served on the boards of several corporations and organizations on Kodiak Island.

Sven Haakanson's fame extended well beyond Kodiak Island. He is known in Washington, DC, Denmark, Norway, New York City, and many other parts of the United States by politicians, business magnates, film directors and entertainers. He appeared in a National Geographic television documentary and in a Finnish film about the Natives of Alaska.

Despite his renown, Sven treated everyone with respect and kindness, seeing the dignity in all people. He was especially watchful for children in need and he loved to pass along stories shared by elders in the village.

The members of the Twenty-third Alaska State Legislature would like to extend their condolences to the family members of the Haakanson family. Sven Haakanson Sr. is survived by his wife of 41 years, Mary, daughters and their families, Phyllis and Glen Clough of Old Harbor, Leona and Kyle Crow of Kodiak, LaVerne and Tom Hutto of North Pole, Wanda and Gary Price of Old Harbor, Beverly Haakanson and Noah Lake of Kodiak; son and daughter-in-law Sven Jr. and Balika Haakanson of Kodiak, son Allen Christiansen of Old Harbor, numerous brothers, sisters, grandchildren, and nieces and nephews.

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SB83  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DOT&PF  
 Title An Act naming the Sven Haakanson, Sr. BRU Highways & Aviation  
Airport at Old Harbor Component Central Region Highways & Aviation  
 Sponsor G Stevens  
 Requester STRA Component No. 564

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

Prepared by: Dennis R. Poshard Phone 465-3900  
 Division Special Assistant to Commissioner Date/Time 3/4/03 9:39 AM  
 Approved by: Commissioner Mike Barton Date 3/4/2003  
 Agency Alaska Department of Transportation and Public Facilities

# ALASKA STATE LEGISLATURE



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## Senator Gary Stevens

### SPONSOR STATEMENT-SB 83

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## SB No. 98

### Problem-

Section (b)(1)(B) of proposed AS 09.65.112 states:

"(b) This section does not apply to a civil action  
(1) for damages resulting from  
(B) an act or omission of an owner or operator of an aircraft or  
watercraft who is a common carrier."

This language is ambiguous when applied to a common carrier that engages in the operation of a watercraft or aircraft in common carriage as its business, but on the side, also operates an aircraft or boat not as a common carrier but rather for its business entertainment or own internal use.

### Solution-

This ambiguity could be fixed by amending the wording of (b)(1)(B) to read:

"(b) This section does not apply to a civil action  
(1) ~~(1)~~ for damages resulting from  
(B) an act or omission of an owner or operator during the operation  
[of] an aircraft or watercraft in common carriage. [who is a common  
carrier.]

The above modification would clear up the confusion about what happens when a common carrier in one area (air or water) has a boat or plane which is used recreationally and not for common carriage.

# Alaska State Legislature

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[Senator.Con.Bunde@legis.state.ak.us](mailto:Senator.Con.Bunde@legis.state.ak.us)

## SENATOR CON BUNDE

District P

VICE-CHAIR: SENATE FINANCE COMMITTEE  
CHAIR: SENATE LABOR & COMMERCE COMMITTEE  
MEMBER: LEGISLATIVE BUDGET & AUDIT COMMITTEE

## SPONSOR STATEMENT

### SB 98

### **“An Act relating to civil liability for guest passengers on an aircraft or watercraft; and providing for an effective date.”**

Thousands of Alaskans own private aircraft and/or watercraft and routinely share the enjoyment of these activities with friends, relatives, and neighbors. In doing so, those owners expose themselves to being sued if an accident occurs. SB 98 is the “Good Neighbor Bill.” It will clarify the responsibilities of airplane and boat owners and their guests when injuries are caused by the inherent risk of the activity, not by owner negligence.

Common law recognizes that certain activities carry inherent risks, and that participants take some responsibility for injuries they may sustain while participating in those activities. However, America is a litigious society, and people will sue -- often without consideration for the guest's responsibility for his or her own injury. SB 98 seeks to clarify in statute that people who accept an invitation to participate in a non-commercial recreational activity in a watercraft or aircraft also accept the inherent risks of such activity.

SB 98 does not absolve the owners of the aircraft or watercraft from maintaining and operating their equipment in a safe and prudent manner.

By discouraging frivolous lawsuits, SB 98 will also help keep a lid on the rising costs of insurance for airplane and boat owners. Due to inherent risks associated with these activities, rising insurance rates have forced many owners to forgo insurance on their expensive equipment.

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

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


State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

March 18, 2003

**SUBJECT:** Civil liability for plane/boat passengers (SB 98)

**TO:** Senator Con Bunde  
Attn: Karen

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

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

**Section 1.** Creates immunity from civil liability for negligence when an owner or operator of an aircraft or watercraft transports a passenger and does not receive compensation for the transportation. Provides that accidents resulting from gross negligence or reckless or intentional misconduct, involving a common carrier, or occurring during a sales demonstration are not immune. Also when the owner or operator has certain insurance coverage or fails to tell passengers that no insurance exists, immunity does not apply.

**Section 2.** Provides that the Act applies to accidents that occur after the effective date of the Act.

**Section 3.** Effective date.

MFF:lmb  
03-089.lmb

# ALASKA BOATING ASSOCIATION



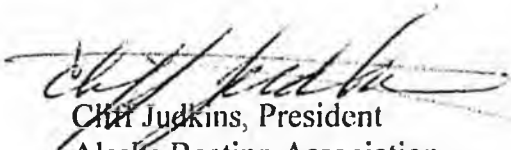
Senator Con Bunde  
State Capital  
Juneau Alaska 99801-1182

March 26, 2003

Re: Senate Bill 98

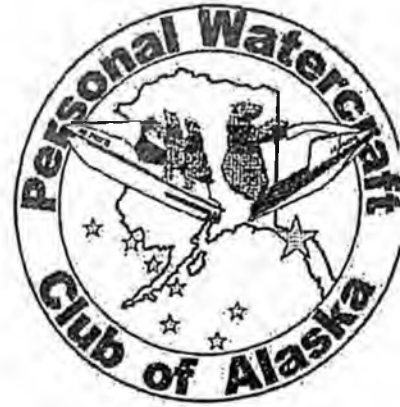
Dear Senator Bunde,

The Alaska Boating Association supports the passage of SB 98, "An act relating to civil liability for guest passengers on an aircraft or watercraft." The Alaska Boating Association is a statewide organization with a membership of more than 1200. The association is an organization dedicated to the enhancement and preservation of the boating experience in Alaskan waters. Our organization represents the boating public on all issues concerning boating activities. As a past member of the Governors Boating Safety Advisory Council I personally reviewed statistics depicting boating accidents and related personal injury. Alaskans are involved in a high rate of boating accidents with personal injury and death to both operators and passengers- one of the results is high insurance rates. Insurance rates for the group of boaters that I fall into has more than doubled in the past three years. My insurance has gone from \$825.00 three years ago to over \$1,600.00 for the coming season. Other boaters have experienced similar rate increases. Some folks have actually made the decision not to purchase a boat, or to sell the one they have due to high insurance rates. Passage of SB98 would surely help to buffer future rate increases. Again the Alaska Boating Association is a strong supporter of SB98 and we commend you for the time that you have spent drafting and introducing this legislation.

  
Cliff Judkins, President  
Alaska Boating Association

Cliff Judkins - President • P.O. Box 874124 • Wasilla, Alaska 99687  
(907) 373-3591 • Fax 373-3592 • E-Mail: [cjudkins@customcpu.com](mailto:cjudkins@customcpu.com)

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March 24, 2003

Senator Con Bunde  
State Capitol  
Juneau, AK 99801-1182

Re: SB 98, "An Act relating to civil liability for guest passengers on an aircraft or watercraft; and providing for an effective date."

Dear Senator Bunde,

On behalf of the Personal Watercraft Club of Alaska (PWCA), I would like to express our support for SB 98.

This legislation provides a much needed limit of civil liability for boaters. Currently, Alaskan boat owners have two jobs when they take the helm, not only to navigate safely through waters, but also to avoid the treacherous crags of a litigious society.

The cost of not passing SB 98 can be measured in terms of lost opportunities for recreation and enjoyment. Key to this is a boat owner's legitimate fear of potentially losing one's life savings in a world rife with frivolous lawsuits and unspecified civil damages. This legislation will relieve an unnecessary and unfair burden on recreational boaters while protecting passengers from negligent acts.

It seems obvious that boat owners should be able to take their friends fishing or sightseeing without the fear of an expensive lawsuit should their trip end in misfortune. Similarly, non-commercial passengers should not have their choice to ride in a boat made by a legal system more concerned with contingency awards than with personal freedoms.

Our club promotes the sport of watercraft riding, education, and boating safety. Several of our members belong to the Coast Guard Auxiliary. Annually, we contribute our time and equipment to help Alaskans with disabilities at the Challenge Alaska Summer Splash. We are staunch supporters of boating rights and are a member club of the Alaska Outdoor Council, the Alaska State Boaters Association, and ABATE. Because of our interest in recreational boating, the PWCA is particularly interested in the success of your legislation.

Almost all of our club members ride 2-4 seat watercraft and take passengers. We have traveled from Whittier to Valdez and from Anchorage to Kenai on PWC. Modern PWC are quiet transportation, leave little wake, and burn a fraction of the fuel of many boats. These clean burning machines meet the rigid 2006 EPA standards. Light, durable, and stable, they very well may prove to be the snow

PWCA


SENATOR CON BUNDE  
SENATE BILL 98

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machine of the water for many communities. They are a fun and exciting way to experience the Alaskan outdoors.

I am available to discuss this legislation with you or your staff and may be reached directly at 258-2420 (wk) or at davealaska@aol.com. Please let me know how we can assist you in reaching your vision for Alaska.

Sincerely,



David Ausman  
PWCA President

**Personal Watercraft Club of Alaska (PWCA)**  
P.O. Box 112984  
Anchorage, AK 99511-2984  
website: [www.pwcalaska.org](http://www.pwcalaska.org)  
email: [akpwrdr@aol.com](mailto:akpwrdr@aol.com)  
phn: 907-345-6723

cc:

Cliff Judkins, Alaska State Boater Association



*Ed & Inge Crane*

*5260 Lupin Place  
Anchorage, AK 99507*

Senator Con Bunde  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801-1182

March 18, 2003

Dear Senator Bunde,

Thank you for introducing SB 98. While I am not sufficiently knowledgeable to address the commercial aspects of the legislation, I would like to express wholehearted support for the potential effects on private aircraft owners and operators.

I am an instrument-rated private (i.e., non-commercial) pilot who owns a modest small airplane. I fly that airplane strictly for pleasure, under favorable conditions only, and I operate only from improved airports. I have some 1,400+ hours of flying experience, with no record of accidents, incidents, emergencies, regulatory violations, or insurance claims.

Despite the foregoing, it has for several years been increasingly difficult (as I believe it has been for most Alaska pilots) to obtain and/or afford adequate liability insurance. Because of my history, my carrier has "grandfathered" my personal injury liability coverage at a level which it no longer makes available in Alaska generally. Nevertheless, I no longer carry passengers other than my spouse. Within the context of today's society and the influence of personal injury lawyers, the risks of exposure for myself, my family, and my estate are more than I can rationally tolerate. On the other hand, I would have no problem assuming the totally controllable risks of "gross negligence or reckless or intentional misconduct" which would result in liability under SB 98.

So no longer can I share with friends, neighbors, or visitors the awesomeness and beauty of SouthCentral Alaska which can be reasonably and safely accessed by a simple and inexpensive flight. No longer can I experience the pleasure of implementing a youngster's "first flight", or of using my aircraft to pique a teenager's interest in an aviation career. If passed, SB 98 would make these things once again possible - not only for me, but for countless thousands of Alaskans and visitors!

Very truly yours,



**From:** Dr. Frost  
**To:** senator.con.bunde.@legis.state.ak.us  
**Cc:** (left blank for privacy purposes)  
**Sent:** Monday, March 17, 2003 6:19 PM  
**Subject:** Senate Bill 98

Dear Senator Bunde,

I have reviewed Senate Bill 98 and would like to express my strong support for it. As you know I own and fly my own piper cub here in Alaska. I have never flown commercially. I have always been concerned with my family's potential liability if I were to be involved in a serious aircraft accident and to have any passengers injured.

Clearly since I do all of my own flying I never place a passenger in a situation which I am personally not comfortable for myself. However as you know there are times when weather changes unexpectedly or other circumstances may create a hazardous situation. Since the passengers are enjoying the benefits of the flight for no cost they should be expected to shoulder some of the responsibility as well.

I will be out of town for the next week. I can not personally speak for the Alaska Bowhunters Association and Alaska Chapter of SCI but I would suspect that they would support the bill as well. By sending them a copy of this I will solicit their opinions.

Sincerely,  
John D. Frost MD

**Subject:** Re: SB 98, Recreational Liability Bill  
**Date:** Mon, 03 Feb 2003 18:45:10 -0900  
**From:** "William G. Nelson"  
**To:** Con Bunde <Senator\_Con\_Bunde@Legis.state.ak.us>

I strongly support SB 98. As an owner of a small private aircraft, I do on occasion take visitors to our state for a "flight seeing" ride. They always indicate that it was the highlight of their trip. I would do so more often, but do not feel the need to shoulder the liability.

Certainly, visitors that see the real Alaska are less likely to be swayed by special interest groups supporting causes detrimental to the development of Alaska.

Thank you for your sponsorship of this bill.

William G. Nelson

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March 26, 2003

Senator Con Bunde  
State Capitol  
Juneau, AK 99801-1182

Dear Senator Bunde,

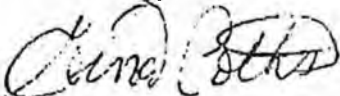
I am writing in support of Senate Bill 98, "an act relating to civil liability for guest passengers on an aircraft or watercraft; and providing for an effective date".

As a responsible watercraft and boat owner I feel this is important legislation to provide a limit on civil liability for boaters (and aircraft owners). We live in a litigious society and it seems everyone wants to lay fault or blame on the other person and make them pay. This legislation will allow boat owners and aircraft owners a little more peace of mind when taking passengers on board for pleasure rides.

Thank you for writing a bill that promotes safety in recreational activities. I am a member of the Personal Watercraft Club of Alaska (PWCA) as well as Alaska Boating Association. I know the PWCA has given their support to this bill and I'm sure they have contacted the Boating Association and asked them to contact you with their support as well.

If there is anything else I can do to help promote and support this bill please do not hesitate to contact me. I can be reached at 345-6723 or email at [akpwcrdr@acsalaska.net](mailto:akpwcrdr@acsalaska.net).

Sincerely,



Gina Poths  
11600 Trails End Rd.  
Anchorage, AK 99507

March 26, 2003

Senator Bunde

REF: SB98 Recreational Liability

Senator Bunde, although I am writing this letter on my behalf to express support for SB 98 "Good Neighbor Bill" I am also President of the Alaskan Bowhunters Association one of the largest outdoor organizations in the state and I have asked that the entire executive board and general membership across the state show their support.

I moved to Alaska 29 years ago so that I may be involved in the out of doors in the most beautiful state in the union. I have always owned boats for recreation since moving to Alaska and have been fortunate to travel around the state with friends of mine that own small fixed wing planes.

I have discovered as has many of my friends that one of the greatest joys of living in Alaska is the ability to share the experience of the outdoors with friends in Alaska that may not have the ability or friends and business acquaintances from lower forty-eight. A concern that I have always had is the possibility of leaving my family liable for something that may have not been in my control to prevent. There is always a risk of potential life threatening accidents with any journey in to the outdoors in Alaska that is part of the mystique of Alaska. If I am operating my boat or plane in a safe manor and an accident does occur I do not believe that my family should be liable for something that they had no part in.

This bill is long over due and I encourage the Senate to fully support this bill. There is no disadvantage to this bill other than leaving the door open for frivolous lawsuits. Thank you for your time and consideration into this matter.

Sincerely  
Phil Pringle  
10086 Explorer Cr.  
Anchorage AK. 99515  
907-344-8812

*Phillip H. Mabry, D.D.S.*

---

2601 BONIFACE PARKWAY ANCHORAGE, ALASKA 99504

(907) 337-9448 FAX (907) 337-4123

March 20, 2003

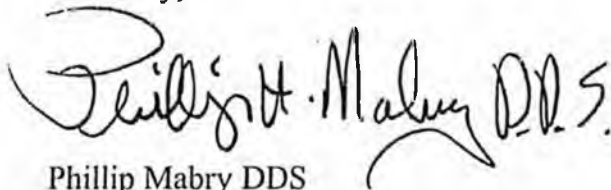
Senator Con Bunde  
716 W. Fourth Avenue  
Anchorage, Alaska 99501-2133

Dear Mr. Bunde,

I've just read your proposed S.B. 98. It's about time the legislature addressed this issue. You've done a remarkable job of covering all the bases. It protects the individual who is entertaining someone but doesn't eliminate the use of proper conduct and safety. Hopefully your fellow Senator's will agree and move this bill onward.

Thank you again for your good sense.

Sincerely,



Phillip Mabry DDS

**Greg Remaklus, D.M.D.**

*Practice Limited to Periodontics*

Suite 102

4200 Lake Otis Parkway

Anchorage, Alaska 99508

Office Phone (907) 561-1884

March 26, 2003

Senator Con Bunde  
State Capital  
Juneau, Alaska 99801-1182

Dear Senator Bunde:

Please accept my support and encouragement for Senate Bill 98. Existing liability concerns have for a long time discouraged me from transporting others and insurance is increasingly more difficult to afford. I hope your efforts can help change all that. Thank you.

Kindest personal regards,



Greg Remaklus, D.M.D.



March 20, 2003

Senator Con Bunde  
State Capitol  
Juneau, AK 99801-1182

Re: SB 98, "An Act relating to civil liability for guest passengers on an aircraft or watercraft; and providing for an effective date."

Dear Senator Bunde,

On behalf of the Personal Watercraft Club of Alaska (PWCA), I would like to express our support for SB 98.

This legislation provides a much needed limit of civil liability for boaters. Currently, Alaskan boat owners have two jobs when they take the helm, not only to navigate safely through waters but also to avoid the treacherous crags of a litigious society.

The cost of not passing SB 98 can be measured in terms of lost opportunities for recreation and enjoyment. Key to this is a boat owner's legitimate fear of potentially losing one's life savings in a world rife with frivolous lawsuits and unspecified civil damages. This legislation will relieve an unnecessary and unfair burden on recreational boaters while protecting passengers from negligent acts.

It seems obvious that boat owners should be able to take their friends fishing or sightseeing without the fear of an expensive lawsuit should their trip end in misfortune. Similarly, non-commercial passengers should not have their choice to ride in a boat made by a legal system more concerned with contingency awards than with personal freedoms.

Our club promotes the sport of watercraft riding, education, and boating safety. Several of our members belong to the Coast Guard Auxiliary. Annually, we contribute our time and equipment to help Alaskans with disabilities at the Challenge Alaska Summer Splash. We are staunch supporters of boating rights and are a member club of the Alaska Outdoor Council, the Alaska State Boaters Association, and ABATE. Because of our interest in recreational boating, the PWCA is particularly interested in the success of your legislation.

Almost all of our club members ride 2-4 seat watercraft and take passengers. We have traveled from Whittier to Valdez and from Anchorage to Kenai on PWC. Modern PWC are quiet transportation, leave little wake, and burn a fraction of the fuel of many boats. These clean burning machines meet the rigid 2006 EPA standards. Light, durable, and stable, they very well may prove to be the snow

machine of the water for many communities. They are a fun and exciting way to experience the Alaskan outdoors.

I am available to discuss this legislation with you or your staff. Please let me know how our club can assist you in reaching your vision for Alaska.



I know this is basically a copy of a letter you have received from our club president, but I share the same views.

Sincerely,

Thomas Byers  
Club member

cc:

Cliff Judkins, Alaska State Boater Association

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

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


State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

April 3, 2003

**SUBJECT:** Civil liability for plane/boat passengers (CSSB98( ))

**TO:** Senator Con Bunde  
Attn: Karen

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

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

**Section 1.** Provides that immunity under SB 98 is an exception to the liability imposed under AS 05.25.040, the Boating Safety Act.

**Section 2.** Creates immunity from civil liability for negligence when an owner or operator of an aircraft or watercraft transports a passenger and does not use the aircraft or watercraft for commercial purposes. Provides that accidents resulting from gross negligence or reckless or intentional misconduct, involving a common carrier, or occurring during a sales demonstration are not immune. Also when the owner or operator has certain insurance coverage or fails to tell passengers that no insurance exists, immunity does not apply.

**Section 3.** Amends a sunset provision of law to provide that immunity under SB 98 is an exception to the liability imposed under AS 05.25.040. This provision of law is a "sunset" provision that only takes effect if the events described in sec. 30, ch. 28, SLA 2000, occur. This section is necessary to avoid a conflict between AS 05.25.040 and SB 98, if the sunset provisions of the Boating Safety Act take effect.

**Section 4.** Provides that the Act applies to accidents that occur after the effective date of the Act.

**Section 5.** Provides that sec. 3 of SB 98 only takes effect if the sunset provisions of Sec. 9, Chapter 28, SLA 2000, take effect.

**Section 6.** Effective date for all sections of SB 98, except for sec. 2.

MFF:lmb  
03-132.lmb

# FISCAL NOTE

STATE OF ALASKA  
2003 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: SB 98  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Law  
Title "An Act relating to civil liability for guest BRU Civil Division  
passengers on an aircraft or watercraft; . . ." Component Special Litigation  
Sponsor Senator Bunde  
Requester Senate Transportation Committee Component No. 2213

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type-Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

Under this bill, owners or operators of an aircraft or watercraft would not be liable for civil damages of a guest passenger if the owner or operator is not being compensated for the transportation, except under certain specified circumstances.

This bill concerns civil actions between private parties, and will have no fiscal impact on the Department of Law.

Prepared by: Joan M. Kasson Phone (907) 465-5370  
Division Attorney General's Office Date/Time 4/7/03 2:24 PM  
Approved by: Kathryn Daughhetee for Gregg D. Renkes, Attorney General Date 4/7/2003  
Agency Department of Law



March 24, 2003

Senator Con Bunde  
State Capitol  
Juneau, AK 99801-1182

Re: SB 98, "An Act relating to civil liability for guest passengers on an aircraft or watercraft; and providing for an effective date."

Dear Senator Bunde,

On behalf of the Personal Watercraft Club of Alaska (PWCA), I would like to express our support for SB 98.

This legislation provides a much needed limit of civil liability for boaters. Currently, Alaskan boat owners have two jobs when they take the helm, not only to navigate safely through waters, but also to avoid the treacherous crags of a litigious society.

The cost of not passing SB 98 can be measured in terms of lost opportunities for recreation and enjoyment. Key to this is a boat owner's legitimate fear of potentially losing ones life savings in a world rife with frivolous lawsuits and unspecified civil damages. This legislation will relieve an unnecessary and unfair burden on recreational boaters while protecting passengers from negligent acts.

It seems obvious that boat owners should be able to take their friends fishing or sightseeing without the fear of an expensive lawsuit should their trip end in misfortune. Similarly, non-commercial passengers should not have their choice to ride in a boat made by a legal system more concerned with contingency awards than with personal freedoms.

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Almost all of our club members ride 2-4 seat watercraft and take passengers. We have traveled from Whittier to Valdez and from Anchorage to Kenai on PWC. Modern PWC are quiet transportation, leave little wake, and burn a fraction of the fuel of many boats. These clean burning machines meet the rigid 2006 EPA standards. Light, durable, and stable, they very well may prove to be the snow

PWCA

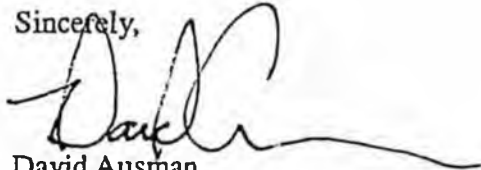
SENATOR CON BUNDE  
SENATE BILL 98

---

machine of the water for many communities. They are a fun and exciting way to experience the Alaskan outdoors.

I am available to discuss this legislation with you or your staff and may be reached directly at 258-2420 (wk) or at davealaska@aol.com. Please let me know how we can assist you in reaching your vision for Alaska.

Sincerely,



David Ausman  
PWCA President

**Personal Watercraft Club of Alaska (PWCA)**

**P.O. Box 112984**

**Anchorage, AK 99511-2984**

**website: [www.pwcalaska.org](http://www.pwcalaska.org)**

**email: [akpwerdr@aol.com](mailto:akpwerdr@aol.com)**

**phn: 907-345-6723**

cc:

Cliff Judkins, Alaska State Boater Association

23-LS0627\D  
Ford  
4/2/03

**CS FOR SENATE BILL NO. 98( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-THIRD LEGISLATURE - FIRST SESSION**

**BY**

**Offered:**  
**Referred:**

**Sponsor(s): SENATORS BUNDE, Wilken, Seekins, Cowdery, Ogan**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to civil liability for boat owners and to civil liability for guest  
2 passengers on an aircraft or watercraft; and providing for an effective date."

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

4 \* Section 1. AS 05.25.040 is amended to read:

5           **Sec. 05.25.040. Owner's civil liability. Except as provided under**  
6           **AS 09.65.112, the [THE] owner of a boat is liable for injury or damage caused by the**  
7           negligent operation of the owner's boat whether the negligence consists of a violation  
8           of a state statute or the failure to exercise ordinary care in the operation of the boat as  
9           the rules of the common law require. The owner is not liable, however, unless the  
10          boat is used with the owner's express or implied consent. It is presumed that the boat is  
11          being operated with the knowledge and consent of the owner if, at the time of the  
12          injury or damage, it is under the control of the owner's spouse, father, mother, brother,  
13          sister, son, daughter, or other member of the owner's immediate family. This chapter  
14          does not relieve any other person from a liability that the person would otherwise

1 incur and does not authorize or permit recovery in excess of injury or damage actually  
2 incurred.

3 \* Sec. 2. AS 09.65 is amended by adding a new section to read:

4 **Sec. 09.65.112. Civil liability for aircraft and watercraft guest passengers.**

5 (a) An owner or operator of an aircraft or watercraft is not liable for the civil damages  
6 of a person being transported in the owner's or operator's aircraft or watercraft if the  
7 aircraft or watercraft is not being used for commercial purposes.

8 (b) This section does not apply to a civil action

9 (1) for damages resulting from

10 (A) gross negligence or reckless or intentional misconduct;

11 (B) an act or omission of an owner or operator of an aircraft or  
12 watercraft who is a common carrier; or

13 (C) an act or omission of an owner or operator of an aircraft or  
14 watercraft that occurs while demonstrating an aircraft or watercraft to a  
15 prospective buyer; or

16 (2) described under (a) of this section if the owner or operator

17 (A) has insurance that would compensate the claimant for civil  
18 damages awarded against the owner or operator; an owner or operator who is  
19 insured as described in this subparagraph is not liable for civil damages  
20 described in (a) of this section that exceed the applicable insurance; or

21 (B) does not have insurance that would compensate a person  
22 being transported as described under (a) of this section for civil damages  
23 awarded against the owner or operator and, before the person being transported  
24 enters the aircraft or watercraft, the owner or operator fails to provide notice to  
25 the person being transported that the owner or operator is uninsured as  
26 described in this subparagraph.

27 \* Sec. 3. Section 9, ch. 28, SLA 2000 is amended to read:

28 Sec. 9. AS 05.25.040 is repealed and reenacted to read:

29 **Sec. 05.25.040. Owner's civil liability. Except as provided under**

30 **AS 09.65.112, the [THE] owner of a watercraft is liable for injury or damage caused**  
31 **by the negligent operation of the owner's watercraft whether the negligence consists of**

1 a violation of a state statute or neglecting to observe ordinary care in the operation of  
2 the watercraft as the rules of the common law require. The owner is not liable,  
3 however, unless the watercraft is used with the owner's express or implied consent. It  
4 is presumed that the watercraft is being operated with the knowledge and consent of  
5 the owner if, at the time of the injury or damage, it is under the control of the owner's  
6 spouse, father, mother, brother, sister, son, daughter, or other member of the owner's  
7 immediate family. This chapter does not relieve any other person from a liability that  
8 the person would otherwise incur and does not authorize or permit recovery in excess  
9 of injury or damage actually incurred.

10 \* Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section to  
11 read:

12 APPLICABILITY. This Act applies to causes of action that accrue on or after the  
13 effective date of the applicable section of this Act.

14 \* Sec. 5. Section 3 of this Act takes effect on the date sec. 9, ch. 28, SLA 2000, takes  
15 effect.

16 \* Sec. 6. Except as provided in sec. 5 of this Act, this Act takes effect July 1, 2003.

**Subject: SB 98**

**Date:** Sun, 06 Apr 2003 16:33:19 -0800

**From:** Don & Nita Meierhoff <[REDACTED]>

**To:** Con Bunde <Senator\_Con\_Bunde@Legis.state.ak.us>

Dear Senator Bunde:

Just a short note to let you know I support your bill SB 98 wholly. I am an owner of an aircraft and the liability prospect has stopped me from transporting friends out fishing and hunting with me a number of times.

Good luck and thanks for the hard work!

Don Meierhoff

3637 North Point Dr.

Anchorage, AK. 99502

907-243-1046

A M E N D M E N T

OFFERED IN THE SENATE

TO: CSSB 98( ), Draft Version "D"

- 1 Page 2, line 12:
- 2 Delete "who is a common carrier"
- 3 Insert "if the aircraft or watercraft is being operated as a common carrier"

**Subject:** SB98

**Date:** Mon, 7 Apr 2003 09:43:19 -0800

**From:** "Robert Dreeszen" [REDACTED]

**To:** <Senator\_Con\_Bunde@Legis.state.ak.us>

We support SB98.

Robert & Carol Dreeszen  
Outlet Lower Ugashik Lake AK

**Subject:** Re: [Fwd: SB 98 Scheduled for a Hearing]  
**Date:** Sun, 06 Apr 2003 21:34:37 -0800  
**From:** (deleted for privacy)  
**To:** Con Bunde <Senator\_Con\_Bunde@Legis.state.ak.us>

Karen,

At our meeting last week, the KCK (Knik Canoers and Kayakers) Board of Directors voted unanimously to endorse this bill. I will be out of town for the rest of the week.

Thank you,  
-Fran Hall

Re: SB 98

**Subject: Re: SB 98**

**Date: Sun, 06 Apr 2003 14:35:35 -0800**

**From: Marilyn Warren** [REDACTED]

**To: Con Bunde <Senator\_Con\_Bunde@Legis.state.ak.us>**

Mr. Bunde:

As an aircraft and water craft owner I encourage you to support the passage of SB 98. As an aircraft owner I can not afford to purchase insurance and so am denied the pleasure of taking friends or acquaintances flying with me because of the substantial liability involved. This bill needs to be passed. Thank you, Charles Warren

**Subject: SB 98**

**Date:** Sun, 06 Apr 2003 16:33:19 -0800

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3637 North Point Dr.

Anchorage, AK. 99502

907-243-1046

# Alaska State Legislature

DURING SESSION  
STATE CAPITOL  
JUNEAU, AK 99801-1182  
(907) 465-4843 (800) 892-4843  
FAX: (907) 465-3871

WEB SITE  
www.akrepublicans.org/Bunde

DURING INTERIM  
716 W. FOURTH VE.  
ANCHORAGE, AK 99501-2133  
(907) 269-0181  
FAX: (907) 269-0184

E-MAIL  
Senator.Con.Bunde@legis.state.ak.us

## SENATOR CON BUNDE

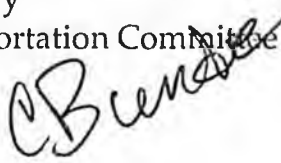
District P

VICE-CHAIR: SENATE FINANCE COMMITTEE  
CHAIR: SENATE LABOR & COMMERCE COMMITTEE  
MEMBER: LEGISLATIVE BUDGET & AUDIT COMMITTEE

## MEMORANDUM

DATE: April 1, 2003

TO: Senator John Cowdery  
Chair, Senate Transportation Committee

FROM: Senator Con Bunde 

RE: Hearing Request

---

I respectfully request that you schedule a hearing for SB 98, "An Act relating to civil liability for guest passengers on an aircraft or watercraft; and providing for an effective date" at your earliest convenience.

I have attached the following materials:

- SB 98
- Sponsor Statement
- Sectional Analysis
- Letters of Support

I am expecting additional letters of support and an amendment to clarify that the bill applies only to non-commercial owners and operators on page 1, lines 8-10. I will provide those to you as soon as they come in.

If you require any additional backup, please contact my aide, Karen McCarthy, at 3881.

Thank you.

Wagne

**Subject: SB98**

**Date:** Mon, 7 Apr 2003 09:43:19 -0800

**From:** "Robert Dreeszen" [REDACTED]

**To:** <Senator\_Con\_Bunde@Legis.state.ak.us>

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Robert & Carol Dreeszen  
Outlet Lower Ugashik Lake AK

**Subject:** Re: [Fwd: SB 98 Scheduled for a Hearing]  
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**From:** (deleted for privacy)  
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Karen,

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Thank you,  
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Good luck and thanks for the hard work!

Don Meierhoff

3637 North Point Dr.

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907-243-1046

# LEGAL SERVICES

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State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

April 3, 2003

**SUBJECT:** Civil liability for plane/boat passengers (CSSB98( ))

**TO:** Senator Con Bunde  
Attn: Karen

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

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

**Section 1.** Provides that immunity under SB 98 is an exception to the liability imposed under AS 05.25.040, the Boating Safety Act.

**Section 2.** Creates immunity from civil liability for negligence when an owner or operator of an aircraft or watercraft transports a passenger and does not use the aircraft or watercraft for commercial purposes. Provides that accidents resulting from gross negligence or reckless or intentional misconduct, involving a common carrier, or occurring during a sales demonstration are not immune. Also when the owner or operator has certain insurance coverage or fails to tell passengers that no insurance exists, immunity does not apply.

**Section 3.** Amends a sunset provision of law to provide that immunity under SB 98 is an exception to the liability imposed under AS 05.25.040. This provision of law is a "sunset" provision that only takes effect if the events described in sec. 30, ch. 28, SLA 2000, occur. This section is necessary to avoid a conflict between AS 05.25.040 and SB 98, if the sunset provisions of the Boating Safety Act take effect.

**Section 4.** Provides that the Act applies to accidents that occur after the effective date of the Act.

**Section 5.** Provides that sec. 3 of SB 98 only takes effect if the sunset provisions of Sec. 9, Chapter 28, SLA 2000, take effect.

**Section 6.** Effective date for all sections of SB 98, except for sec. 2.

MFF:lmb  
03-132.lmb

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State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

March 18, 2003

**SUBJECT:** Civil liability for plane/boat passengers (SB 98)

**TO:** Senator Con Bunde  
Attn: Karen

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

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Creates immunity from civil liability for negligence when an owner or operator of an aircraft or watercraft transports a passenger and does not receive compensation for the transportation. Provides that accidents resulting from gross negligence or reckless or intentional misconduct, involving a common carrier, or occurring during a sales demonstration are not immune. Also when the owner or operator has certain insurance coverage or fails to tell passengers that no insurance exists, immunity does not apply.

Section 2. Provides that the Act applies to accidents that occur after the effective date of the Act.

Section 3. Effective date.

MFf:lmb  
03-089.lmb

# ALASKA BOATING ASSOCIATION



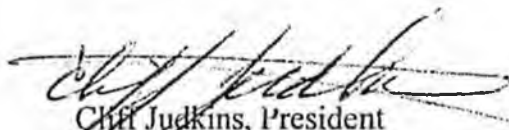
Senator Con Bunde  
State Capital  
Juneau Alaska 99801-1182

March 26, 2003

Re: Senate Bill 98

Dear Senator Bunde,

The Alaska Boating Association supports the passage of SB 98, "An act relating to civil liability for guest passengers on an aircraft or watercraft." The Alaska Boating Association is a statewide organization with a membership of more than 1200. The association is an organization dedicated to the enhancement and preservation of the boating experience in Alaskan waters. Our organization represents the boating public on all issues concerning boating activities. As a past member of the Governors Boating Safety Advisory Council I personally reviewed statistics depicting boating accidents and related personal injury. Alaskans are involved in a high rate of boating accidents with personal injury and death to both operators and passengers- one of the results is high insurance rates. Insurance rates for the group of boaters that I fall into has more than doubled in the past three years. My insurance has gone from \$825.00 three years ago to over \$1,600.00 for the coming season. Other boaters have experienced similar rate increases. Some folks have actually made the decision not to purchase a boat, or to sell the one they have due to high insurance rates. Passage of SB98 would surely help to buffer future rate increases. Again the Alaska Boating Association is a strong supporter of SB98 and we commend you for the time that you have spent drafting and introducing this legislation.

  
Cliff Judkins, President  
Alaska Boating Association

Cliff Judkins - President • P.O. Box 874124 • Wasilla, Alaska 99687  
(907) 373-3591 • Fax 373-3592 • E-Mail: [cjudkins@customcpu.com](mailto:cjudkins@customcpu.com)



*Ed & Inge Crane*

*5260 Lupin Place  
Anchorage, AK 99507*

Senator Con Bunde  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801-1182

March 18, 2003

Dear Senator Bunde,

Thank you for introducing SB 98. While I am not sufficiently knowledgeable to address the commercial aspects of the legislation, I would like to express wholehearted support for the potential effects on private aircraft owners and operators.

I am an instrument-rated private (i.e., non-commercial) pilot who owns a modest small airplane. I fly that airplane strictly for pleasure, under favorable conditions only, and I operate only from improved airports. I have some 1,400+ hours of flying experience, with no record of accidents, incidents, emergencies, regulatory violations, or insurance claims.

Despite the foregoing, it has for several years been increasingly difficult (as I believe it has been for most Alaska pilots) to obtain and/or afford adequate liability insurance. Because of my history, my carrier has "grandfathered" my personal injury liability coverage at a level which it no longer makes available in Alaska generally. Nevertheless, I no longer carry passengers other than my spouse. Within the context of today's society and the influence of personal injury lawyers, the risks of exposure for myself, my family, and my estate are more than I can rationally tolerate. On the other hand, I would have no problem assuming the totally controllable risks of "gross negligence or reckless or intentional misconduct" which would result in liability under SB 98.

So no longer can I share with friends, neighbors, or visitors the awesomeness and beauty of SouthCentral Alaska which can be reasonably and safely accessed by a simple and inexpensive flight. No longer can I experience the pleasure of implementing a youngster's "first flight", or of using my aircraft to pique a teenager's interest in an aviation career. If passed, SB 98 would make these things once again possible - not only for me, but for countless thousands of Alaskans and visitors!

Very truly yours,



**From:** Dr. Frost  
**To:** senator.con.bunde.@legis.state.ak.us  
**Cc:** (left blank for privacy purposes)  
**Sent:** Monday, March 17, 2003 6:19 PM  
**Subject:** Senate Bill 98

Dear Senator Bunde,

I have reviewed Senate Bill 98 and would like to express my strong support for it. As you know I own and fly my own piper cub here in Alaska. I have never flown commercially. I have always been concerned with my family's potential liability if I were to be involved in a serious aircraft accident and to have any passengers injured.

Clearly since I do all of my own flying I never place a passenger in a situation which I am personally not comfortable for myself. However as you know there are times when weather changes unexpectedly or other circumstances may create a hazardous situation. Since the passengers are enjoying the benefits of the flight for no cost they should be expected to shoulder some of the responsibility as well.

I will be out of town for the next week. I can not personally speak for the Alaska Bowhunters Association and Alaska Chapter of SCI but I would suspect that they would support the bill as well. By sending them a copy of this I will solicit their opinions.

Sincerely,  
John D. Frost MD

**Subject:** Re: SB 98, Recreational Liability Bill  
**Date:** Mon, 03 Feb 2003 18:45:10 -0900  
**From:** "William G. Nelson"  
**To:** Con Bunde <Senator\_Con\_Bunde@Legis.state.ak.us>

I strongly support SB 98. As an owner of a small private aircraft, I do on occasion take visitors to our state for a "flight seeing" ride. They always indicate that it was the highlight of their trip. I would do so more often, but do not feel the need to shoulder the liability.

Certainly, visitors that see the real Alaska are less likely to be swayed by special interest groups supporting causes detrimental to the development of Alaska.

Thank you for your sponsorship of this bill.

William G. Nelson

**Greg Remaklus, D.M.D.**

*Practice Limited to Periodontics*

Suite 102

4200 Lake Otis Parkway

Anchorage, Alaska 99508

Office Phone (907) 561-1884

March 26, 2003

Senator Con Bunde  
State Capital  
Juneau, Alaska 99801-1182

Dear Senator Bunde:

Please accept my support and encouragement for Senate Bill 98. Existing liability concerns have for a long time discouraged me from transporting others and insurance is increasingly more difficult to afford. I hope your efforts can help change all that. Thank you.

Kindest personal regards,



Greg Remaklus, D.M.D.

*Phillip H. Mabry, D.D.S.*

2601 BONIFACE PARKWAY ANCHORAGE, ALASKA 99504

(907) 337-9448 FAX (907) 337-4123

March 20, 2003

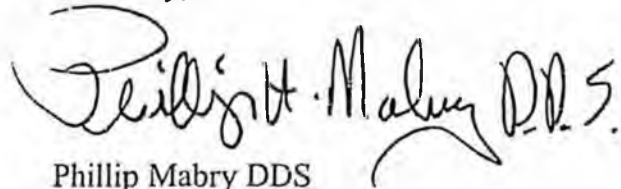
Senator Con Bunde  
716 W. Fourth Avenue  
Anchorage, Alaska 99501-2133

Dear Mr. Bunde,

I've just read your proposed S.B. 98. It's about time the legislature addressed this issue. You've done a remarkable job of covering all the bases. It protects the individual who is entertaining someone but doesn't eliminate the use of proper conduct and safety. Hopefully your fellow Senator's will agree and move this bill onward.

Thank you again for your good sense.

Sincerely,

A handwritten signature in cursive script that reads "Phillip H. Mabry D.D.S." with a decorative flourish at the end.

Phillip Mabry DDS

March 26, 2003

Senator Con Bunde  
State Capitol  
Juneau, AK 99801-1182

Dear Senator Bunde,

I am writing in support of Senate Bill 98, "an act relating to civil liability for guest passengers on an aircraft or watercraft; and providing for an effective date".

As a responsible watercraft and boat owner I feel this is important legislation to provide a limit on civil liability for boaters (and aircraft owners). We live in a litigious society and it seems everyone wants to lay fault or blame on the other person and make them pay. This legislation will allow boat owners and aircraft owners a little more peace of mind when taking passengers on board for pleasure rides.

Thank you for writing a bill that promotes safety in recreational activities. I am a member of the Personal Watercraft Club of Alaska (PWCA) as well as Alaska Boating Association. I know the PWCA has given their support to this bill and I'm sure they have contacted the Boating Association and asked them to contact you with their support as well.

If there is anything else I can do to help promote and support this bill please do not hesitate to contact me. I can be reached at 345-6723 or email at [akpwcrdr@acsalaska.net](mailto:akpwcrdr@acsalaska.net).

Sincerely,



Gina Poths  
11600 Trails End Rd.  
Anchorage, AK 99507

March 26, 2003

Senator Bunde

REF: SB98 Recreational Liability

Senator Bunde, although I am writing this letter on my behalf to express support for SB 98 "Good Neighbor Bill" I am also President of the Alaskan Bowhunters Association one of the largest outdoor organizations in the state and I have asked that the entire executive board and general membership across the state show their support.

I moved to Alaska 29 years ago so that I may be involved in the out of doors in the most beautiful state in the union. I have always owned boats for recreation since moving to Alaska and have been fortunate to travel around the state with friends of mine that own small fixed wing planes.

I have discovered as has many of my friends that one of the greatest joys of living in Alaska is the ability to share the experience of the outdoors with friends in Alaska that may not have the ability or friends and business acquaintances from lower forty-eight. A concern that I have always had is the possibility of leaving my family liable for something that may have not been in my control to prevent. There is always a risk of potential life threatening accidents with any journey in to the outdoors in Alaska that is part of the mystique of Alaska. If I am operating my boat or plane in a safe manor and an accident does occur I do not believe that my family should be liable for something that they had no part in.

This bill is long over due and I encourage the Senate to fully support this bill. There is no disadvantage to this bill other than leaving the door open for frivolous lawsuits. Thank you for your time and consideration into this matter.

Sincerely  
Phil Pringle  
10086 Explorer Cr.  
Anchorage AK. 99515  
907-344-8812



March 20, 2003

Senator Con Bunde  
State Capitol  
Juneau, AK 99801-1182

Re: SB 98, "An Act relating to civil liability for guest passengers on an aircraft or watercraft; and providing for an effective date."

Dear Senator Bunde,

On behalf of the Personal Watercraft Club of Alaska (PWCA), I would like to express our support for SB 98.

This legislation provides a much needed limit of civil liability for boaters. Currently, Alaskan boat owners have two jobs when they take the helm, not only to navigate safely through waters but also to avoid the treacherous crags of a litigious society.

The cost of not passing SB 98 can be measured in terms of lost opportunities for recreation and enjoyment. Key to this is a boat owner's legitimate fear of potentially losing one's life savings in a world rife with frivolous lawsuits and unspecified civil damages. This legislation will relieve an unnecessary and unfair burden on recreational boaters while protecting passengers from negligent acts.

It seems obvious that boat owners should be able to take their friends fishing or sightseeing without the fear of an expensive lawsuit should their trip end in misfortune. Similarly, non-commercial passengers should not have their choice to ride in a boat made by a legal system more concerned with contingency awards than with personal freedoms.

Our club promotes the sport of watercraft riding, education, and boating safety. Several of our members belong to the Coast Guard Auxiliary. Annually, we contribute our time and equipment to help Alaskans with disabilities at the Challenge Alaska Summer Splash. We are staunch supporters of boating rights and are a member club of the Alaska Outdoor Council, the Alaska State Boaters Association, and ABATE. Because of our interest in recreational boating, the PWCA is particularly interested in the success of your legislation.

Almost all of our club members ride 2-4 seat watercraft and take passengers. We have traveled from Whittier to Valdez and from Anchorage to Kenai on PWC. Modern PWC are quiet transportation, leave little wake, and burn a fraction of the fuel of many boats. These clean burning machines meet the rigid 2006 EPA standards. Light, durable, and stable, they very well may prove to be the snow

machine of the water for many communities. They are a fun and exciting way to experience the Alaskan outdoors.

I am available to discuss this legislation with you or your staff. Please let me know how our club can assist you in reaching your vision for Alaska.



I know this is basically a copy of a letter you have received from our club president, but I share the same views.

Sincerely,

Thomas Byers  
Club member

cc:

Cliff Judkins, Alaska State Boater Association

**SB**

**103**

THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES

State of Alaska Division of Motor Vehicles Standard Operating Procedures	SOP No. R-2	Page No. 1 of 3
	Effective December 15, 2000	
Subject: <b>VEHICLES EXEMPT FROM REGISTRATION</b>	Supersedes R-2	Dated 8/1/94
	Approved	<i>Charles E. Hosack</i>
Statute: AS 28.10.011	Regulation:	Form No.

The following are exempt from Alaska motor vehicle registration:

1. Vehicles that only cross a highway from one private property to another. This includes farm vehicles operating in accordance with the provisions of AS 19.10.065.
2. Vehicles displaying Dealer Plates per AS 28.10.181(j) or a Temporary Permit per AS 28.10.031.
3. A vehicle displaying a special permit per AS 28.10.151. (One-Way Trip Permit, Non-Resident Commercial Trip Permit)
4. Special Mobile Equipment as defined in 13 AAC 40.010 (52).
5. Vehicles owned by the U.S. Government.
6. Vehicles moved by human or animal power.
7. Vehicles owned by a military person who maintains a legal residence outside Alaska, provided the vehicle is registered in the applicant's state of legal residence.
8. Vehicles used exclusively on private property.
9. Vehicles currently registered in another state or country, provided the vehicle does not remain in Alaska for over 60 days. [AS 28.10.121 (a)] If the vehicle owner becomes employed in Alaska or indicates intent to become a resident of Alaska, this exemption no longer applies and they must register the vehicle within 10 days.
10. Vehicles operated on a roadway not connected to the land highway system or to a highway with an average daily traffic volume greater than 499. (See following pages.)
11. Vehicles owned and driven by a full-time student pursuing a course of study beyond the high school level per AS 28.10.121 (c) provided:
  - a) The vehicle is currently registered in another jurisdiction.
  - b) The student does not establish permanent residency in Alaska.
  - c) The student does not accept full-time employment in Alaska.
  - d) The jurisdiction of vehicle registration extends the same exemption to Alaska students.
12. Mobile home as defined by regulation 13 AAC 40.010 (27).

Cross Reference:

R-160	One-Way & Non-Resident Comml. Trip Permit	T-90	Temporary Permit
R-310	Dealer Plates	T-300	Mobile Homes
		T-360	Special Mobile Equipment

State of Alaska Division of Motor Vehicles Standard Operating Procedures		SOP No. R-2	Page No. 2 of 3
		Effective July 1, 2001	
Subject: VEHICLES EXEMPT FROM REGISTRATION	Supersedes R-2		Dated 12/15/00
	Approved <i>[Signature]</i>		
Statute: AS 28.10.011; AS 28.22.011 (1) (A) & (B)		Regulation:	Form No.
As required by AS 28.22.011(1)(A) & (B), the following areas are exempt from registration and the Mandatory Insurance law. Compiled by the Department of Administration, Division of Motor Vehicles, from information obtained from the Department of Transportation.			
Adak	Candle	Elfin Cove	Kakhonak
Afognak	Canyon	Elim	Kaktovik
Akhiok	Cape Pole	Emanguk	Kalskag
Akiachak	Cape Yakataga	Emmonak	Kaltag
Akiak	Chalkyitsik	English Bay	Kanatak
Akolmiut	Chandalar	Excursion Inlet	Karluk
Akulurak	Chaniliut		Kashegelok
Akutan	Chakaktolik	False Pass	Kasigluk
Alakanuk	Chase	Flat	Katalla
Alatna	Chatham	Fort Yukon	Kiana
Allakaket	Cheching	Fortuna Ledge	King Cove
Amakdedori	Chenik		King Island
Ambler	Chefornak	Galena	Kipnuk
Amchitka	Chemofski	Gambell	Kivalina
Aniak	Chevak	Golovin	Kiwalik
Annette	Chichagof	Goodnews Bay	Kobuk
Anvik	Chignik	Grayling	Kokhanok
Arctic Village	Chignik Lagoon	Gustavus	Kokrines
Atka	Chignik Lake		Koligarnek
Atkasuk	Chisana	Hawk Inlet	Kongiganak
Attu	Christian	Haycock	Kotlik
	Chuathbaluk	Holy Cross	Kotzebue
	Clark's Point	Hooper Bay	Koyuk
	Cold Bay	Hughes	Koyukuk
	Crooked Creek	Huslia	Kvichak
Baranof			Kwethluk
Beaver			Kwigillinogok
Bell Island Hot Springs	Deering		Kwiguk
Belkofski	Dionede	Iditarod	Kwinhagak
Belmezok		Iguigig	
Bettles	Edna Bay	Igushlk	
Bettles Field	Eek	Iliamna	
Biorka	Egavik	Ivanoff Bay	Lake Minchumina
Birch Creek	Egegik		Larsen Bay
Brevig Mission	Ekuk	Kachemak	Latouche
Buckland	Ekwok	Kaguyak	Levelock

State of Alaska Division of Motor Vehicles Standard Operating Procedures		SOP No. R-2	Page No. 3 of 3
Effective December 15, 2000			
Subject: <b>VEHICLES EXEMPT FROM REGISTRATION</b>		Supersedes R-2	Dated 11/6/92
		Approved <i>Charles R. Horack</i>	
Statute: AS 28.10.011; AS 28.22.011 (1) (A) & (B) Regulation:		Form No.	
As required by AS 28.22.011(1)(A) & (B), the following areas are exempt from registration and the Mandatory Insurance law. Compiled by the Department of Administration, Division of Motor Vehicles, from information obtained from the Department of Transportation.			
Lime Village	Nulato	Quinhagak	Tanana
Little Diomedea	Nunachuak		Tanunak
Long	Nunapitchuk	Rampart	Tatitlek
Lower Kalskag	Nushagak	Red Devil	Tenakee Springs
	Nyac	Ruby	Tetlin
Manokatak		Russian Mission	Tin City
Marshall	Old Harbor		Todd
Mary's Igloo	Ophir	St. George	Togiak
McGrath	Oscarville	St. Mary's	Tokeen
Medfra	Ouzinkie	St. Michael	Toksook Bay
Mekoryuk	Owi Village	St. Paul	Tuluksak
Meshik		Sanak	Tuntutuliak
Metlakatla	Pavlof Harbor	Sand Point	Tununak
Meyoruk	Pedro Bay	Savoonga	Twin Hills
Meyers Chuck	Pelican	Scammon Bay	Tyonek
Moses Point	Pennock Island	Selawik	
Mt. Village	Perryville	Shageluk	Ugashik
Mumtrak	Pikmiktalik	Shaktoolik	Umiat
	Pile Bay	Sheldon Point	Unalakleet
	Pilot Point	Shemya	Unga
Napaimiut	Pilot Station	Shismaref	
Napaikak	Pitka's Point	Shungnak	Venetie
Napakiak	Platinum	Shungnak Village	
Nelson Legoon	Point Baker	Skwentna	Wainwright
New Stuyanoak	Point Hope	Sleetmute	Wales
Newhalen	Point Lay	Snettisham	White Mountain
Newtok	Poorman	South Naknek	Wiseman
Nightmute	Port Alexander	Squaw Harbor	Woody Island
Nikolai	Port Alsworth	Stebbins	
Nikolski	Port Ashton	Stevens Village	
Noatak	Port Graham	Stony River	
Nolan	Port Heiden	Stuyahok	
Nondalton	Port Lions		
Noorvik	Port Moller	Takotna	
Nuiqsut	Port Wakefield	Taku Harbor	

Sen. John Cowdery  
State Capitol, Room 101  
Juneau, AK 99801  
Attn: Richard

March 19, 2003

Richard,

In response to your question regarding School Bus registration, we offer the following information:

Vehicles designed to transport 15 or more passengers, not including the driver, for compensation are considered buses. A bus that seats 20 or more passengers and is used exclusively in a business for transporting visitors and tourists is considered a Tour Bus. Tour buses have their own special class code and fee.

School Buses have a specific class code assigned based on weight. The fee schedule is the same fee schedule as that of other commercial vehicles within the same weight range.

Class	Vehicle Type	Current Registration Fee		Proposed registration Fee	
		Annual / Biennial		Annual / Biennial	
	Bus & School bus				
51	0 - 5,000 lbs.	\$ 80.00	\$ 158.00	\$ 90.00	\$ 180.00
52	5,001 - 12,000 lbs.	\$ 124.00	\$ 246.00	\$ 134.00	\$ 268.00
53	12,000 - 18,000 lbs.	\$ 248.00	\$ 494.00	\$ 258.00	\$ 516.00
54	18,001 lbs. And over	\$ 321.00	\$ 640.00	\$ 331.00	\$ 662.00
	Tour Bus				
55	All weights	N/A	\$168.00	N/A	\$ 300.00

School Buses are also subject to Motor Vehicle Registration Tax (MVRT) if the "situs", or the place where the school bus is normally, usually or generally kept or used, is located within the geographic boundaries of any municipality for which MVRT is collected. The Division of Motor Vehicles collects MVRT for municipalities that elect to use AS 28.10.431. The revenue collected is returned to the municipality less an 8% collection fee. These taxes are in lieu of ad valorem or personal property taxes that a municipality could collect for these vehicles. The tax rate is based on age and registration class (50 - 54) of the school bus. Currently, the following areas are subject to MVRT:

Municipality of Anchorage	City of Bethel
City of Cordova	City of Dillingham
Kenai Peninsula Borough	Ketchikan Gateway Borough
Kodiak Island Borough	Matanuska Susitna Borough
City of Nenana	City of Nome
City of Petersburg	City & Borough of Sitka
City of Unalaska	City of Whittier

The tax rates are set in statute, however a municipality has the option in AS 28.10.431(j) to raise these rates every two years.

There are two other class codes for buses that may include a school bus. Class 5P is an Exempt Bus (Charitable) and class 5G is Government Exempt Bus. Buses in this class are not required to pay normal registration fees or MVRT. Examples of class 5P may include buses owned by charitable or non-profit organizations, Alaska Native Tribal Village Councils and church/religious organizations (AS 28.10.181 (a) & (e)).

Class 5G includes buses owned by municipalities in the State of Alaska. The registration fee for class 5P & 5G is \$10.00 (AS 28.10.181 (a) & (c)).

The history of non-commercial registration fees go as far back as 1970. Here is a quick summary:

1970	\$30.00/year all non commercial vehicles
1978	+\$5.00/year all non commercial pickup trucks (\$35.00/yr)
1986	+\$5.00/year all non commercial (\$35.00/year passenger & \$40.00/year pickup truck)
1989	-\$1.00/year all non commercial in conjunction with required 2 year registration (\$68.00/biennial passenger & \$78.00/biennial pickup truck)
1978	\$5.00 Title & Lien fee

In the past 30 years commercial fees have risen between 200% - 228% depending on weight category. The ratio between the weight categories has remained relatively constant as well. In 1972 the fee paid for the heaviest truck was 4.5 times the lightest truck. In 2002 the heavy truck paid 4 times as much as the lightest truck.

The subject of vehicles exempt from registration can be found in AS 28.10.011. Please find the following 3 page SOP No. R-2 attached which explains these rules in detail.

Also included is a letter titled Division of Motor Vehicles Fee Justification which outlines, to the best of our ability, the other 49 states registration fees. Please note that all numbers and percentages are not known on all states.

I hope that the information provided is useful to you. Please contact myself personally if I may be of further assistance.

Sincerely,



Duane Bannock  
Division of Motor Vehicles  
Director

Cc: Kevin Jardell, Assistant Commissioner, Department of Administration

ALASKA STATE LEGISLATURE  
SENATE DISTRICT I

**Interim:**  
716 West 4<sup>th</sup> Ave. Anchorage,  
AK 99501  
Phone: 907-269-0222  
Fax: 907-269-0223  
Toll Free: 1-888-269-3879



**Session:**  
State Capitol Building  
Juneau, AK 99801  
Phone: 907-465-3879  
Fax: 907-465-2069  
Toll Free: 1-888-269-3879

**John J. Cowdery**  
Senate Transportation Committee, Chair  
World Trade State & Federal Relations, Chair  
Legislative Council, Rules, Judiciary

*Draft*

**Senate Bill 215**

**"An Act relating to licensing common carriers to dispense alcoholic beverages; and providing for an effective date."**

**Sponsor:**

**Senator John Cowdery**

**Sponsor Statement**

---

The purpose of SB215 is to reduce the administrative and clerical burden to common carriers when licensing vehicles, boats, aircraft, or railroad buffet cars, via a modification of the current licensing requirements for beverage dispensary licenses.

SB215 would simplify the current licensing process for the Alcoholic Beverage Control Board, and at the same time, reduce fees to licensees to more accurately reflect the costs to the Board of issuing licenses.

SB215 removes a competitive disadvantage experienced by intrastate operators and also brings Alaska's licensing costs more in line with similar fees levied by other states.



217 Second Street, Suite 200 • Juneau, Alaska 99801  
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

March 11, 2003

Senator John Cowdery  
Senate Transportation Committee  
State Capitol  
Juneau, AK 99801

Re: **S.B. 103 – Motor Vehicle Registration Fees**  
**S.B. 112 – Increase Motor Vehicle Fuel Tax**

Dear Senator Cowdery,

As noted in the Alaska Municipal League (AML) policy statement, the AML supports an increase in motor vehicle registration fees and motor vehicle fuel taxes so long as:

- (1) fuel tax and vehicle registration fees are “used to fund state and municipal highway road operation, maintenance, and improvements;” and
- (2) the motor vehicle fuel tax and vehicle registration fees are “shared on an equitable basis between local and state government based on the proportion of local vs. state maintained roads.”

Thank you for the opportunity to express our views on this important legislation.

Sincerely,

Sarah A. Gilbertson  
Policy and Program Coordinator

Cc: Representative Jim Holm  
Representative Beverly Masek

draft

BILL ID: HB 173

HOUSE BILL NO. ~~173~~ SB 103

"An Act relating to a fee on studded tires; and providing for an effective date."

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

\* Section 1. AS 43.98 is amended by adding a new section to read:

**Sec. 43.98.025. Studded tire fee.** (a) A fee of \$10 a tire is imposed on the retail sale or [OTHER] transfer for consideration of studded tires in the state.

(b) A fee of \$10 a tire is imposed on the installation of studs for a fee on a motor vehicle tire in the state [STORAGE OR USE OF STUDED TIRES ACQUIRED ON OR AFTER JULY 1, 2003. THE FEE IS NOT PAYABLE IF THE FEE UNDER (a) OF THIS SECTION HAS BEEN PAID ON THE TIRES.]

(c) A seller of studded tires or provider of services under (b) shall add the amount of the fee imposed by this section to the total price of the tire or service subject to the fee, and the fee shall be stated separately on any sales receipt, invoice, or other record of the sale or other transfer.

(d) A seller shall collect the fee from the purchaser and remit the fee collected on a return as proscribed by [TO] the department not later than 30 days following the last day of the month of sale or installation[IN WHICH THE FEE WAS COLLECTED].

(e) A seller remitting the fee collected under this section to the department within 30 days after the last day of the preceding month may retain five percent of the amount collected, not to exceed \$300 per month[1,000 A CALENDAR QUARTER], to cover expenses associated with collecting and remitting the fee. [IN THIS SUBSECTION, "CALENDAR QUARTER" MEANS EACH OF THE THREE-MONTH PERIODS ENDING MARCH 31, JUNE 30, SEPTEMBER 30, AND DECEMBER 31.]

(f) Fees imposed by this chapter shall be subject to the provisions of AS 43.05 and AS 43.10. [IN THIS SECTION, "STUDED TIRE" MEANS A TIRE WITH METAL STUDS OR SPIKES EMBEDDED IN THE PERIPHERY OF THE TIRE SURFACE AND PROTRUDING NOT MORE THAN ONE FORTH INCH FROM THE TIRE SURFACE.]

(g) Fees under this chapter shall not apply to tires or services sold to federal, state, or local government agencies for official use.

(h) In this section, "studded tire" means a motor vehicle tire with studs or spikes of metal or other material embedded in the periphery of the tire surface and protruding beyond the tread surface of the tire.

- Sec. 2. This Act takes effect July 1, 2003.

## DIVISION OF MOTOR VEHICLES

### FEE JUSTIFICATION

#### TITLE FEES

Alaska's title fee is \$5. The average across the states is \$14.73 with a low of \$2 (Minn.) and a high of \$65 (Ill.). There are only 4 states with lower fees; 8 states with the same fee; and 37 states with higher fees. If the title and lien fees were raised to \$10 generating \$1.5 million in additional revenue Alaska would still be below the national average.

#### REGISTRATION FEES

The issue of registration fees is not so simple. The registration fee schemes are so variable and complex that none of the national publications even attempt to publish fee comparisons. All states charge a registration fee which ranges from \$8 to \$70 per year but all states except for Alaska and Oregon charge additional state fees or taxes as part of the registration process. These fees may be a sales tax (even though it is charged every year), it may be a use tax, it may be an ad valorem tax, or it might be an excise tax. Some are collected every year and some are collected only at initial registration. There are no common denominators that allow comparisons. Some of the taxes are based on value and depreciated each year, some are based on weight of the vehicle, some are based on age of the vehicle, and some are based on the use of the vehicle.

If just the registration fees were considered Alaska's fee would probably be slightly higher than national average but when the total costs with all the fees added in are considered then Alaska's fee would much lower than the national average.

As far as the proposal to raise the current rate of registration of non-commercial passenger automobiles from \$35.00/year to \$40.00/year, the increase is more of a standard and equality position. Currently \$40.00/year is collected on pickup trucks and \$35.00/year on passenger vehicles. Passenger vehicles are included in the class of traditional sedans and coupes but also includes minivans and sport utility vehicles. SUV's are Americas fastest growing segment in the retail auto industry.

While the \$1.5 million in increased revenue is not massive, the change itself can and will lead to speed and effectiveness. Efficiencies not only within DMV, but also among new and used car dealerships who collect this fee and can often make a simple error (Dodge Dakota = \$40.00/year & Dodge Durango = \$35.00/year) which, in turn slows down the process. Any changes to the current rate should eliminate the difference between passenger and pickup trucks.

As to annual registration fees from other states, we offer the following list. The average vehicle used is a: Model year 2000, passenger car; original MSRP \$25000.00; current value \$15000.00; weight 3000#; HP 165; gasoline engine.

Alabama	\$ 23.00
Alaska	\$ 68.00
Arizona	\$518.00
Arkansas	\$ 17.00 + unknown property tax
California	\$330.00
Colorado	\$ 16.00 + unknown % of MSRP
Connecticut	\$ 35.00 + unknown tax
Delaware	\$412.00
DC	\$ 65.00
Florida	\$ 35.00
Georgia	\$ 20.00 + unknown Ad valorem tax
Hawaii	\$ 44.00
Idaho	\$ 36.00
Illinois	\$ 78.00
Indiana	\$ 16.75
Iowa	\$262.00
Kansas	\$ 28.00
Kentucky	\$915.00
Louisiana	\$600.00
Maine	\$ 25.00
Maryland	\$ 38.00
Massachusetts	\$390.00
Michigan	\$133.00
Minnesota	\$ 99.00
Mississippi	\$ 25.00 + unknown Ad valorem tax
Missouri	\$ 51.00 + unknown tax
Montana	\$ 15.25 + unknown tax
Nebraska	\$ 20.25 + unknown MVRT
Nevada	\$353.00
N Hampshire	\$ 42.00
New Jersey	\$ 48.00
New Mexico	\$ 32.00
New York	\$19.20 + unknown use tax
N Carolina	\$ 20.00
N Dakota	\$ 59.00
Ohio	\$ 20.00 + unknown location tax
Oklahoma	\$ 91.00
Oregon	\$ 15.00
Pennsylvania	\$ 36.00
Rhode Island	\$ 30.00

S Carolina	\$ 12.00 + unknown property tax
S Dakota	\$ 42.00
Tennessee	\$ 24.00 + unknown use tax
Texas	\$ 51.00
Utah	\$ 24.00 + unknown property tax
Vermont	\$ 44.00
Virginia	\$ 26.50
Washington	\$ 30.00
West Virginia	\$ 30.00 + unknown property tax
Wisconsin	\$ 45.00
Wyoming	\$315.00

Please note: This information was compiled from the R.L.Polk registry. The rates and amounts may or may not include known and unknown property taxes, use taxes and other types of fees.

#### RATE SCENARIOS

The following numbers are a description and quantity of major types of vehicles in Alaska along with current annual registration rates:

<u>Class</u>	<u>Description</u>	<u>Count</u>	<u>Current Registration \$</u>
11	Passenger	333,515	\$ 35.00
10	Pass, Personalized	19,484	\$ 35.00
21	Motorcycle	16,637	\$ 20.00
35	Non commercial trailer	92,101	\$ 5.00
45	Pickup	168,413	\$ 40.00
40	Pickup Personalized	8,677	\$ 40.00
41	Comm Truck >5000#	12,897	\$ 80.00
42	Comm Truck >12000#	13,044	\$124.00
43	Comm Truck >18000#	5452	\$248.00
44	Comm Truck <18000#	4640	\$321.00
91	Comm Passenger >5000#	19726	\$ 80.00
92	Comm Passenger >12000#	2916	\$124.00
	Total	697,502	

The above classes of auto make up 94% of all cars, trucks, vans, buses & trailers that were registered in 2002 (739,352).

Rate increase of \$ 5.00 x 700,000 units =	\$ 3,500,000.00
\$10.00 x 700,000 =	\$ 7,000,000.00
\$15.00 x 700,000 =	\$10,500,000.00



**Sen. John J. Cowdery, Chair**  
Senate Transportation Committee  
Call: 465-4921 Fax: 465-2069

~~Year end - Rayoff~~  
Main. 50<sup>0</sup> - 50 count  
Competitive Bid.  
57 miles  
35 mile CRIP road.  
Project  
~~See under - Budget -~~  
competitive Bid.  
NOTHING TO compare  
DOT Ray Labor  
contracts

Sen. Pres. THERRIAULT  
Sen. WAGONER  
Sen. LINCOLN  
Sen. OLSON



**Sen. John J. Cowdery, Chair**

**Senate Transportation Committee**

Call: 465-4921 Fax: 465-2069

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*I have the  
questions written  
down.*

Sen. Pres. THERRIault

Sen. WAGONER

Sen. LINCOLN

Sen. OLSON

## **SENATE TRANSPORTATION**

*(SB 31 (rail connection) is in BASIS for this meeting, so a quick mention that this bill will not be considered at this meeting may be helpful. We are waiting for language for a CS. )*

**SB 40 (force accounts) is first on the agenda.**

There will be testimony from the department. There is a request to hear this first as the companion bill is up before House Finance at the same time (where it's scheduled last)

**SB 103 is up second (registration fees)**

The administration has been informed of this.

- **Sen. Therriault is presenting a bill before Finance, so won't be immediately present.**
- **No others are excused.**

FRANK H. MURKOWSKI  
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March 5, 2003

The Honorable Gene Therriault  
President of the Senate  
Alaska State Legislature  
State Capitol, Room 107  
Juneau, AK 99801-1182

Dear President Therriault:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that would adjust the fees on motor vehicle registration which have remained the same since 1986.

The bill will equalize registration fees between pick-up trucks and passenger vehicles, adjust commercial and private vehicle registration fees, and update vehicle recording and lien fees. Even with the fee increase, the State of Alaska's registration fees will be less than the national average and significantly below an increase based solely upon inflation.

This fee increase will allow the state to maintain the value of the revenue derived from the user fees and assist the state in closing the fiscal gap while maintaining essential services.

I urge your prompt consideration and passage of this important bill.

Sincerely,

A handwritten signature in cursive script that reads "Frank H. Murkowski".

Frank H. Murkowski  
Governor

# FISCAL NOTE

STATE OF ALASKA  
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: SB 103  
(S) Publish Date: 3/6/03

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
Title: \_\_\_\_\_ BRU: Motor Vehicles  
Component: \_\_\_\_\_  
Sponsor: \_\_\_\_\_  
Requester: \_\_\_\_\_ Component No. 2348

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>	<b>12,072.4</b>	<b>12,072.4</b>	<b>12,072.4</b>	<b>12,072.4</b>	<b>12,072.4</b>	<b>12,072.4</b>
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill increases most registration, title and lien filing fees collected by the Division of Motor Vehicles. The increases are \$10-\$15 per year for most classes of vehicles. Since the vehicles are registered for a biennial period the actual fee increase in the statute will be twice that amount.

The title and lien filing fees are increased from \$5 to \$15.

The revenue increase by class of vehicle is shown on the next page

Prepared by: Charles R. Hosack Phone 239-5559  
Division: Motor Vehicles Date/Time 3/4/03  
Approved by: \_\_\_\_\_ Date 3/6/2003  
Agency: \_\_\_\_\_

STATE OF ALASKA  
2003 LEGISLATIVE SESSION

BILL NO. SB 103 FN #1

ANALYSIS CONTINUATION

Revenue Increase by Vehicle Category

Non-Commercial Passenger - \$5,463,930.00  
Non-Commercial Pickup/Van - \$1,810,550.00  
Non-Commercial Trailers - \$921,010.00  
Motorcycles - \$181,510.00  
Taxicabs - \$8,990.00  
Tour Buses - \$75,595.00  
Commercial Trailers - \$10,000.00  
Commercial Motor Vehicles  
0-5,000 lbs - \$326,780.00  
5,001- 12,000 lbs - \$163,910.00  
12,001-18,000 lbs - \$59,020  
18,001 + - \$51,140

Registration Fee Increase - \$9,072,435.00

Title/Lien Fee Increase - \$3,000,000.00

SB

106

**Subject:** SB106

**Date:** Thu, 27 Mar 2003 16:16:56 -0900

**From:** Lynn Aleshire <lynn@kja.us>

**To:** Senator\_Lyda\_Green@legis.state.ak.us, Senator\_Gary\_Wilken@legis.state.ak.us,  
Senator\_Con\_Bunde@legis.state.ak.us, Senator\_Robin\_Taylor@legis.state.ak.us,  
Senator\_Ben\_Stevens@legis.state.ak.us, Senator\_Lyman\_Hoffman@legis.state.ak.us,  
Senator\_Donny\_Olson@legis.state.ak.us

**CC:** lynn@frontierk12.org

Dear Senator,

I am a consulting engineer under contract with UAA to write portions of a study of the socioeconomic effects studded tire use. This study was funded by the last legislature and I believe you have received the interim findings. As a result of what I've learned after reviewing 40+ studies and publications I am writing against SB106.

I see it's purpose to be revenue generation without doing anything to solve the problem of pavement wear and the expense of pavement repair.

The premise that studded tires are a net cost burden to the state is incorrect. Yes, road repair is expensive. But reduction in studded tire use is even more costly. Two very recent studies came to this conclusion.

- In 2002 the Japanese produced a benefit-cost analysis before and after studs were banned on Hokkaido in the mid-90's. They found no savings but added expense because road surfaces required 15 times more surface applications (sand & salt) and injury/death accidents increased 2.2 times.
- Finland predicted the same results as they considered government policies that would reduce studded tire usage without banning them. After extensive research throughout the 90's the Finns required light weight studs that allowed for the same level of safety but reduced pavement wear by one-half. Today Finland and other Nordic countries which have followed similar policies consider the problem solved.

I understand the proposal is not to ban studs but I am certain that any significant reduction in the usage of studs will add costs to highway operations. A surcharge on studs will discourage stud usage.

Thank you for your time. I hope to be able to testify at tomorrow's hearing.

Lynn Aleshire  
907.248.3567

Provided by Gary Wilken