

ALPHA LECTURE, 2007-2008, 7/98

11679 HOURS AFTER



WORTHINGTON FORD

OFFER TO PURCHASE

Date: 12/29/2005

Salesman: 533 RANDY LEE JAQUES

Buyer: _____

Co-Buyer: _____

We hereby offer to purchase the following described automobile from WORTHINGTON FORD subject to conditions below.

MILES 80133

AGREEMENT BALANCE PAYABLE IN 12 INSTALLMENTS AS FOLLOWS

Make FORD TRUCK Year 1999 Type 2 DOOR SUPER Model F250

Stock # 616780 Lic # _____ Exp. _____ Color SILVER

VIN 1FTNX21S1XE A39254 R/L D

\$ _____ ON _____ 20 _____

Below Payment

\$ _____ ON _____ 20 _____

Below Payment

2001	FORD TRUCK	CASH PRICE OF CAR	12900.00
Year	Make	SERVICE AGREEMENT	2500.00
EXCURSION	4 DOOR UTILI	ACCESSORIES	N/A
Model	Type	GAP	N/A
		RUST PROOF	N/A
		DOC FEE	30.00
		Dept. Motor Vehicles	
		Total Cash Price	15430.00
		Trade-In Allowance	11000.00
		Less Payoff	13418.29
		Net Allowance	-2418.29
		Rec. No.	N/A
		REBATE	
		Deposited	N/A
		Cash on Del.	N/A
		Total Down Payment	-2418.29
		Unpaid Cash Balance	17848.29

No Agreements, verbal or otherwise, not contained herein will be recognized unless in writing. ALL USED CARS ARE SOLD "AS-IS" AND, WITHOUT GUARANTEE AS TO CONDITION, MILEAGE, YEAR OR MODEL, UNLESS WRITTEN WARRANTY OR SERVICE AGREEMENT IS GIVEN AT TIME OF SALE OR WITHIN NINETY (90) DAYS THEREAFTER.

PAYOFF TO:
ALASKA USA FEDERAL CREDIT UNION

complete detail in a conditional sales contract which has been signed by all parties to this sale. Purchaser agrees to execute a Security Agreement covering this order. Purchaser certifies that he (she) is of legal age.

Signed X _____

Address _____
City PALMER Zp 99645
Phone _____

NOTICE TO BUYER ON OUTSIDE LOAN

Buyer may be required to pledge security for a loan, which security must be mutually agreed to by Buyer and Lender. Buyer will be obligated for the installment payments on BOTH THE CONDITIONAL SALES CONTRACT (SECURITY AGREEMENT) AND THE LOAN.

CONDITIONS

This document is an offer to purchase. This offer does not in any way obligate the Dealer to accept said offer. If said offer is accepted by Seller, or if Buyer and Seller agree on different terms, then and only then said agreement will be spelled out in complete detail in a useful conditional sales contract binding upon all parties.

If credit is extended to Buyer by Seller, it is with the understanding that Buyer's credit reputation is in good standing with all of his (her) present and previous creditors. Buyer represents further that he (she) has not ever declared bankruptcy, or has ever had a repossession, and that all statements shown on the application for credit are true and correct.

If Buyer takes delivery of said car, and is unable or unwilling to complete purchase for any reason, Buyer agrees to return the car to Seller on demand and pay upon demand whatever is necessary to restore the car to the same condition as when Buyer took delivery of said car. Buyer also agrees to pay \$25.00 per day and 25 cents per mile for the use of said automobile while in the Buyer's possession.

Purchaser warrants that he (she) is of legal age, is the lawful owner of the car traded in, that it is clear of all encumbrances except amount of payoff shown in order, guarantees that if the payoff as stated is not correct, to pay any overage upon demand. If Purchaser is unable to pay this excess on demand, the Seller is hereby authorized to and this amount is security agreement in the event the car is financed. Purchaser guarantees to deliver to Seller certificate of ownership on the car traded in, properly endorsed.

If the trade-in is not to be delivered to Seller until a later date, trade-in shall be re-appraised at that time and such re-appraised value shall determine allowance made on such trade-in.

Purchaser agrees that Dealer will not be held responsible for delay in delivery or non-compliance with the terms of this order caused by strikes, government priorities, or conditions beyond his (her) control.

Used car as described above is for description and identification only.

In the event that the Seller should be required to engage counsel in order to enforce any obligation of Buyer in connection with the transaction referred to as above, Buyer shall pay to Seller such attorney's fees, court costs and incidental expenses as Seller might incur or become obligated to pay.

The Purchaser agrees that no representations or warranties respecting the mileage on the said vehicle, or on the odometer, are made, and Dealer expressly disclaims any warranty or representation. The above conditions are a part of the purchase of _____

NO. 4627 P. 15 CW-111

FEB. 23. 2006 8:31AM CAL-WORTHINGTON

DMV Record

PVTD800P TERMID: X4LE DEF CL VEHICLE RECORD 02/22/06 14:57:29.9

OWNER: [REDACTED]

LICENSE: DLA248 SERIAL: 1FTNX21S1XEA39254 STATUS: TITLE & REG
MODEL YEAR: 1999 MAKE: FORD MODEL: F25 STYLE: PK
COLOR: SIL CLASS: 45 UNLADEN WGT: 5691 METHOD: A
2ND SERIAL: HV TAX: N TAX EXEMPT:
EXPIRATION: 02 2008 ORIGINAL: 05 TAX-LOC: 30 TITLE: 2390707
PREV ST: ** I/M REQ: N I/M NUM: A9483803C

STREET/COUNTRY CITY-EXTRA LINE ST ZIP CODE
MAILING: [REDACTED] PALMER AK 99645

RESIDENT: [REDACTED] PALMER AK 99645

LIENHOLDER: ALASKA USA FCU RRN: 23099067
LIEN PO BOX 196613 ANCHORAGE AK 995196613

ADDR:
ODOMETER: 80133 FLEET NO: UNIT NO:
PF4 VIEW HX PF10 TRANS PF11 TITLE PF12 STATUS

PVTD830P TERMID: X4LE DETAIL VEHICLE RECORD 02/22/06 14:57:36.5
LICENSE: DLA248 SERIAL: 1FTNX21S1XEA39254 RRN: 23099067 PAGE: 1
***** TRANSACTION INFORMATION *****

BATCH NUM	OPER ID	APPL OFFICE	APPL DATE	PROCESS OFFICE	PROCESS DATE	TRANS TYPE	FEE AMT	DEPOSIT NUM
3223	AMVCJFU	506	05/01/1998	503	05/02/1998	V1	206.00	0209
7341	AMVCDKE	506	11/20/1998	503	11/20/1998	V1	10.00	0099
6846	AMVCHRC	503	04/30/1999	503	04/30/1999	V6	209.00	0208
1774	WEBIVR	511	04/28/2001	511	04/28/2001	V12	157.00	0296
0868	APJULIA	559	12/06/2002	559	12/06/2002	V1	10.00	0083
2812	AMVCJGU	503	05/30/2003	503	05/30/2003	V6	129.00	0227
4607	APJULIA	559	04/06/2004	559	04/07/2004	V1	30.00	0129
0091	APMELISA	508	02/08/2006	508	02/08/2006	V1	200.00	0153

508 is Cal Washington DMV location

* END DETAIL DATA *

PF8 DETAIL PF9 LICENSE PF12 STATUS

OK per AMVC DAB for illustration purposes!

Customer undeclared!

REGISTRATION FEES VALID FOR VEHICLES WITH AN EXPIRATION DATE OF 2006 (Use last year's chart for vehicles with an expiration date of 2005.)

The residence address listed on the application for title & registration (section 4) determines whether or not taxes are required prior to registering (renewing) a vehicle in the State of Alaska. To determine the correct registration fee, look for the type of vehicle in the REGISTRATION FEES chart. Next, check the TAX CHARTS under TAXABLE LOCATION. If the residence city is listed, look for the VEHICLE TYPE and then look for the vehicle model year to determine the tax amount. If the vehicle year is not on the chart, use the tax for a 1999 model year.

Passenger, MH, Truck & Cargo Van	100	BIENNIAL		ANNUAL			
		0 - 5,000 pounds	150	0 - 5,000 pounds	80	Title	15
Farm Vehicles	68	5,001 - 12,000 pounds	268	5,001 - 12,000 pounds	134	Liens Recording	18
Trailers	38	12,001 - 18,000 pounds	518	12,001 - 18,000 pounds	258	Title Required to Renew	2
Motorcycles	60	18,001 & Over	662	18,001 & Over	331	Specialty Plate Transfer	5
Tour Buses	300	Trailers (one time only)	20			Duplicate Registration	2
Taxicabs	180						

TAX CHARTS

BETHEL		Non-Comm. Passenger, Motorhomes, Pickups & Cargo Vans	151	151	124	98	88	48	35	24	28
Bethel	Commercial (1 - 5,000) & Taxicabs		21	21	19	16	13	9	8	5	5
	Non-Comm. Trailers & Motorcycles		248	248	193	181	124	98	67	41	28
	Commercial (5,001 - 12,000) & Tour Bus		521	521	453	398	343	288	246	219	205
	Commercial (12,001 - 18,000)										
JUNEAU		Non-Comm. Passenger, Motorhomes, Pickups & Cargo Vans	22	22	22	22	22	22	22	22	22
Auke Bay, Douglas, Juneau	Non-Comm. Trailers & Motorcycles		4	4	4	4	4	4	4	4	4
KENAI		Non-Comm. Passenger, Motorhomes, Pickups & Cargo Vans	140	140	120	100	80	60	50	40	30
Anchor Point, Clam Gulch, Cooper Landing, English Bay, Fric Creek, Halibut Cove, Homer	Commercial (1 - 5,000) & Taxicabs		150	150	130	110	90	70	60	50	40
Hope, Kaslof, Kenai, Moose Pass, Nanwalek, Nikilak, Nidzolevek, Ninichik, Port Graham, Red Mountain, Seldovia, Seward, Soldotna, Starling, Tyonek	Non-Comm. Trailers & Motorcycles		20	20	18	16	14	12	10	10	10
	Commercial (5,001 - 12,000) & Tour Bus		200	200	180	160	140	120	100	75	60
	Commercial (12,001 - 18,000)		450	450	410	370	330	290	250	230	210
	Commercial (18,001 & Over)		550	550	500	450	400	350	300	250	220
KETCHIKAN		Non-Comm. Passenger, Motorhomes, Pickups & Cargo Vans	162	162	128	102	78	50	40	28	18
Ketchikan	Commercial (1 - 5,000) & Taxicabs		20	20	18	16	14	10	6	4	4
Loring	Non-Comm. Trailers & Motorcycles		254	254	202	152	128	102	78	50	26
Sorman	Commercial (5,001 - 12,000) & Tour Bus		530	530	454	404	352	302	252	226	200
Ward Cove	Commercial (12,001 - 18,000)		656	656	554	478	404	352	302	252	200
	Commercial (18,001 & Over)										
MAT-SU BOROUGH		Non-Comm. Passenger, Motorhomes, Pickups & Cargo Vans	146	146	135	126	115	105	95	80	70
Alexander Creek, Beluga River, Big Lake, Broad Pass, Chikiloon, Curry, Eaku, Houston, Jonesville, Palmer, Skwentna	Commercial (1 - 5,000), Taxicabs & Tour Bus		20	20	20	20	20	20	20	20	20
Summit, Sutton, Talkeetna, Trapper Creek, Wasilla, Willow, Yenina	Non-Comm. Trailers & Motorcycles		220	220	220	220	220	185	110	110	110
	Commercial (5,001 - 12,000)		480	480	480	480	480	400	320	320	320
	Commercial (12,001 - 18,000)		632	632	598	560	524	488	452	417	400
	Commercial (18,001 & Over)										
ANCHORAGE AND OTHER AREAS		Non-Comm. Passenger, Motorhomes, Pickups & Cargo Vans	121	121	99	77	55	39	28	19	16
Aldiok, Anchorage, Bird Creek, Chinik Bay, Chugak, Cordova, Dillingham, Dutch Harbor, Eagle River, Eldara, Elmendorf, Ft. Rich., Greenwood, Indian, Karluk, Kodiak, Larsen Bay, Nenana, Nome	Commercial (1 - 5,000) & Taxicabs		17	17	15	13	10	7	5	4	4
Old Harbor, Ozunika, Peters Creek, Petersburg, Port Lions, SIDA, Unalaska, Whittier	Non-Comm. Trailers & Motorcycles		198	198	154	121	99	77	55	33	22
	Commercial (5,001 - 12,000) & Tour Bus		447	447	392	348	304	260	227	205	194
	Commercial (12,001 - 18,000)		548	548	469	403	348	304	260	216	194
	Commercial (18,001 & Over)										

Rev. 10/05 dsmb * There are exceptions that cover Nenana & Petersburg. If you are unsure, please contact DMV to see if the customer is exempt or not.

FEB. 23. 2006 9:31AM CAL-WORTHINGTON

NO. 4627 P. 17

STATE OF ALASKA - DIVISION OF MOTOR VEHICLES
APPLICATION for TITLE & REGISTRATION

FOR DISTRICT USE ONLY
 TITLE AND REGISTRATION
 TITLE ONLY
 NT: (Registration Only)

1	SERIAL NUMBER (VIN) 1E5F1172F4611A13908	YEAR 2006	LICENSE / DECAL / PERMIT NUMBER
	MAKE FORD TRUCK	MODEL EXPLORER XPL	BODY STYLE 4DR XL
	YES	NO	28
	4437		
	SECONDARY SERIAL NUMBER (Motorcycles & Motorcycles)		

2	FULL FIRST NAME	FULL MIDDLE NAME	FULL LAST NAME	SUFF.	OLD EXPIRATION DATE	NEW EXPIRATION DATE 12/07
<input checked="" type="checkbox"/> OWNER OR <input type="checkbox"/> LESSOR	DRIVERS LICENSE NO.*	STATE*	DATE OF BIRTH*	SOCIAL SECURITY NO.*	SEX M	NEW LICENSE / DECAL / PERMIT EWV 902
	COMPANY NAME (if this is to appear on the title)					TAB NUMBER ISSUED N565905

<input checked="" type="checkbox"/> PRO-OWNER OR <input type="checkbox"/> LESSEE	FIRST NAME	MIDDLE NAME	LAST NAME	SUFF.	CODES	FEES	
	DRIVERS LICENSE NO.*	STATE*	DATE OF BIRTH*	SOCIAL SECURITY NO.*	SEX	CLASS	REGISTRATION
	COMPANY NAME (if this is to appear on the title)					11	100

3	PO BOX OR STREET ADDRESS	TITLE	
4	CITY / STATE / ZIP CODE	15	
5	STREET or LOCATION (Physical location - no PO Box or Mail Center addresses)	15	
6	CITY / STATE / ZIP CODE	TAX LOCATION	
7	NAME (if the vehicle has been paid in full - write "NONE") FORD MOTOR CREDIT COMPANY	INSPECTION CODE	INSPECTION FEE
8	PO BOX OR STREET P.O. BOX 106704	PREVIOUS STATE	MISCELLANEOUS
	CITY / STATE / ZIP CODE ATLANTA GA 30316 5704	NEW	
	DEALER NAME CAL WORTHINGTON FORD OF AK INC	DATE PURCHASED 11/25/2005	TOTAL 150

9	AFFIDAVIT		PAYMENT TYPE <input type="checkbox"/> CA <input type="checkbox"/> CC <input checked="" type="checkbox"/> CK
	TEMP PLATE: T088207		DOCUMENTS ACCEPTED W/SO/LOC
	I certify under penalty of law that all statements contained in this application are true and correct. I further certify that there is a MANDATORY INSURANCE POLICY for this vehicle as required by law and this policy will be maintained during the entire registration period.		BATCH NO.: 6050
	SIGNATURE OF OWNER (IN INK)	DATE 11/26/2005	BATCH DATE: 12/21/05
	SIGNATURE OF OWNER (IN INK)	DATE 11/26/2005	PROCESSED BY: <i>cmk</i>
	COMPANY NAME	AUTHORIZED AGENT	



WORTHINGTON FORD

OFFER TO PURCHASE

Date: 11/26/2005

Buyer: _____

Salesman: 794 SEAN P WALSH

Co-Buyer: _____

We hereby offer to purchase the following described automobile from WORTHINGTON FORD subject to conditions below.

MILES 28

Make FORD TRUCK Year 2006 Type 4DR XLS 4X4 Model EXPLORER

AGREEMENT BALANCE PAYABLE IN 72 INSTALLMENTS AS FOLLOWS

Stock # 64110 Lic # _____ Exp. _____ Color RED FIRE

\$ _____ ON _____ 20 _____

VIN 1FMEU72E46UA13908 R/L D

\$ _____ ON _____ 20 _____

1998	LINCOLN	CASH PRICE OF CAR	26400.00
Year	Make	SERVICE AGREEMENT \$	N/A
CONTINENTAL 4 DOOR SEDAN		ACCESSORIES \$	N/A
Model	Type	GAP \$	N/A
		RUST PROOF \$	N/A
		DOC FEE \$	N/A
		Dept. Motor Vehicle \$	130.00
		Total Cash Price \$	26530.00
		Trade-In Allowance \$	3000.00
		Less Payoff \$	N/A
		Net Allowance \$	3000.00
		Rec. No.	N/A
		REBATE	2500.00
		Rec. No.	
		Cash on Del.	5000.00
		Total Down Payment \$	10500.00
		Unpaid Cash Balance \$	16030.00

No Agreement, verbal or otherwise, not contained herein will be recognized unless in writing. ALL USED CARS ARE SOLD "AS-IS" AND, WITHOUT GUARANTEE AS TO CONDITION, MILEAGE, YEAR OR MODEL, UNLESS WRITTEN WARRANTY OR SERVICE AGREEMENT IS GIVEN AT TIME OF SALE OR WITHIN NINETY (90) DAYS THEREAFTER.

complete detail in a conditional sales contract which has been signed by all parties to this sale. Purchaser agrees to execute a Security Agreement covering this order. Purchaser certifies that he (she) is of legal age.

Signed X _____
Address _____
City _____ Zip _____
Phone _____

NOTICE TO BUYER ON OUTSIDE LOAN
Buyer may be required to pledge security for a loan, which security must be mutually agreed to by Buyer and Lender. Buyer will be obligated for the installment payments on BOTH THE CONDITIONAL SALES CONTRACT (SECURITY AGREEMENT) AND THE LOAN.

CONDITIONS
This document is an offer to purchase. This offer does not in any way obligate the Dealer to accept said offer, if said offer is accepted by Seller, or if Buyer and Seller agree on different terms. Then and only then said agreement will be spelled out in complete detail in a lawful conditional sales contract binding upon all parties.
If credit is extended to Buyer by Seller, it is with the understanding that Buyer's credit reputation is in good standing with all of his (her) present and previous creditors. Buyer represents further that he (she) has not ever declared bankruptcy, or has ever had a repossession, and that all statements shown on the application for credit are true and correct.
If Buyer takes delivery of said car, and is unable or unwilling to complete purchase for any reason, Buyer agrees to return the car to Seller on demand and pay upon demand whatever is necessary to restore the car to the same condition as when Buyer took delivery of said car. Buyer also agrees to pay \$25.00 per day and 25 cents per mile for the use of said automobile while in the Buyer's possession.
Purchaser warrants that he (she) is of legal age, is the lawful owner of the car traded in, that it is clear of all encumbrances except amount of payoff shown in entry, guarantees that if the payoff as stated is not correct, to pay any amount upon demand. If Purchaser is unable to pay this amount, the Seller is hereby authorized to bid this amount to security agreement in the event the car is financed. Purchaser guarantees to deliver to Seller certificate of ownership on the car traded in, properly endorsed.
If the trade-in is not to be delivered to Seller until a later date, trade-in shall be re-appraised at that time and such re-appraised value shall determine allowance made on such trade-in.
Purchaser agrees that Dealer will not be held responsible for delay in delivery or non-compliance with the terms of this order caused by strikes, government priorities, or conditions beyond his (her) control.
Used car as described above is for description and identification only.
In the event that the Seller should be required to engage counsel in order to enforce any obligation of Buyer in connection with the transaction referred to as above, Buyer shall pay to Seller such attorney's fees, court costs and incidental expenses as Seller might incur or become obligated to pay.
The Purchaser agrees that no representations or warranties respecting the mileage on the said vehicle, or on the odometer, are made, and Dealer expressly disclaims any warranty or representation as to the accuracy of the mileage on the odometer.
The above conditions are a part of the purchase order.

DMV Record

PVTD800P TERMID: X4LE DETAIL VEHICLE RECORD 02/22/06 16:14:37.6

OWNER: [REDACTED]

LICENSE: EWV902 SERIAL: 1FMBU72E46UA13908 STATUS: TITLE & REG
 MODEL YEAR: 2006 MAKE: FORD MODEL: XPL STYLE: LL
 COLOR: RED CLASS: 11 UNLADEN WGT: 4437 METHOD: A
 2ND SERIAL: HV TAX: N TAX EXEMPT:
 EXPIRATION: 12 2007 ORIGINAL: 12 TAX-LOC: TITLE: 2318403
 PREV ST: ** I/M REQ: N I/M NUM:
 I/M START: I/M STOP:
 STREET/COUNTRY CITY-EXTRA LINE ST ZIP CODE
 MAILING: [REDACTED] HEALY AK 99743
 RESIDENT: [REDACTED] HEALY AK 99743
 LIENHOLDER: FORD MOTOR CREDIT COMPANY RRN: 30606722
 LIEN PO BOX 105704 ATLANTA GA 303485704
 ADDR:
 ODOMETER: 28 FLEET NO: UNIT NO:
 PF4 VIEW HX PF10 TRANS PF11 TITLE PF12 STATUS

PVTD830P TERMID: X4LE DETAIL VEHICLE RECORD 02/22/06 16:14:55.3
 LICENSE: EWV902 SERIAL: 1FMBU72E46UA13908 RRN: 30606722 PAGE: 1
 * * * * * TRANSACTION INFORMATION * * * * *

BATCH NUM	OPER ID	APPL OFFICE	APPL DATE	PROCESS OFFICE	PROCESS DATE	TRANS TYPE	FEE AMT	DEPOSIT NUM
6050	APMELISA	508	12/21/2005	508	12/21/2005	V1	130.00	0117
6050	APMELISA	508	12/21/2005	508	12/21/2005	M3	-100.00	0117
6050	APMELISA	508	12/21/2005	508	12/21/2005	M3	-15.00	0117
6050	APMELISA	508	12/21/2005	508	12/21/2005	M3	-15.00	0117
6050	APMELISA	508	12/21/2005	508	12/21/2005	V1	130.00	0117

508 is Cal Warrington DMV location

* END DETAIL DATA *

PF8 DETAIL PF9 LICENSE PF12 STATUS

OK per AMVC DAB for illustration purposes!

REGISTRATION FEES VALID FOR VEHICLES WITH AN EXPIRATION DATE OF 2005 (Use last year's chart for vehicles with an expiration date of 2004.)

The residence address listed on the application for title & registration (section 4) determines whether or not taxes are required prior to registering (renewing) a vehicle in the State of Alaska. To determine the correct registration fee, look for the type of vehicle in the REGISTRATION FEES chart. Next, check the TAX CHARTS under TAXABLE LOCATION. If the residence city is listed, look for the VEHICLE TYPE and then look for the vehicle model year to determine the tax amount. If the vehicle year is not on the chart, use the tax for a 1998 model year.

REGISTRATION FEES		BIENNIAL		ANNUAL		TITLE	
Passenger, M1, Truck & Cargo Van	100	0 - 5,000 pounds	160	0 - 5,000 pounds	80	Title	15
Farm Vehicles	66	5,001 - 12,000 pounds	268	5,001 - 12,000 pounds	134	Lien Recording	15
Trailers	30	12,001 - 18,000 pounds	516	12,001 - 18,000 pounds	258	VM Required to Renew	2
Motorcycles	60	18,001 & Over	542	18,001 & Over	331	Specialty Plate Transfer	5
Tour Buses	338	Trailers (one time only)	20			Duplicate Registration	2
Taxicabs	160						

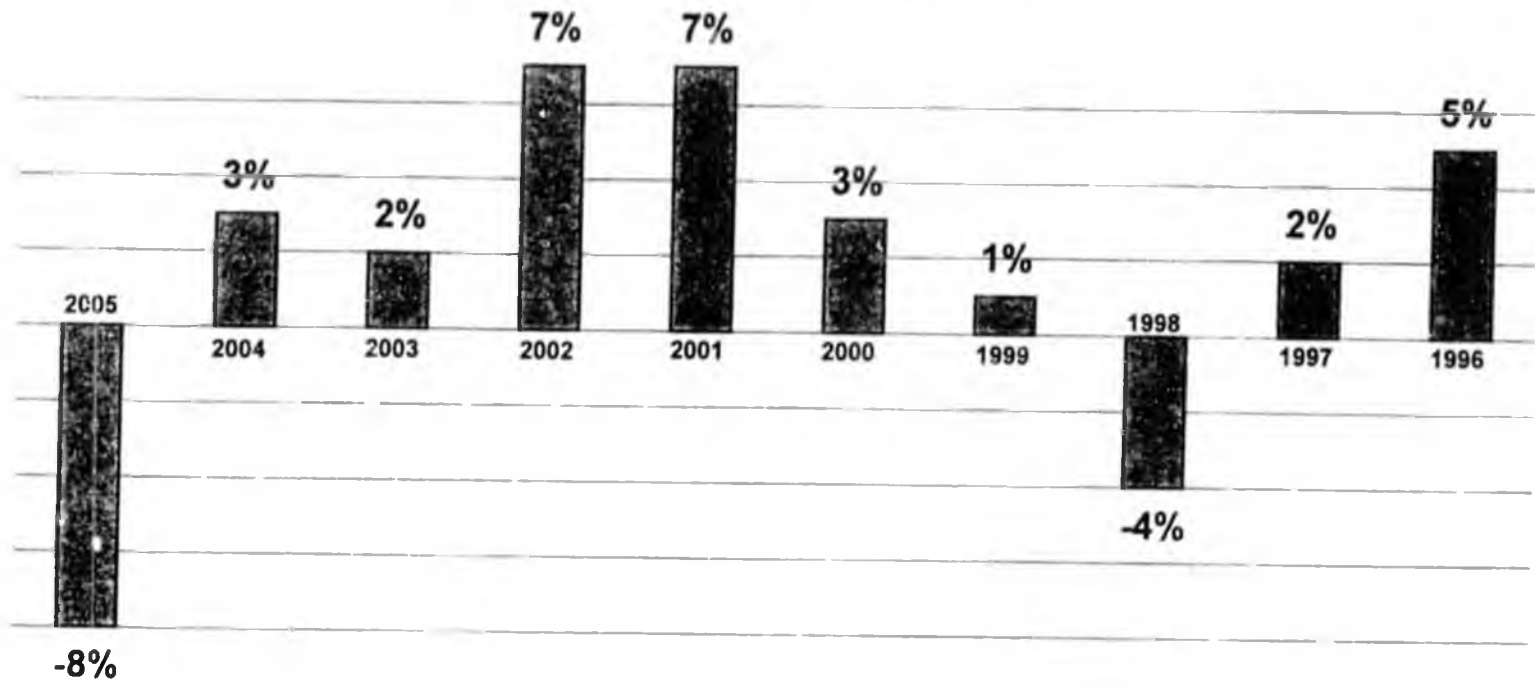
TAX CHARTS **VEHICLE MODEL YEAR**

TAXABLE LOCATION	VEHICLE TYPE	2005	2004	2003	2002	2001	2000	1999	1998
BETHEL									
Bethel	Non-Comm. Passenger, Motorhomes, Pickups & Cargo Vans Commercial (1 - 5,000) & Taxicabs	151	151	124	96	69	49	25	24
	Non-Comm. Trailers & Motorcycles Commercial (5,001 - 12,000) & Tour Bus Commercial (12,001 - 18,000)	21	21	19	16	13	9	6	5
JUNEAU									
Auke Bay, Douglas, Juneau	Non-Comm. Passenger, Motorhomes, Pickups & Cargo Vans Commercial (1 - 5,000) & Taxicabs	22	22	22	22	22	22	22	22
	Non-Comm. Trailers & Motorcycles	4	4	4	4	4	4	4	4
KENAI									
Anchor Point, Clam Gulch, Cooper Landing, English Bay, Fritz Creek, Halibut Cove, Horner Hope, Kaslof, Kenai, Moose Pass, Nanwalek, Nikiski, Nickoloevak, Ninichik, Port Graham, Red Mountain, Seldovia, Seward, Soldotna, Sterling, Tyonak	Non-Comm. Passenger, Motorhomes, Pickups & Cargo Vans Commercial (1 - 5,000) & Taxicabs	140	140	120	100	80	60	50	40
	Non-Comm. Trailers & Motorcycles Commercial (5,001 - 12,000) & Tour Bus Commercial (12,001 - 18,000)	20	20	18	16	14	12	10	10
	Commercial (18,001 & Over)	200	200	180	160	140	120	100	75
	Commercial (12,001 - 18,000)	450	450	410	378	330	290	250	230
	Commercial (18,001 & Over)	550	550	500	450	400	350	300	250
KETCHIKAN									
Ketchikan	Non-Comm. Passenger, Motorhomes, Pickups & Cargo Vans Commercial (1 - 5,000) & Taxicabs	152	152	126	102	78	50	40	26
	Non-Comm. Trailers & Motorcycles Commercial (5,001 - 12,000) & Tour Bus Commercial (12,001 - 18,000)	20	20	18	16	14	10	8	4
	Commercial (18,001 & Over)	254	254	202	152	126	102	78	50
	Commercial (12,001 - 18,000)	530	530	464	404	352	302	252	200
MAT-SU BOROUGH									
Alexander Creek, Beluga River, Big Lake, Broad Pass, Chickaloon, Curry, Eska, Houston, Jonesville, Palmer, Skwentna, Summit, Sutton, Talkeetna, Trapper Creek, Wasilla, Willow, Yentna	Non-Comm. Passenger, Motorhomes, Pickups & Cargo Vans Commercial (1 - 5,000), Taxicabs & Tour Bus	145	145	135	126	115	105	95	80
	Non-Comm. Trailers & Motorcycles Commercial (5,001 - 12,000)	20	20	20	20	20	20	20	20
	Commercial (12,001 - 18,000)	220	220	220	220	220	185	110	110
	Commercial (18,001 & Over)	480	480	480	480	480	400	320	320
ANCHORAGE AND OTHER AREAS									
Akiak, Anchorage, Bird Creek, Chinik Bay, Chugiak, Cordova, Dillingham, Dutch Harbor, Eagle River, Edutna, Elmendorf, Ft. Rich., Girdwood, Indian, Karluk, Kodiak, Larsen Bay, Nenana*, Nome, Old Harbor, Orizinski, Peters Creek, Petersburg*, Port Lions, Sitka, Unalaska, Whittier	Non-Comm. Passenger, Motorhomes, Pickups & Cargo Vans Commercial (1 - 5,000) & Taxicabs	121	121	99	77	55	39	28	19
	Non-Comm. Trailers & Motorcycles Commercial (5,001 - 12,000) & Tour Bus Commercial (12,001 - 18,000)	17	17	15	13	10	7	5	4
	Commercial (18,001 & Over)	198	198	154	121	99	77	55	33
	Commercial (12,001 - 18,000)	447	447	392	348	304	260	227	205
Commercial (18,001 & Over)	548	548	469	403	348	304	260	216	

Rev. 09/04 dda/mto * There are exceptions that cover Nenana & Petersburg. If you are unsure, please contact DMV to see if the customer is exempt or not.

FEB 25 2006 8:31AM CAL-WORTHINGTON NO. 4627 P. 21

Mat-Su DMV Document Count



FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 344
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title: "An Act relating to... appointing agents to perform RDU Division of Motor Vehicles
for compensation certain transactions...." Component Motor Vehicles
 Sponsor: Rep. Kohring and Ramras
 Requester: (H) State Affairs Component No. 2348

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual	41.6					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	41.6	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	(445.0)	(454.0)	(463.0)	(472.0)	(482.0)	(491.0)
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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						
1156 Receipt Supported Services	41.6					
TOTAL	41.6	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill will help keep the Business Partnership program strong by allowing agents who perform title and registration services to retain a portion of the fees collected. Currently, these partners are performing a large portion of DMV processing commonly and traditionally completed only in DMV offices.

HB 344 is patterned similar to compensation provided to vendors of hunting & fishing licenses as defined in AS 16.05.290, which allows the vendor to retain a portion of the license fee generated.

The estimated change in declining revenues is based on 2% annual growth of the program. The one-time contractual cost is attributed to programming changes in our accounting software to assure accuracy in reporting and 'commission' paid.

Prepared by: Duane Bannock, Director Phone 269 500*
 Division: Motor Vehicles Date/Time 2/14/06 12:00 AM
 Approved by: Mike Tibbles, Deputy Commissioner Date 2/14/2006
 Agency: Department of Administration

← Louie Flora

2

Subject: FW: HB344 on State Affairs Agenda 2/16

-----Original Message-----

From: BeckyAK [mailto:beckyak@gci.net]
Sent: Tuesday, February 14, 2006 7:50 PM
To: Katie Shows
Subject: HB344 on State Affairs Agenda 2/16

Representative Seaton:

What is the justification for HB344? This bill would pay specific Motor Vehicle dealers for processing DMV transactions. There isn't any shortage of dealers requesting to process DMV transactions. The ability to do so is a value-added service that dealers can offer to their customers. Currently dealers process DMV transactions at no additional cost to the State. Why should the State now pay for something that it is getting for free? Is this bill a sweetheart deal for associates of the Division Director? If not, why does it only benefit certain Motor Vehicles dealers? Why doesn't it include other "business partners" - the I/M stations and Third Party Road Examiners.

Is any private entity clamoring for this bill? How does this bill benefit the State of Alaska? The DMV doesn't gain anything by it. The DMV must still maintain all of its services and associated equipment and supplies plus provide training and support for the Motor Vehicles Dealers. DMV does not receive additional money for that service. The State loses money by this bill as the fees paid to the Motor Vehicles Dealers rather than going into the general fund. This money would be collected right now at no additional charge by the dealers or would be collected by the DMV. Instead this bill pays out government money to private industry. Is this bill actually a first step toward privatizing the DMV? This bill should die in committee.

Sincerely,

Becca Janik
7811 Wildbrook Court
Anchorage, AK 99504
(907) 349-4854

**Alaska Auto Dealer Association
1950 Gambell St.
Anchorage, AK 99501**

February 15, 2006

State of Alaska Legislature
House State Affairs Committee

Subject: HB 344

Sent Via Email

Dear House State Affairs Committee Members:

The Alaska Auto Dealers Association Board of Directors met today and unanimously approved a motion to support passage of HB 344. We understand that a Committee Substitute has or will be introduced that will reduce the percentage paid to Advanced Business Partners to 7.5% and concur with this change.

Currently, through the Advanced Business Partner program, participating dealers process thousands of vehicle titles per month in the dealership as opposed to bringing the paperwork to the DMV to process. This program has improved customer service at dealerships by providing titling paperwork in a timelier manner. Customer service at the DMV has also improved as DMV employees can now concentrate on serving walk in customers instead of spending hours on dealer work.

Dealerships who have voluntarily joined the Advanced Business Partner(ABP) program receive no fees for performing titling work formerly performed at DMV. This bill will provide that 7.5% of the license amount will be paid to the dealer, allowing dealerships to recoup a small portion of the cost associated with being an ABP. Dealerships have incurred personnel, benefits, data processing and other costs to become an ABP.

Currently, many retail businesses are allowed to issue hunting and fishing licenses by ADF&G. These businesses receive a portion of the licensing fees for performing all tasks related to issuing a hunting or fishing license. HB 383 would place ABP's on a level playing field with these businesses.

The AADA believes that passage of HB 344 would benefit ABP's by allowing them to recoup a portion of the costs associated with the program, would improve customer service at the dealership and, most importantly, would allow DMV personnel to spend time with walk in customers, thereby reducing the time spent in lines. For these reasons, we urge you to support HB 344. I would encourage you to contact me via email or phone at 459-7087 should you have any questions.

Sincerely,

Jon Cook
AADA
Legislative Director

Louie Flora

Subject: FW: HB344 in State Affairs committee meeting March 2

-----Original Message-----

From: BeckyAK [mailto:beckyak@gci.net]
Sent: Saturday, February 25, 2006 1:35 PM
To: Rep. Jim Elkins; Rep. Bob Lynn; Rep. Berta Gardner; Rep. Max Gruenberg; Rep. Carl Gatto; Katie Shows
Subject: HB344 in State Affairs committee meeting March 2

Dear Chairman Seaton,
Representatives Elkins, Gardner, Gatto, Gruenberg, and Lynn:

After listening to the public comments about HB344 I would like to make several additional comments about this piece of legislation.

Defray costs: You were told that the 7.5% is needed to defray the costs associated with processing title transactions. This is a volunteer program. Dealers are not forced to incur costs. The dealers stated that they have to pay for the secured computer line, computer upgrades, printers and printer cartridges. I/M vendors, who are not included in this bill and will not receive a kickback, also footed the bill for computer upgrades and secured lines. The title clerks at the dealerships and the I/M vendor support staff both enter personal and vehicle data into the State's computerized database.

For example, an I/M vendor will enter your address change when registering your vehicle. The only difference is that the dealership title clerk will actually print out on state provided secured title and registration documents your title and registration, the I/M vendor does not need to print a form. So, in essence, you are being asked to pay almost \$500,000 for printers and ink.

Shorten lines: The partnership has been successful. It has continued to grow by leaps and bounds. It has done so without the need for legislation requiring money from the general fund to pay for it. However, while it is true some employees can be diverted from the dealer/fleet unit to the public service unit. You must be aware that a whole new unit staffed with about 4 employees and a manager was created solely to support the partnerships.

This unit is called Partnership Development and it is dedicated to developing, training, servicing, and auditing business partnerships. Those folks do not work in the public service units. The impression I received from the comments is that the work doesn't come into the DMV. Of course it does. The money, title, registration, and stickers are all accountable items. The transactions are audited by both the Partnership staff and the Accounting staff.

Finally, when this program was proposed to DMV employees, we were told that it would not cost the State a dime. It was a win/win proposal benefiting both the State and the partners. Partners would be allowed to set their own price on what to charge for the service provided. If the dealers need to defray the cost of printers and ink, then they should bury \$10.00 in the dealer mark-up, increase the document processing fee, or be forthcoming, add another line on the contract, after the document processing fee, for a \$10 fee for processing the title and registration.

I have been very impressed by the deliberate way you have considered this bill. I thank each of you. You have much more important State business in front of you and soon you will be struggling with the budget. The cost of this bill is an escalating cost. There is no cap to the money that, over time, could fly out of the budget. Although this is a flush year, many of you must remember what the budget process is like during leaner years. I submit to you that spending nearly \$500,000 on education, public safety, rural sanitation, or even buying printers and ink for the struggling court system in Palmer would be a better use of State revenue. I asked you before let this bill die in committee. I ask you again to kill this bill.

Sincerely,
Rebecca Janik
7811 Wildbrook Court
Anchorage, AK 99504
(907) 349-4854



February 15, 2006

State House of Representatives
State Capital Building
Juneau, AK 99801

I am writing to express my strong support for HB 344, relating to the payment of agent fees for processing DMV paperwork, titles, and registrations.

As one of the few official DMV Business Partners, Capital Chevrolet has made a significant investment to meet the requirements of the business partner relationship. We have sent staff to Anchorage for training, purchased a new computer, printer, and locking storage cabinet in which to keep DMV documents secure. We have also made a significant investment in staff time in order to process DMV work. As any Dealer will tell you, doing DMV work is a huge time commitment. I estimate that our receptionist spends about 25% of her time dealing with DMV-related paperwork issues.

HB 344 will lessen the investment burden of becoming a DMV business partner and will induce more dealers to join the program. This will be a win-win-win situation for the State of Alaska, dealers, and customers. The State will have a savings in staff and administration time, and will be better able to serve customers. Dealers will receive a processing fee to offset their investment of time and money, and are also better able to serve customers when they can put tabs and plates on newly purchased vehicles at the time of sale, eliminating inconvenience and delay to customers.

I believe HB 344 has strong support in the car industry in Alaska. I urge passage of HB 344.

Best Wishes,

Mark Wilke
General Manager

HB

347

ALASKA STATE LEGISLATURE



REPRESENTATIVE LES GARA

HB 347: Motor Vehicle License Suspensions / DMV Notification Procedure

Sponsor Statement

House Bill 347 closes a loophole in the law that has caused a number of drivers to be charged criminally for driving without auto insurance when, in fact, they had insurance. This past summer we heard from two constituents who were properly insured, who proved they had insurance, but who were charged with the crime of driving without a license because the Department of Motor Vehicles did not receive the requested paperwork. In at least one case, and perhaps both, DMV send the paperwork request to a dated address.

Under current law a driver can lose his or her license for driving without insurance, and can be criminally charged for driving when their license is subsequently suspended. These are proper penalties. But a loophole exists in the law that lets drivers who in fact had insurance to be charged with a crime. Currently drivers involved in an accident must show law enforcement proof of insurance. When they do, an officer then asks the driver to fill out paperwork informing the DMV that the driver had insurance at the time of the accident. Many drivers incorrectly assume that when they show proof of insurance at the accident scene, the subsequent paperwork is unnecessary. If DMV does not receive the paperwork, even if the law enforcement office substantiated that the driver had insurance at the scene of the accident, the driver's license will be suspended. DMV will send a reminder notice to the driver when the paperwork is not received, however, rather than sending the notice to the latest address the state knows about - normally the address provided to the police officer at the time of the accident - the law requires the notice be sent to the address on the person's driver's license.

In the two cases we know about drivers who had insurance were charged with the crime of driving without a license even though they presented proof of insurance at the scene of their car accidents. The DMV simply did not receive the required paperwork.

HB 347 does two things. First, it provides that if a person's driver's license is suspended because of lack of insurance, it is a defense to the criminal charge of driving without a valid license that the driver in fact had the legally required auto insurance.

HB 347 also provides that DMV should send the required insurance paperwork to a driver's last known address, not just the address DMV has on file. This rule will minimize the number of cases where DMV sends required insurance paperwork to the wrong address.

HB 347 serves the dual goals of requiring drivers to have automobile insurance, and preventing drivers from being charged with crimes they did not commit.

• AMENDMENT #1

Adapt

OFFERED IN THE HOUSE

By _____

TO: HB 347

PAGE 2, LINE 2, following "department."

Insert "Notwithstanding AS 23.05.121"

AMENDMENT # 2 *Adopt*

OFFERED IN THE HOUSE

TO: HB 347

1 Page 2, lines 3 - 4:

2 Delete "most current"

3 insert "most recently ~~revised~~

provided"

see EN to Am #2

AMENDMENT #3 *Alpha*

OFFERED IN THE HOUSE
TO: HB 347

[Handwritten signature]

- 1 Page 2, line 6:
- 2 Delete "citation or"

AMENDMENT # 4

Adapt

OFFERED IN THE HOUSE

TO: HB 347

- 1 Page 2, lines 7 - 9:
- 2 Delete all material.
- 3 Insert "accident."

~~Line 6
Line 7
Line 8
Line 9~~
Amendments delete with "accident."
reports of accident
Adapt

~~Adapt~~

AMENDMENT #5
to HB 347 (G Version)

Page 2, line 6

DELETE "Police"

TABLE 15
LEAD: WORLD REFINERY PRODUCTION, BY COUNTRY^{1,2}

(Metric tons, gross weight)

Country ¹	1999	2000	2001	2002	2003 ²
Algeria:³					
Primary	900	900	900	1,100 ¹	1,100
Secondary	4,800	5,200	5,100	5,000 ¹	5,900
Total	5,700	6,100	6,000	6,100 ¹	6,100
Argentina:					
Primary	495 ⁴	8,665	9,473	10,567	11,011 ⁵
Secondary	25,195	27,000	25,960	33,000 ¹	30,300 ⁵
Total	25,690	35,665	35,433	43,567 ¹	41,311 ⁵
Australia:					
Primary	240,000	223,366	270,000	181,000	310,000 ⁴
Secondary	32,828	28,430	33,000	30,000 ⁴	40,000 ⁴
Total	272,828	251,796	303,000	211,000 ⁴	350,000 ⁴
Austria, secondary⁶	24,000	24,000	22,000	21,000 ¹	20,000
Belgium:⁶					
Primary ³	82,900	98,000	76,000	68,000 ¹	45,000
Secondary	20,300 ⁴	20,000	20,000	20,000	20,000
Total	103,200 ⁴	118,000	96,000	88,000 ¹	65,000
Bolivia	--	--	--	--	1
Brazil, secondary³	52,000	50,000	50,000	50,000 ⁴	50,000
Bulgaria:					
Primary ⁶	71,600	74,100	75,000	75,000	60,000
Secondary ⁶	10,000	10,000	13,600	10,000	6,000
Total	81,600	84,100	88,600	85,000	66,000
Burma, primary	1,666	1,054	1,005	1,000 ⁴	1,000
Canada:					
Primary	137,172	159,192	127,007	133,815	152,000
Secondary	129,243	125,641	103,921	117,449	120,000
Total	266,415	284,833	230,928	251,264	272,000
China:⁶					
Primary	821,000	998,000	984,000	1,100,000	1,330,000
Secondary	97,000	102,000	211,000	230,000 ¹	250,000
Total	918,000	1,100,000	1,200,000	1,330,000 ¹	1,580,000
Colombia, secondary⁶	12,000	12,000	12,000	12,000	12,000
Czech Republic, secondary⁶	15,000	15,000	15,000	15,000	15,000
France:⁶					
Primary	124,000 ⁴	100,000	96,000	76,000	20,000
Secondary	155,000 ⁴	158,000	142,000	128,000	80,000
Total	279,000 ⁴	258,000	238,000	204,000	100,000
Germany:⁶					
Primary	169,557 ⁴	210,000	232,000	240,000	207,000
Secondary	204,000 ⁴	205,000	142,000	150,000	150,000
Total	373,557 ⁴	415,000	374,000	390,000	357,000
India:⁶					
Primary	72,000	57,400 ¹	74,400 ¹	64,200 ¹	61,500
Secondary	20,000	20,500 ¹	22,000 ¹	25,000 ¹	24,800
Total	92,000	77,900 ¹	96,400 ¹	89,200 ¹	86,300
Iran⁶					
Primary	12,000	15,000	12,000	12,000	12,000
Secondary	38,000	38,000	38,000	38,000	38,000
Total	50,000	53,000	50,000	50,000	50,000
Ireland, secondary⁶	12,000	12,000	13,000	7,000 ¹	8,000
Israel, secondary	13,000	13,000	20,000	22,000 ⁴	25,000
Italy:⁶					
Primary	66,954 ⁴	75,000	82,000	75,000	70,000
Secondary	148,354 ⁴	160,000	121,000	130,000	144,000
Total	215,308 ⁴	235,000	203,000	205,000	214,000

See footnotes at end of table.

AMENDMENT # 6 *A. Haupt*

OFFERED IN THE HOUSE

TO: HB 347

- 1 Page 1, line 6, following "infraction":
- 2 Insert "punishable by a fine not to exceed \$300"

AMENDMENT # 7

24-LS1372\G.2

1 without a jury, determines, by a preponderance of the evidence, that the forfeiture of
2 the motor vehicle, aircraft, or watercraft will serve one or more of the following
3 purposes:

4 (1) deterrence of the convicted person from the commission of future
5 offenses under [AS 28.15.291(b),] AS 28.35.030 [,] or 28.35.032;

6 (2) protection of the safety and welfare of the public;

7 (3) deterrence of other persons who are potential offenders under
8 [AS 28.15.291(b),] AS 28.35.030 [,] or 28.35.032; or

9 (4) expression of public condemnation of the serious or aggravated
10 nature of the convicted person's conduct.

11 * Sec. 6. AS 28.40 is amended by adding a new section to read:

12 **Sec. 28.40.080. Impoundment of motor vehicle when arrested for certain**
13 **offenses.** On the arrest of a person for a violation of AS 28.15.291, AS 28.33.030,
14 28.33.031, AS 28.35.030, or 28.35.032, the motor vehicle used in the commission of
15 the offense shall be impounded. ~~If the motor vehicle is not forfeited, the motor vehicle~~
16 ~~shall be held for six months, unless the person is acquitted of the offense.~~ The cost of
17 towing and storage of the vehicle is a lien on the vehicle. If another person claims an
18 ownership or security interest in the motor vehicle and establishes that the interest
19 predated the offense and was acquired by the other person in good faith, the vehicle
20 may be released to that other person if the person pays the accrued cost of towing and
21 storage of the vehicle."

7 -

does not contact the highway, vehicular way, or area. (§ 1 ch 8 SLA 1993; am E.O. No. 99 § 36 (1997))

Effect of amendments. — The 1997 amendment, effective March 16, 1997, inserted "of Public Safety" near the middle of subsection (b).

Article 3. Subpoenas, Notices and Hearings.

<p>Section</p> <p>111 Subpoenas of witnesses and documents</p> <p>121 Giving of notice</p>	<p>Section</p> <p>131. Opportunity for hearing required</p> <p>141. Hearings and appeals</p>
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Collateral references. — Necessity and sufficiency of notice and hearing before revocation of driver's license, 10 ALR2d 833; 60 ALR3d 361; 60 ALR3d 427.

Sec. 28.05.111. Subpoenas of witnesses and documents. (a) The commissioner of public safety and officers and employees of the Department of Public Safety designated by that commissioner, and the commissioner of administration and officers and employees of the Department of Administration designated by that commissioner, may, for good cause, subpoena witnesses to give testimony under oath or to give written deposition upon a matter under the jurisdiction of the appropriate department with respect to this title and regulations adopted under this title. A subpoena issued under this section may require the production of relevant books, papers, documents, records, or other tangible things designated in the subpoena.

(b) A subpoena issued under this section shall be served at least five days before the return date, either by personal service made by a peace officer or another person who is not less than 18 years of age or by registered or certified mail. Return acknowledgment is required to prove service by mail. The fees for the attendance and travel of witnesses are the same as for witnesses appearing before the district court.

(c) A subpoena issued under this section may be enforced by the district court. (§ 6 ch 178 SLA 1978; am E.O. No. 99 § 37 (1997))

Effect of amendments. — The 1997 amendment, effective March 16, 1997, rewrote the first sentence of subsection (a).

Sec. 28.05.121. Giving of notice. When the Department of Public Safety or the Department of Administration is authorized or required to give notice under this title or regulations adopted under this title, unless a different method of giving notice is otherwise expressly provided, notice shall be given by a qualified person, either by personal delivery to the person to be notified or by registered or certified mail, return receipt requested, addressed to the person at the address of the person as shown in the records of the appropriate department. The giving of notice by mail is considered complete upon the return of the receipt or upon return of the notice as undeliverable, refused, or unclaimed. Proof of the giving of notice in either manner may be made by the affidavit of the person giving the notice by personal delivery or by mail, naming the person to whom the notice was given and specifying the time, place, and manner of giving the notice. (§ 6 ch 178 SLA 1978; am E.O. No. 99 § 38 (1997))

Effect of amendments. — The 1997 amendment, effective March 16, 1997, in the first sentence, inserted "of Public Safety or the Department of Administration" near the beginning and inserted "appropriate" near the end.

Tricia Moen
8766 Row Ln SE
Port Orchard, WA 98367
Moentm@hotmail.com

December 7, 2005

Duane Bannock, Director
Division of Motor Vehicles
3300B Fairbanks Street
Anchorage, AK 99503

Dear Mr. Bannock:


I am writing about an incident that happened to me when I lived in Alaska. In June, I was traveling North on the Parks Highway. Near Talkeetna, and a state trooper pulled me over for speeding. When he ran my license he discovered it was suspended and I was supposed to have SR 22 insurance. The reason? The Department of Motor Vehicles had no record of receiving proof of insurance paperwork.

Let me back up. In September of 2004 I was involved in a car accident. I had my proof of insurance at the scene, which I offered to show the police officer. I also sent in the yellow proof-of-insurance sheet. I didn't think anything more of the accident. Nine months later, when I was pulled over, I found out that the DMV never got the proof-of-insurance sheet, and my license had been suspended. The Trooper let me go, he said it was obvious I didn't have a lapse of insurance; he let me go with a summons to appear in court on criminal charges. Since my license was suspended, I also had to have one of my friends drive the remainder of the trip. The criminal charge was eventually dropped.

I would like to suggest some of efficient way to make sure drivers are insured. I understand insurance companies have ways of letting the DMV know when someone drops their insurance company. Perhaps officers should check for proof of insurance when drivers are pulled over. If the driver does not have proof of insurance, then the driver would be ticketed.

I am aware that Representative Gara's office is working on a bill to this effect and hope that this will solve the problem. I want to do what I can to make sure no other drivers have the same experience I did. Thank you for your consideration into this matter. I am a law abiding citizen, and it is a bit of a nuisance to be considered a criminal. Especially when my "criminal" status could have been prevented.

Sincerely,


Tricia Moen

Louie Flora

From: Duane Bannock [duane_bannock@admin.state.ak.us]
Sent: Thursday, February 09, 2006 3:39 PM
To: Louie Flora
Subject: [Fwd: HB 347 suggested amendments from DMV]

Good Afternoon Sir,
Please see changes recommended/agreed to by DMV.
Thank you for your consideration,
Duane Bannock
629 5008

----- Original Message -----

Subject: HB 347 suggested amendments from DMV
Date: Thu, 09 Feb 2006 15:28:03 -0900
From: Duane Bannock <duane_bannock@admin.state.ak.us>
Organization: State of Alaska
To: Emily Mcclory <emily_mcclory@health.state.ak.us>
CC: Hennings, Kerry <Kerry_Hennings@admin.state.ak.us>, John K Burchfield
<john_burchfield@admin.state.ak.us>

Good Afternoon Ma'am

I was asked in the (H) State Affairs committee meeting re: HB 347 to provide suggested changes. I've reviewed the 4 pages you gave me last week. Page 2 Lines 7-9 deleted; Page 2 Line 6 "citation or" deleted and Page 2 lines 3 - 4 replace "most current" with "most recently recorded".

The DMV agrees with these changes. Perhaps the bill could/should reflect "Notwithstanding AS 28.05.121....." prior to the new language at the end of line 2.

Please let me know your thoughts and I'll submit the e recommendations with concurrence from DMV
Thanks again for your help,
Duane
269 5008

Louie Flora

HB 347

From: Jennifer Edwards [edzer@xyz.net]
Sent: Wednesday, February 01, 2006 9:41 PM
To: Louie Flora
Subject: driving with revoked licenses

Louie,

Please pass on to Paul that I do not think his language is strong enough, i.e. vehicles should be impounded 'or those caught driving with revoked or invalid licenses. I think that cars should be taken away from those people. We all know that when folks get their cars back, they drive, license or no license.

I have taught drivers education, albeit as part of a rehabilitation program versus to teenagers. None the less, I describe a car as a very large lethal weapon if not used properly. It is privilege to operate a vehicle and if an individual is a menace to society when behind the wheel, tough luck!

Thanks for your consideration of this.

Jennifer Edwards

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB347-DPS-AST-1-30-06
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Public Safety
 Title: "An Act relating to mandatory vehicle insurance, license suspensions, and notices..." RDU: Alaska State Troopers
 Sponsor: Represents Reps Gara Component: AST Detachments
 Requester: House State Affairs Committee Component No.: 2325

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

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)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation makes it an infraction if a person fails to notify the appropriate department of a change of name or address if convicted. Section two adds an affirmative defense clause under driver license violations. The bill also provides for the appropriate department to use the latest address records available from the department, police reports, or addresses provided in permanent fund dividend applications to the Department of Revenue. This so the department can notify the licensee involved in a motor vehicle accident notifying them that their license suspension may become effective if they don't make an oral or written answer controverting any point or issue regarding their failure to provide proof of motor vehicle insurance.

This bill will have no fiscal impact upon the division of the Alaska State Troopers.

Prepared by: Lieutenant James Helgoe Phone: 907-269-4532
 Division: Alaska State Troopers Date/Time: 1/31/06 8:58 AM
 Approved by: Commissioner William Tandeske Date: 1/31/2006
 Agency: Department of Public Safety

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 347
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title An Act relating to mandatory motor vehicle RDU Legal and Advocacy Services
insurance, license suspensions, and notices..... Component Office of Public Advocacy
 Sponsor Rep. Gara and Lynn
 Requester (H) - TA Component No. 43

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

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)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 If passed, this legislation should have no fiscal impact on the Office of Public Advocacy.

Prepared by: Joshua P. Fink, Director Phone 907.269-3500
 Division Office of Public Advocacy Date/Time 2/13/06 at 3:10 p.m.
 Approved by: Mike Tibbles, Deputy Commissioner Date _____
 Agency Administration

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 347 24-LS1372/G
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title "An Act relating to mandatory motor vehicle RDU Division of Motor Vehicles
insurance...." Component Motor Vehicles
 Sponsor Rep. Gara
 Requester (H) State Affairs Component No. 2348

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

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)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill will allow the Division of Motor Vehicles (DMV) a greater ability to make contact with customers via mail by recognizing a mailing address from a citation, police report or permanent fund dividend application if it is more current the Division's official record.

The DMV does not anticipate any additional expense as a result of this change.

Prepared by: Duane Bannock, Director Phone 269 5008
 Division Motor Vehicles Date/Time 2/9/06 3:00p
 Approved by: Mike Tibbles, Deputy Commissioner Date 2/9/2006
 Agency Department of Administration

HB

349

ALASKA STATE LEGISLATURE

REPRESENTATIVE BRUCE WEYHRAUCH



ALASKA
STATE CAPITOL
JUNEAU, ALASKA
99801-1182

(907) 465-3744
FAX (907) 465-2273

SPONSOR STATEMENT

House Bill 349 creates a commission that will make recommendations regarding legislative pay. It does not raise salaries of legislators, but does provide an increase for the Speaker of the House and President of the Senate from \$500 per year to \$500 per month.

Current state statute provides for a commission, but such a commission has never been implemented due to language that ties the statutes to a constitutional change. House Bill 349 simplifies current law and establishes a process by which legislative salaries may be determined. This commission will be called the Citizens' Commission on Legislative Salary and Benefits and will consist of six individuals; three Alaskans appointed by the President of the Senate, and three Alaskans appointed by the Speaker of the House of Representatives. This commission will meet at least once every two years and compile a report of its findings and recommendations. This report will be made available during the first ten days of a regular legislative session. If this report is neither amended nor rejected after a period of 90 days, the policies within the report shall take effect.

By establishing a Citizens' Commission on Legislative Salary and Benefits, we are instituting a process through which legislative pay may be assessed and changes implemented. House Bill 345 will improve upon the current statutes that have been too problematic to put into practice and clarify the procedures that shall be used in this matter.

24-LS1391\L

Wayne

1/25/06

CS FOR HOUSE BILL NO. 349()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Final report will be sent to leg council and the public

Sponsor(s): REPRESENTATIVE WEYHRAUCH

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to legislator salary and benefits; establishing the Citizens' Commission
2 on Legislative Salary and Benefits and defining its powers and duties and abolishing the
3 State Officers Compensation Commission; and providing for an effective date by
4 repealing secs. 9 and 12, ch. 124, SLA 1986."

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

6 * Section 1. The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 SHORT TITLE. This Act may be known as the Citizens' Commission on Legislative
9 Salary and Benefits Act.

10 * Sec. 2. AS 24.10.100 is amended to read:

11 Sec. 24.10.100. Salary of legislators. Legislators shall receive annual
12 salaries [THE MONTHLY SALARY FOR EACH MEMBER OF THE
13 LEGISLATURE IS \$2,001]. The president of the senate and the speaker of the house
14 of representatives are each entitled to an additional \$500 a month [YEAR] during

1 tenure of office.

2 * Sec. 3. AS 24.10.101, added by sec. 6, ch. 124, SLA 1986, is repealed and reenacted to
3 read:

4 **Sec. 24.10.101. Legislative salary and benefits.** The Citizens' Commission on
5 Legislative Salary and Benefits shall recommend legislative salary and benefits under
6 AS 39.23.

7 * Sec. 4. AS 24.10.130(c) is amended to read:

8 (c) The Alaska Legislative Council shall adopt a per diem policy and a
9 policy applicable to all legislators regarding allowances and the reimbursement of
10 [FOR] moving expenses [APPLICABLE TO ALL LEGISLATORS AND AN
11 APPLICABLE PER DIEM ALLOWANCE POLICY]. The policies [POLICY] must
12 set conditions for per diem and for allowances and the reimbursement of [FOR]
13 moving expenses. The policies must [AND PAYMENT OF PER DIEM AND]
14 prescribe the amounts of reimbursement adapted to the special needs of the legislative
15 branch as determined by the council.

16 * Sec. 5. AS 24.10.130 is amended by adding a new subsection to read:

17 (d) The Alaska Legislative Council shall adopt a policy regarding salary and
18 benefits for legislators. The policy must be sufficient in scope and detail to give notice
19 as to how much legislators are paid in salary and the quality and quantity of benefits to
20 which legislators are entitled.

21 * Sec. 6. AS 39.23.200(a) is amended to read:

22 (a) The Citizens' Commission on Legislative Salary and Benefits [STATE
23 OFFICERS COMPENSATION COMMISSION] is established in the legislative
24 branch of state government. The commission is composed of six [SEVEN]
25 members, three of whom are appointed by the president of the senate and three of
26 whom are appointed by the speaker of the house of representatives [APPOINTED
27 BY THE GOVERNOR SUBJECT TO CONFIRMATION BY A MAJORITY OF
28 THE LEGISLATURE IN JOINT SESSION]. Members serve for staggered terms of
29 four years. A [COMMISSION MEMBERSHIP SHALL INCLUDE AT LEAST ONE
30 BUSINESS EXECUTIVE, ONE REPRESENTATIVE OF A NONPARTISAN
31 VOTERS' ORGANIZATION, ONE PERSON WITH EXPERIENCE IN PUBLIC

1 ADMINISTRATION, AND ONE REPRESENTATIVE OF A LABOR
2 ORGANIZATION. EXCEPT AS PROVIDED IN AS 39.05.080(4), A] vacancy shall
3 be filled for the balance of the unexpired term. A commission member may serve not
4 [NO] more than two complete consecutive terms. A partial term served by a
5 member appointed to fill the balance of an unexpired term, if served immediately
6 before the member is reappointed to serve a full term, is considered to be merged
7 with the full term so the two periods of service constitute only one term. A
8 vacancy shall be filled by appointment, as provided in this subsection, within 90
9 days after the vacancy occurs.

10 * Sec. 7. AS 39.23.200(b) is amended to read:

11 (b) The commission shall elect a member to chair its meetings. Meetings shall
12 be called by the chair of the commission. The chair shall also administer the
13 commission and its budget. A majority of the commission members constitutes a
14 quorum to transact business. The affirmative vote of four members is required to
15 approve the commission's recommendations on compensation.

16 * Sec. 8. AS 39.23.210 is amended to read:

17 Sec. 39.23.210. Qualifications for appointment [PROHIBITIONS
18 AGAINST STATE OR MUNICIPAL SERVICE]. A member of the commission
19 shall meet the qualifications of AS 39.05.100 and may not be employed by the state,
20 including the University of Alaska, serve as a member of another state board,
21 commission, or authority, or hold elective state or municipal office during membership
22 on the commission.

23 * Sec. 9. AS 39.23.230(a) is amended to read:

24 (a) The Alaska Legislative Council [IF REQUESTED BY THE
25 COMMISSION, THE LEGISLATIVE AFFAIRS AGENCY] shall provide staff for
26 the commission.

27 * Sec. 10. AS 39.23.240(a) is amended to read:

28 (a) The commission shall review the salaries and [,] benefits [, AND
29 ALLOWANCES] of legislators only. The commission shall [MEMBERS OF THE
30 LEGISLATURE AND] prepare a report on its findings at least once every two years,
31 but not more frequently than every year. [THE COMMISSION SHALL NOTIFY

1 THE LEGISLATURE THAT THE REPORT IS AVAILABLE.]

2 * Sec. 11. AS 39.23.240(c) is amended to read:

3 (c) The commission shall prepare its preliminary findings and
4 recommendations and provide them to the Alaska Legislative Council [FOR THE
5 COMPENSATION OF STATE OFFICERS] by November 15. The commission shall
6 give reasonable public notice of its preliminary findings and recommendations, solicit
7 public comments, and give due regard to the public comments, before submitting a
8 final report under (d) of this section.

9 * Sec. 12. AS 39.23.240(d) is amended to read:

10 (d) The commission shall make available to the Alaska Legislative Council a
11 final report of its findings and recommendations as to an equitable [THE] rate and
12 form of salary and [COMPENSATION,] benefits [, AND ALLOWANCES] for
13 legislators [DURING THE FIRST 10 DAYS OF A LEGISLATIVE SESSION].

14 * Sec. 13. AS 39.23.250, added by sec. 4, ch. 124, SLA 1986, is repealed and reenacted to
15 read:

16 **Sec. 39.23.250. Alaska Legislative Council action.** (1) The Alaska
17 Legislative Council may publish the final report made available under
18 AS 39.23.240(d) and amendments submitted under AS 39.23.240(e) at any time and
19 may consider adoption of some, none, or all of the commission's recommendations.
20 Any part of the commission's report not rejected or amended by the Alaska Legislative
21 Council and any amendment to the report made by the Alaska Legislative Council
22 under AS 24.10.130 take^s effect on the first day of the first full month following the
23 last day of the legislative session in which the final report is issued or the amendment
24 is passed.

25 (b) The legislature's lawful authority, including the authority to determine the
26 rate and form of salary and benefits for legislators, is neither delegated nor altered by
27 this chapter.

28 * Sec. 14. AS 39.23.260 is amended to read:

29 **Sec. 39.23.260. Policy of the legislature.** It is the policy of the legislature that
30 the commission recommend [DETERMINE] an equitable rate and form of salary
31 and [COMPENSATION,] benefits [, AND ALLOWANCES] for legislators.

1 * **Sec. 15.** AS 39.23.270 is amended to read:

2 **Sec. 39.23.270. Administrative Procedure Act.** [THE REGULATION-
3 MAKING PROVISIONS OF] AS 44.62 (Administrative Procedure Act) does [DO]
4 not apply to [PROCEEDINGS OF] the commission.

5 * **Sec. 16.** AS 39.23 is amended by adding a new section to read:

6 **Sec. 39.23.280. Benefits that are excluded from commission's**
7 **consideration.** In this chapter, the term "benefit" does not include additional
8 compensation paid under AS 24.10.100 to presiding officers. salary, per diem,
9 allowances, or reimbursement of moving expenses.

10 * **Sec. 17.** AS 39.23 is amended by adding a new section to read:

11 **Sec. 39.23.295. Definitions.** In this chapter,

12 (1) "commission" means the Citizens' Commission on Legislative
13 Salary and Benefits;

14 (2) "salary" means the annual salary of legislators and does not include
15 additional compensation paid under AS 24.10.100 to presiding officers, benefits, per
16 diem, allowances, or reimbursement of moving expenses.

17 * **Sec. 18.** AS 39.23.200(e), 39.23.230(b), 39.23.240(b), 39.23.240(f), and 39.23.400 are
18 repealed.

19 * **Sec. 19.** Section 5, ch. 124, SLA 1986, is repealed.

20 * **Sec. 20.** The uncodified law of the State of Alaska is amended by adding a new section to
21 read:

22 **INITIAL APPOINTMENTS AND TERMS; FIRST MEETING.** (a) The initial
23 members of the Citizens' Commission on Legislative Salary and Benefits who are first
24 appointed under this Act shall be appointed within 90 days after the effective date of this Act,
25 and, notwithstanding AS 39.23.200(a), as amended by sec. 6 of this Act, the terms of the
26 members of the commission are as follows:

- 27 (1) one member shall serve a one-year term;
28 (2) two members shall serve two-year terms;
29 (3) two members shall serve three-year terms;
30 (4) one member shall serve a four-year term.

31 (b) Notwithstanding AS 39.23.200(b), as amended by sec. 7 of this Act, the first

1 meeting of the commission shall be called by the chair of the Alaska Legislative Council.

2 * **Sec. 21.** The uncodified law of the State of Alaska is amended by adding a new section to
3 read:

4 **CONTINUATION OF CURRENT LEGISLATORS' SALARIES.** The monthly salary
5 for each member of the legislature is \$2,001 until the State of Alaska payroll administration
6 implements a different monthly payment of annual salary in its place based on adoption of a
7 policy by the Alaska Legislative Council under AS 24.10.130(d), added by sec. 5 of this Act,
8 setting out a different salary.

9 * **Sec. 22.** Sections 9 and 12, ch. 124 SLA 1986, giving delayed contingent effect to certain
10 provisions of AS 24.10 and AS 39.23. are repealed.

24-LS1391X
Wayne
2/8/06

CS FOR HOUSE BILL NO. 349()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVE WEYHRAUCH

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to legislator salary and benefits; establishing the Citizens' Commission**
2 **on Legislative Salary and Benefits and defining its powers and duties and abolishing the**
3 **State Officers Compensation Commission; and providing for an effective date by**
4 **repealing secs. 9 and 12, ch. 124, SLA 1986."**

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

6 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 **SHORT TITLE.** This Act may be known as the Citizens' Commission on Legislative
9 Salary and Benefits Act.

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11 **Sec. 24.10.100. Salary of legislators.** Legislators shall receive annual
12 salaries [THE MONTHLY SALARY FOR EACH MEMBER OF THE
13 LEGISLATURE IS \$2,001]. The president of the senate and the speaker of the house
14 of representatives are each entitled to an additional \$500 a month [YEAR] during

P. 4	C. 17	<u>May + June</u>
		↑
	C. 13	<u>1st 30 days</u>
		↑

Current Statute sets up a commission
 w/ executive branch members (unconstituted)
Now been implemented
 Article 2 Sec. 7 - legislators shall receive
~~and salaries~~

1 tenure of office.

2 * Sec. 3. AS 24.10.101, added by sec. 6, ch. 124, SLA 1986, is repealed and reenacted to
3 read:

4 **Sec. 24.10.101. Legislative salary and benefits.** The Citizens' Commission on
5 Legislative Salary and Benefits shall recommend legislative salary and benefits under
6 AS 39.23.

7 * Sec. 4. AS 24.10.130(c) is amended to read:

8 (c) The Alaska Legislative Council shall adopt a per diem policy and a
9 policy applicable to all legislators regarding allowances and the reimbursement of
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11 APPLICABLE PER DIEM ALLOWANCE POLICY]. The policies [POLICY] must
12 set conditions for per diem and for allowances and the reimbursement of [FOR]
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18 benefits for legislators. The policy must be sufficient in scope and detail to give notice
19 as to how much legislators are paid in salary and the quality and quantity of benefits to
20 which legislators are entitled.

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22 (a) The Citizens' Commission on Legislative Salary and Benefits [STATE
23 OFFICERS COMPENSATION COMMISSION] is established in the legislative
24 branch of state government. The commission is composed of six [SEVEN]
25 members, three of whom are appointed by the president of the senate and three of
26 whom are appointed by the speaker of the house of representatives [APPOINTED
27 BY THE GOVERNOR SUBJECT TO CONFIRMATION BY A MAJORITY OF
28 THE LEGISLATURE IN JOINT SESSION]. Members serve for staggered terms of
29 four years. A [COMMISSION MEMBERSHIP SHALL INCLUDE AT LEAST ONE
30 BUSINESS EXECUTIVE, ONE REPRESENTATIVE OF A NONPARTISAN
31 VOTERS' ORGANIZATION, ONE PERSON WITH EXPERIENCE IN PUBLIC

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2 ORGANIZATION. EXCEPT AS PROVIDED IN AS 39.05.080(4), A] vacancy shall
3 be filled for the balance of the unexpired term. A commission member may serve not
4 [NO] more than two complete consecutive terms. A partial term served by a
5 member appointed to fill the balance of an unexpired term, if served immediately
6 before the member is reappointed to serve a full term, is considered to be merged
7 with the full term so the two periods of service constitute only one term. A
8 vacancy shall be filled by appointment, as provided in this subsection, within 90
9 days after the vacancy occurs.

10 * Sec. 7. AS 39.23.200(b) is amended to read:

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12 be called by the chair of the commission. The chair shall also administer the
13 commission and its budget. A majority of the commission members constitutes a
14 quorum to transact business. The affirmative vote of four members is required to
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21 commission, or authority, or hold elective state or municipal office during membership
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8 final report under (d) of this section.

9 * Sec. 12. AS 39.23.240(d) is amended to read:

10 (d) The commission shall make available to the Alaska Legislative Council a
11 final report of its findings and recommendations as to an equitable [THE] rate and
12 form of salary and [COMPENSATION,] benefits [, AND ALLOWANCES] for
13 legislators during the first 30 [10] days of a legislative session.

14 * Sec. 13. AS 39.23.250, added by sec. 4, ch. 124, SLA 1986, is repealed and reenacted to
15 read:

16 **Sec. 39.23.250. Alaska Legislative Council action.** (a) The Alaska
17 Legislative Council shall publish the final report made available under
18 AS 39.23.240(d) and amendments submitted under AS 39.23.240(e) and may consider
19 adoption of some, none, or all of the commission's recommendations. Any part of the
20 commission's report not rejected or amended by the Alaska Legislative Council and
21 any amendment to the report made by the Alaska Legislative Council under
22 AS 24.10.130 take effect on the first day of the first full month following the last day
23 of the legislative session in which the final report is issued or the amendment is
24 passed.

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26 rate and form of salary and benefits for legislators, is neither delegated nor altered by
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6 **Sec. 39.23.280. Benefits that are excluded from commission's**
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9 allowances, or reimbursement of moving expenses.

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19 * **Sec. 19.** Section 5, ch. 124, SLA 1986, is repealed.

20 * **Sec. 20.** The uncodified law of the State of Alaska is amended by adding a new section to
21 read:

22 **INITIAL APPOINTMENTS AND TERMS; FIRST MEETING.** (a) The initial
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25 and, notwithstanding AS 39.23.200(a), as amended by sec. 6 of this Act, the terms of the
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27 (1) one member shall serve a one-year term;

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29 (3) two members shall serve three-year terms;

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31 (b) Notwithstanding AS 39.23.200(b), as amended by sec. 7 of this Act, the first

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4 CONTINUATION OF CURRENT LEGISLATORS' SALARIES. The monthly salary
5 for each member of the legislature is \$2,001 until the State of Alaska payroll administration
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7 policy by the Alaska Legislative Council under AS 24.10.130(d), added by sec. 5 of this Act,
8 setting out a different salary.

9 * Sec. 22. Sections 9 and 12, ch. 124, SLA 1986, giving delayed contingent effect to certain
10 provisions of AS 24.10 and AS 39.23, are repealed.

SITE:

COMMITTEE:

DATE:

SUBJECT OF MEETING:

BILL # 349

UPDATE #:

All Salaries Subjects to Funds

No objection to board

Re

Trust Commission members/leg. council

lines 13-14 (p. 1)
Sec. 4 note del U

or who Sec. 10

My check with all on commission still also
re the disapproval of

DO YOU WANT if no

TESTIFY be advised
Y or N (sign)

1. Bump in Salary "Not receive official copies
Duty hours + salary"

PRINT YOUR NAME

COMMUNITY

REPRESENTING/AFFILIATION

Christ Church

DAN Wayne

Leg legal

?s

#2 → find report on Citrus Commission - make public to leg. council

Agenda line 10 - "add" to "public" and
version A

Order so public - make it

Elle: "Demand not proposed" → what Commission members

Elle:

Adopt #2

Agenda #1: Govt yes -

Elle - No

Adopt #1 / who presentation yes

Govt - No

Re

Govt yes -

Govt

Govt - yes -

Gardner: all salaries shall go through same process

"Delete provision daily vs/attached salary"

BUMP for president/speaker via Commission - leg. council

Werner: strike line 13 - line 14 that refer

to section 4

add sentence in section 10 "cannot shall determine if there is to be added clause"

Gotta "line 14" may clause be added to article 10

Gardner

★ → Conceptual Amendment

"Council"

considered by commission ^{determined} about by leg.

Object

→ Lynn → press (No.)
Farms - Not

→ Gardner - Yes
Grun - Not present

Elle - No

Chas - N-T

→ Lynn - No

→ Gotta - Yes

Elle: we shall determine our advice so we shall determine

→ Conceptual to put issue before leg. council

Amendment fails

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 349
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Legislature
 Title "An act relating to legislator salary and BRU Legislative Council
benefits; establishing the Citizens' Commission..." Component: Council and Subcommittees
 Sponsor Representative Weyhrauch
 Requestor House State Affairs Component No. 783

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2010	FY 2011
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	15.0	10.0	15.0	10.0	15.0	10.0
Contractual	5.0	2.5	5.0	2.5	5.0	2.5
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	20.0	12.5	20.0	12.5	20.0	12.5

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	20.0	12.5	20.0	12.5	20.0	12.5
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	20.0	12.5	20.0	12.5	20.0	12.5

Estimate of any current year (FY2006) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 349 establishes a six member Citizens' Commission on Legislative Salary and Benefits. The members are appointed by the Senate President and the House Speaker. They serve staggered terms of four years. This Commission shall review salaries and benefits of Legislators and submit a report and recommendations for equitable rate and form of compensation to the Alaska Legislative Council every two years, but not more frequently than every year. The Legislative Council may adopt or reject the Commission recommendations or the recommendations may become final under AS 24.10.130 within 90 days from receipt of the report. This fiscal note includes funds for travel and contractual expenses of the Commission. The funds will be under the authority of the Commission. Legislative Council will absorb the cost of staffing the Commission. Costs for the report and for teleconferences will be absorbed within LAA budgets. This fiscal note includes funding for each fiscal year as the Commission may perform work each year.

Prepared by: Karla Schofield, Deputy Director
 Division: Administrative Services
 Approved by: Pamela Varni, Executive Director
 Agency: Legislative Affairs Agency

Phone 465-6626
 Date/Time 1/25/06 5:36 PM
 Date 1/25/2006

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

January 3, 2006

SUBJECT: Sectional Summary (Work Order No. 24-LS1391NF)

TO: Representative Bruce Weyhrauch

FROM: Dan Wayne 
Legislative Counsel

You have requested a sectional summary of a House Bill identified by Work Order Number 24-LS1391NF, which proposes creation of the Citizens' Commission on Legislative Salary and Benefits. Preliminarily, the best source of information about the contents of a bill is the bill itself; however, I have summarized it section by section below:

Section 1. *Sher. Title.* This section boils the main title down into "The Citizens' Commission on Legislative Salary and Benefits Act."

Section 2. *Salary of Legislators.* The first sentence is a quotation from Article II, Section 7, of the Alaska Constitution. The second sentence changes the extra pay for the president of the senate and the speaker of the house from \$500.00 per month to \$500.00 per year.

Section 3. *Legislative compensation and allowances.*¹ Section 3 says the commission shall recommend legislative salary and benefits under AS 39.23. The existing law it would repeal says: "The State Officers Compensation Commission shall set the compensation of legislators under AS 39.23." (The existing law passed in 1986 but has not gone into effect because a constitutional amendment must first occur for it to become effective, therefore there has never been an appointment to the State Officers Compensation Commission created in 1986 and the commission has never met).

Section 4. *Per Diem and Allowances.* This section is amended for more precise wording and to add the term "allowances." It says the Alaska legislative council shall adopt policies on per diem and allowances, adapted to the special needs of the legislative branch as determined by the Alaska legislative council. The existing section refers to moving expenses, but not allowances. ("Allowances" encompasses "moving expenses," but "moving expenses" does not necessarily encompass "allowances.")

¹ I suggest, to fix my drafting error, re-titling this section "Legislative Salary and Benefits" so it will be consistent with the rest of the bill.

Section 5. Legislative Salary Policy. This adds a subsection (d) to AS 24.10.130, requiring the Alaska legislative council to adopt a policy on legislative salary and benefits.

Section 6. "Citizens' Commission" replaces prior "Compensation Commission." This section proposes adding the Citizens' Commission on Legislative Salary and Benefits in the legislative branch, as substitution for the State Officers Compensation Commission that is in the executive branch. It proposes a method of appointing commission members and staggering their terms.

Section 7. Qualifications for appointment. This section describes the minimum qualifications for appointment to the citizens' commission.

Section 8. Staff provided to Commission. Section 8 requires the Alaska legislative council to provide staff for the commission, which is a change from the existing requirement that the legislative affairs agency provide staff if requested by the commission.

Sections 9 -12. Duties of Commission. Sections 9 -12 describe the basic duties of the commission and the timelines within which to accomplish them.

Section 13. Legislative Council Action. The language this section would repeal now reads:

Sec. 39.23.250. Filing with lieutenant governor and certification.

The commission shall, upon transmitting its final recommendations for the compensation of legislators to the legislature, file the recommendations in the office of the lieutenant governor. When the recommendations become effective, the commission shall certify the copy of the recommendations on file in the office of the lieutenant governor.

The language section 13 proposes as a replacement for this says that the Alaska legislative council may publish the report of the citizens' commission any time, and may consider adopting some, none, or all of the commissions' recommendations. It says that any part of the commission's recommendations not amended or rejected by the legislative council within 90 days becomes final. Section 13 also says the legislature's authority is neither delegated nor altered.

Section 14. Policy of the Legislature. This section would change existing language that says the commission determines equitable compensation and allowances for legislators, to say that the commission instead recommends equitable salary and benefits for legislators.

Representative Bruce Weyhrauch
January 3, 2006
Page 3

Section 15. Administrative Procedure Act. This section says the administrative procedure act governing proceedings of the State Officers Compensation Commission in the executive branch will not apply to the proceedings of the Citizens' Commission on Legislative Pay and Benefits in the legislative branch.

Section 16. Benefits. This section lists what is not included in "benefits" as the term is used in the bill.

Section 17. Definitions. This section defines "commission" and "salary" as they are used in the bill.

Section 18. Repeal of five statutes. This section would repeal AS 39.23.200(e) (establishing a State Officers Compensation Commission in the Office of the Governor), AS 39.23.230(b) (making the director of personnel in the Department of Administration serve as secretary of the State Officers Compensation Commission), AS 39.23.240(b) (which says the State Officers Compensation Commission may review compensation, benefits and allowances for top officials in the executive branch and the judicial branch), AS 39.23.240(f) (which says a member of the State Officers Compensation Commission may attach written objections to that commission's final reports), and AS 39.23.400 (which defines "commission" as the State Officers Compensation Commission).

Section 19. Repeal of Temporary Law. This section would repeal Section 5, chapter 124 of the Session Laws of Alaska 1986, which has never gone into effect because of Section 9, chapter 124 of the Session Laws of Alaska 1986 requiring a constitutional amendment.

Section 20. Initial Terms. Section 20 describes scheme of staggered terms for initial appointees to the commission.

Section 21. Continuation of Current Legislators' Salaries. Section 21 ensures that there is no gap between monthly salary payments to legislators between the date of the bill's prospective adoption and the date, if ever, the check issuing authority issues checks in an amount that differs from \$2,001.00, the established statutory rate of salary for legislators.

Section 22. Repeal of temporary laws giving contingent effect to parts of AS 24.10 and AS 39.23. This section proposes repeal of temporary laws made obsolete by this bill.

If I may be of further assistance, please advise.

DCW:ljw
06-001.ljw

HB

354

Alaska State Legislature

Chairman

Military & Veterans' Affairs Committee

Member

Labor and Commerce Committee
State Affairs Committee
Economic Development, Trade & Tourism
Committee
Education Committee
Joint Armed Services Committee

Finance Subcommittees

Labor & Workforce Development
Community & Economic Development
Military & Veterans' Affairs



A Communication From
REPRESENTATIVE BOB LYNN
District 31 Anchorage

E-Mail: Representative_Bob_Lynn@legis.state.ak.us
"Bob Lynn's Alaska Blog" AlaskaDistrict31.blogspot.com

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Sponsor Statement CSHB 354 (MLV)

Currently, the governor of Alaska is free to appoint any citizen of Alaska, without other qualifications to be Adjutant General. This bill remedies that situation by recognizing additional guidelines for appointees, such as serving at least five years in the Alaska National Guard/Alaska Air Guard – the current requirement for an *Assistant* Adjutant General.

Qualifications for appointment must be tailored to the unique requirements of the Alaska's Adjutant General's mission, without political considerations. The nature of the job requires substantial experience and understanding of military operations in general, and the Alaska National Guard /Alaska Air Guard in particular. Other civilian business and managerial experience is valuable but, in itself, not comparable to high-level military operations. Business people cannot operate their business like the military; likewise, the military cannot conduct operations like a business.

In addition, operating conditions in Alaska are unlike any other jurisdiction. As a result, extensive guard experience in Alaska is critical. This Alaska experience, as well as qualifications at operational or strategic levels of military leadership, is essential to the best interest of Alaska. It's also important to the interaction of Alaska with national homeland security, national disaster agencies, and national war efforts.

In summary, an Alaska Adjutant General should be selected from a cadre of professional Alaska officers that goes through the military educational process with active duty military. This will insure the success of the Adjutant General of Alaska's mission. Your support of this bill is respectfully requested.

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 354(MLV)
 (H) Publish Date: 2/10/06

Revision Date/Time (Note if correction): _____ Dept. Affected: OOG
 Title: "An Act relating to qualifications of the RDU: Executive Operations
adjutant general..." Component: Executive Office
 Sponsor: Military & Veterans' Affairs
 Requester: House Military and Veterans Affairs Committee Component No.: 6

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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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)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation will have no fiscal impact on the Office of the Governor.

Prepared by: Gail Fenumial Phone 465-3885
 Division: Asst. Admin. Director Date/Time 1/17/2006, 9:37am
 Approved by: Linda J. Perez, Administrative Director Date 1/17/2006
 Agency: Office of the Governor, Administrative Services Division

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSHB 354(MLV)
 (H) Publish Date: 2/10/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Military and Veterans' Affairs
 Title: Qualifications of the Adjutant General RDU: Military and Veterans Affairs
 Component: Office of the Commissioner
 Sponsor: Dept of Military and Veterans Affairs
 Requester: _____ Component No. 414

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

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)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time	0.0	0.0	0.0	0.0	0.0	0.0
Part-time	0.0	0.0	0.0	0.0	0.0	0.0
Temporary	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact.

Prepared by: John Cramer
 Division: Administrative Services Division
 Approved by: Craig E. Campbell, Commissioner
 Agency: Department of Military & Veterans' Affairs

Phone (907) 465-4602
 Date/Time 1/12/06 3:15 PM
 Date 1/12/2006



ALASKA NATIONAL GUARD OFFICER'S ASSOCIATION

200 West 34th Avenue, PMB 727, Anchorage, Alaska 99503

ANGOA

16 JANUARY 2006

MEMORANDUM FOR RECORD: Proposal to Amend Alaska Statute (AS 26.05.160) Reference "Qualifications for the Position of Adjutant General"

Based on present statutory and constitutional language, this proposed amendment specifically addresses the position of "Adjutant General" in AS 26.05.160 without contradicting the constitutional language that specifies "department head appointed by the governor". The two titles "department head", or "The Adjutant General" (TAG) may be used separately or mutually at the discretion of the Governor.

Many other states already have statutory requirements similar to what we are requesting. For example, Texas requires ten years Texas Guard membership. Other states have made the political appointment of TAG from junior ranks (Warrant Officer, a Major, civilians) with mixed results. Lack of experience or qualifications at the operational or strategic levels of military leadership and/or lack of understanding and background of Alaska and its National Guard have been at the center of many of our historic areas of concern. We feel that a person being appointed to the highest military position in the Alaska National Guard and the Alaska State Militia forces should have a significant understanding and experience of the Alaska National Guard and of the State of Alaska.

In Alaska, the Adjutant General position also is a political appointee, civilian, State Commissioner by the Governor, under the State Constitution with additional criteria in statute. In both capacities, TAG reports to the Governor in his roles as State Commander in Chief (military title) and as the Chief Executive (civilian title). As The Adjutant General, the primary responsibility is control of the Alaska National Guard in support of State missions. As a military general/flag officer, TAG is uniquely responsible for the melding of the Federal funding and missions of the National Guard while balancing the two distinct lanes (State and Federal) of resourcing and execution. This requires individuals with a strong background in National Guard (State/Militia) experience, as well as an overall general military experience and education.

Many Alaska National Guard (AKNG) officers have succeeded at the highest levels with recent service around the world in combat, peacemaking or peacekeeping roles in command of active duty, multi-national and multi-service components. Most have served in State Homeland Security/Emergency Response missions. Many of the functions of senior military officers are equal to and exceed civilian business management and leadership tenets. Bringing in a civilian from the business world without military credentials would not be in the best interests of the military missions of the Alaska National Guard and could negatively affect the morale of qualified Alaska National Guard Officers now and in the future.

We have a professional officer cadre that goes through the military schooling system with the active Army and Air Force and are required to have civilian education commensurate with their rank. We believe these officers should have first priority to serve at the highest military rank in Alaska's National Guard. Statutory specification to that effect would ensure this goal.

FOR THE BOARD OF DIRECTORS

((ORIGINAL SIGNED))

Colleen Hough

President

Mike Bridges

Legislative Liaison

Thomas Katkus

Board Member

Roger Schnell

Board Member

PROPOSAL FOR A STATE OF ALASKA RESOLUTION AMFNDMENT

RELATING TO QUALIFICATIONS IN ALASKA STATUTE AS.26.05.160. FOR APPOINTMENT AS THE
ADJUTANT GENERAL

BACKGROUND: Currently in the State of Alaska, the Governor is essentially free to appoint nearly anyone he/she chooses to be The Adjutant General (TAG) for Alaska, the highest military position of the Alaska National Guard. At the same time, the requirements for appointment of the two (Army and Air Guard) Assistant Adjutant Generals, require that they have served at least five (5) years in the Alaska National Guard, be able to be Federally recognized as General Officers, and other specific statutory and regulatory requirements. Additionally, in a group of peer Adjutants General, a non-Federally recognized TAG is not an equal amongst his/her peers particularly when addressing the Federal resources and missions relating to the National Guard of the State(s).

This creates both a real and perceived disparity between two militarily qualified General Officers and their potential immediate military leader that is unacceptable. Also, someone who has no knowledge of the Alaska National Guard tends to spend most of their time just trying to learn about our capabilities and challenges, the Alaska military and political environments and the State military needs. This is contrary to someone who has come from within the organization. Also, the military training, experience, schooling requirements to include the War College are intense and cumulative to achieve the level of General Officer in today's National Guard. Someone who has not served in the higher military ranks also should not be considered to be placed in a military command position at the level of Adjutant General.

As this proposal has not been able to be accomplished through administrative action, it is hereby presented for support through the Alaska State Legislature.

PROPOSED RESOLUTION AMENDMENT FOR THE STATE OF ALASKA TO A.S. 26.05.160:
Appointment, Qualifications, and Duties of Adjutant General.

"An Act relating to qualifications of the adjutant general; and providing for an effective date."

* Section 1. AS 26.05.160(a) is amended to read:

Sec. 26.05.160. Appointment, qualifications, and duties of adjutant general. (a) The adjutant general of the state is appointed by the governor. The governor shall prescribe the grade of the adjutant general, which may not exceed major general. To be eligible for appointment as adjutant general, a person must be a citizen of the state and must be a federally recognized general-grade officer in the Alaska National Guard or an officer who has the qualifications to gain federal recognition as a general-grade officer, either in active status or in retirement status eligible for reappointment as a general-grade officer; in appointing the adjutant general, the governor shall consider and give preference to persons with at least five years' service in the Alaska Army National Guard or in the Alaska Air National Guard. The adjutant general shall make returns and reports to the Chief, National Guard Bureau, and to the governor or to the officers designated by the Chief, National Guard Bureau, and the governor, at the times and in the form prescribed.

* Sec. 2. This Act takes effect immediately under AS 01.10.070(c)

Sec. 26.05.160. Appointment, qualifications, and duties of adjutant general.

(a) The adjutant general of the state is appointed by the governor. The governor shall prescribe the grade of the adjutant general, which may not exceed major general. To be eligible for appointment as adjutant general, a person must be a citizen of the state. The adjutant general shall make returns and reports to the Chief, National Guard Bureau, and to the governor or to the officers designated by the Chief, National Guard Bureau, and the governor, at the times and in the form prescribed.

(b) The adjutant general shall execute a bond running to the state in the penal sum of \$20,000 conditioned upon the faithful performance of the adjutant general's duties. The attorney general shall approve the bond and the bond shall be filed with the Department of Administration. The state shall pay the cost of the bond.

(c) The adjutant general is the official liaison between the state and the active military in the state. The adjutant general shall provide advice and assistance to state agencies having dealings with the active military in the state.

(d) The adjutant general is the official liaison between the state and the federal Department of Veterans Affairs. The adjutant general shall provide advice and assistance to state agencies having dealings with the federal Department of Veterans Affairs.

(e) The adjutant general is the official liaison between the state and the Federal Emergency Management Agency in the state. The adjutant general shall provide advice and assistance to state agencies having dealings with the Federal Emergency Management Agency.

History -

(Sec. 17 ch 150 SLA 1955; am Sec. 1 ch 4 SLA 1965; am Sec. 1 ch 57 SLA 1967; am Sec. 1 ch 6 SLA 1992)

Amendment Notes -

The 1992 amendment, effective April 14, 1992, added subsections (c)-(e).

Collateral Refs -

53 Am. Jur. 2d, Military, and Civil Defense, Sec. 35.

57 C.J.S., Militia, Se

Sec. 26.05.160. Appointment, qualifications, and duties of adjutant general.

(a) The adjutant general of the state is appointed by the governor. The governor shall prescribe the grade of the adjutant general, which may not exceed major general. To be eligible for appointment as adjutant general, a person must be a citizen of the state. The adjutant general shall make returns and reports to the Chief, National Guard Bureau, and to the governor or to the officers designated by the Chief, National Guard Bureau, and the governor, at the times and in the form prescribed.

(b) The adjutant general shall execute a bond running to the state in the penal sum of \$20,000 conditioned upon the faithful performance of the adjutant general's duties. The attorney general shall approve the bond and the bond shall be filed with the Department of Administration. The state shall pay the cost of the bond.

(c) The adjutant general is the official liaison between the state and the active military in the state. The adjutant general shall provide advice and assistance to state agencies having dealings with the active military in the state.

(d) The adjutant general is the official liaison between the state and the federal Department of Veterans Affairs. The adjutant general shall provide advice and assistance to state agencies having dealings with the federal Department of Veterans Affairs.

(e) The adjutant general is the official liaison between the state and the Federal Emergency Management Agency in the state. The adjutant general shall provide advice and assistance to state agencies having dealings with the Federal Emergency Management Agency.

History -

(Sec. 17 ch 150 SLA 1955; am Sec. 1 ch 4 SLA 1965; am Sec. 1 ch 57 SLA 1967; am Sec. 1 ch 6 SLA 1992)

Amendment Notes -

The 1992 amendment, effective April 14, 1992, added subsections (c)-(e).

Collateral Refs -

53 Am. Jur. 2d, Military, and Civil Defense, Sec. 35.

57 C.J.S., Militia, Sec. 11.

Sec. 26.05.170. Governor's command and instructions exercised through the adjutant general. The governor's command is exercised through the adjutant general, who shall carry out the policies of the governor in military affairs. The adjutant general represents the governor and shall act in conformity with the governor's instructions. The adjutant general shall exercise control over the military department of the state.

History -

(Sec. 18 ch 150 SLA 1955)

Sec. 26.05.180. Headquarters staff of Alaska National Guard.

(a) The headquarters of the Alaska National Guard is composed of an Army National Guard component, an Air National Guard component and a Naval Militia component. The Army National Guard component and the Air National Guard component shall each be commanded by an assistant adjutant general appointed by the adjutant general with the concurrence of the governor. An assistant adjutant general shall, while holding office, have the grade of brigadier general or a lower grade that the adjutant general may prescribe. On initial appointment an assistant adjutant general must hold a federally-recognized field-grade commission with at least five years service in the Alaska Army National Guard or in the Alaska Air National Guard.

(b) The adjutant general may appoint necessary officers, enlisted persons, and civilian

TAKE NOTE

LEGISLATIVE RESEARCH REPORT

JANUARY 19, 2006



REPORT NUMBER 06.098

QUALIFICATIONS FOR NATIONAL GUARD ADJUTANTS GENERAL IN OTHER STATES

PREPARED FOR REPRESENTATIVE BOB LYNN

BY PATRICIA YOUNG, MANAGER

In anticipation of a hearing on HB 354, which would add eligibility requirements for the position of adjutant general in Alaska, you asked for information on the requirements for the position of adjutant general (TAG) in other states. You also wished to know if any states' adjutants general gain the position by a process other than appointment by the governor.

According to Bernie Phelps, legislative analyst, National Guard Association of the United States (NGAUS), governors appoint the adjutants general in every state except South Carolina and Vermont.¹ In South Carolina the TAG is elected by popular vote.² In Vermont the TAG is elected by vote of the legislature every two years.³ For the District of Columbia, the U.S. president appoints the adjutant general. In at least eight states, the governor's appointment is approved by the Senate.

Neither the NGAUS nor the Adjutants General Association of the United States has compiled information on the qualifications of adjutants general. We therefore sent requests to the TAG of each state. At this time, we have information on 25 states. While the time constraints of this request have allowed only a quick review of states' statutes, we note the following features:

¹ Bernie Phelps, legislative analyst, National Guard Association of the United States, can be reached at (202) 408-5884.

² Under the state's constitution, the only requirement for election is qualification as a registered voter in South Carolina; no military experience is required. By statute, if the office is vacated by the elected TAG, the governor appoints an officer in the active National Guard who holds the rank of lieutenant colonel or above, is a registered voter, and has a minimum of 15 years' active commissioned service in the state's National Guard. Danny Stewart, South Carolina TAG Administrative Coordinator.

³ Major General Martha Rainville, Adjutant General of Vermont.

- ◆ Most of the states we reviewed require that the candidate be a federally recognized officer with substantial (5 to 15 years) previous experience in the armed forces, generally as a commissioned officer.
- ◆ Some states limit the appointment to individuals under the age of 64 or 65.
- ◆ Among the states we reviewed, Tennessee and South Carolina (like Alaska) were alone in having no qualifications other than state residency. The TAG in Tennessee notes that they probably should rewrite their code.

Several responders to our request for information added comments about the qualification requirements. Because you may find them to be useful, we include those comments here:

Arizona—We are very satisfied with our rules as they apply to the appointment of the Adjutant General. They have taken the "Politics" out of the process, and made the job competitive only for well-qualified individuals. Over the years we continually look at the laws, and have not changed them because they give the Governor an opportunity to pick from a large pool, but again, only the most senior officers, and who were, or are, members of the AZ NG. Major General David P. Rataczak, TAG, Arizona.

Florida—Some states' policies weaken the TAGS ability to make decisive decisions when actions must be taken for good order and discipline. Having a TAG easily replaced usually shows up in [diminished] readiness ratings and detracts from strong leadership. Major General Douglas Burnett, TAG, Florida

Idaho—Please note that we amended [the statute], deliberately raising the minimum appointment eligibility from lieutenant colonel to colonel. Two basic reasons for the change: the increased experience held by more senior colonels, often including graduation at War College, and the fact that senior colonels typically will have a quicker and easier process obtaining federal recognition at the ranks of brigadier and major general. Major David Dahle, Judge Advocate, Idaho.

Maine—The law [in Maine] is silent on the requirement of the Adjutant General or Assistant Adjutant General to be able to attain federal recognition as a General Officer. In my personal opinion, the law should require the TAG/AAG to be able to obtain federal recognition. If we as TAGs are to be considered "legitimate" General Officers among our peers on Active Duty, we should meet the same educational and promotion standards they do. Major General John W. Libby, TAG, Maine.

I hope you find this information to be useful. Please do not hesitate to contact us if you have questions or need additional information.

⁴ Major General Gus L. Hargett, Jr., Adjutant General of Tennessee.

HB

375

ALASKA STATE LEGISLATURE

REPRESENTATIVE BRUCE WEYHRAUCH



ALASKA
STATE CAPITOL
JUNEAU, ALASKA
99801-1182

(907) 465-3744
FAX (907) 465-2273

Sponsor Statement HB 375

"An Act relating to the retirement benefit liability account and appropriations from that account; and providing for an effective date."

HB 375 establishes the Retirement Benefit Liability Account in the Department of Revenue.

Money in the Retirement Benefit Liability Account may be used for payment of the employer contributions to past service liabilities of the public employees' retirement system and teachers' retirement system for state and political subdivisions of the state, including regional education attendance areas. Income that is earned on the money in the account will be appropriated back into the account.

Contact Ginny Austerman

Issued 02-06-06

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 375
 () Publish Date: 1/19/2006

Revision Date/Time (Note if correction): _____ Dept Affected: Revenue
 Title: An Act relating to establishment of a retirement RDU: Taxation and Treasury
benefit liability acct; relating to Amerada Hess income Component: Treasury Division
 Sponsor: House Ways and Means
 Requester: _____ Component No: _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual	00	00	00	00	00	00
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	00	00	00	00	00	00

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	00	00	00	00	00	00
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type - Do not abbreviate)						
TOTAL	00	00	00	00	00	00

Estimate of any current year (FY2006) cost: 00

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB374 creates a new account in the Department of Revenue, Treasury Division, called the retirement benefit liability account. Subject to appropriation, it also directs one half of the income of the Amerada Hess earnings to this new account. APFC estimates the annual earnings at \$27.6 million dollars, 50% of the earnings would be \$13.8 million.

This fiscal note assumes the funds would stay in the retirement benefit liability account for one quarter and would be transferred to each political subdivision, including regional education attendance areas, participating in teachers' retirement system or public employees retirement system. The total amount available for transfer in FY2007 and in subsequent years would be \$13,912,125. In order to avoid administrative costs of processing the transfers, the Department of Revenue would work with

Prepared by: Susan M. Taylor, Comptroller Phone: 907-465-2352
 Division: Treasury Date/Time: 1/19/2006, 4:00 pm
 Approved by: Tom Boutin, Deputy Commissioner Date: 1/19/2006
 Agency: Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

BILL NO. HB375

ANALYSIS CONTINUATION

the Department of Education and Early Development and Department of Commerce, Community and Economic Development for efficiencies in transferring the funds to the pension system participants according to their normal schedule of payments to political subdivisions, including regional educational attendance areas, participating in the pension systems

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 375(W&M)
 (H) Publish Date: 2/8/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title An Act relating to the retirement benefit liability RDU Centralized Administrative Services
account...relating to deposits of certain income... Component Retirement and Benefits
 Sponsor House Special Committee on Ways and Means
 Requester House Special Committee on Ways and Means Component No. 64

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

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)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 375 establishes a new account, the Retirement Benefit Liability Account (RBLA), in the Department of Revenue from which appropriations may be made by the legislature for grants to political subdivisions and regional education attendance areas. Appropriations may also be made to the State. The purpose of the appropriations from the RBLA may be for participating employers to pay their past service liabilities to the Public Employees' and Teachers' Retirement systems or for other purposes.

The legislation also directs half of the annual income earned on the money awarded or received from State v. Amerada Hess be deposited into the Retirement Benefit Liability Account.

This bill has no fiscal impact on the Division of Retirement and Benefits.

Prepared by: Melanie Milhorn, Director Phone 455-4408
 Division Retirement and Benefits Date/Time 1/20/06 8:03 AM
 Approved by: Mike Tibbles, Deputy Commissioner Date 1/20/2006
 Agency Department of Administration

How is HB 375 different from HB 238?

HB 375 just establishes a savings account the legislature may put money into. It gives no direction to retirement and benefits on how to apply the funds to individual employers liability. This leaves retirement and benefits making important policy calls on who are the 'winners' and 'losers' of whatever formula they come up with.

Section (c), line 13 states that the funds in the account are not dedicated to a specific purpose, the legislature can pull any funds or interest out at any time and spend them on what they deem fit. This makes it hard for municipalities in their budgeting process to be able to count on any assistance they might receive from the account.

HB 345 includes School districts while HB 238 does not.

Kevin

A.M.L.

HB

383

ALASKA STATE LEGISLATURE



REPRESENTATIVE LES GARA

HB 383: Regulating Unfair Auto Dealer Practices Sponsor Statement

House Bill 383 clarifies existing law to protect Alaskan consumers from unfair practices by motor vehicle dealers. The bill provides full, honest disclosure to car buyers who are sometimes misled into paying additional interest and "fees." The first provision of the bill closes a loophole that exists in current law, which allows car dealerships to charge documentation or "doc" fees on top of the negotiated sales price. These fees are not fees paid to any state agency, but rather fees charged to cover certain dealership costs unrelated to the sale of the car such as rent or utility bills.

A loophole exists in AS 45.25.440 that allows dealers to add these "doc fees" back into the sales price if the negotiated price is less than the advertised price. HB 383 requires that if a dealer is going to charge "doc fees," they must be included in the advertised *or negotiated* price. The consumer will be aware that the negotiated price is the final price they will be required to pay.

The second provision of HB 383 limits the practice by car dealers of charging a "dealer reserve." This issue was brought to light by an article in the Anchorage Daily News this summer. A dealer reserve is a percentage of the finance charge that will be received by the car dealership instead of by the bank or lender. For example, a bank may tell the dealership that the lowest interest rate a buyer qualifies for is 4%. The dealership may then charge the buyer 5%, taking 1% for themselves. Under current law, dealers are not required to disclose this information to the buyer.

The bill also addresses the practice many car dealers currently engage in of charging consumers a hidden "dealer reserve" fee. This issue was brought to the public attention in the newspaper last fall when a woman sued Lithia of Anchorage for failing to tell her they were receiving a portion of the interest rate she was offered on a loan. (<http://www.adn.com/news/alaska/v-printer/story/7065773p-6970498c.html>)

The buyer, an Anchorage woman, was offered 3 interest rates by the dealership when purchasing a used Toyota Tacoma, the lowest of which was 5.95%. She later discovered that the bank, Denali Alaskan Federal Credit Union, had offered a 4.5% interest rate to the dealer. The dealership received the additional percentage, taking over \$800 without the buyer's knowledge.

HB 383 would require that if a dealer is receiving a dealer reserve, it must be explicitly stated in a separate portion of the agreement. It must also state how much the dealer is receiving and how much is the actual bank interest rate. The buyer would have to separately sign this portion of the agreement.

Dealers believe that padding the interest rate to make a profit is part of the business. We believe that Alaskan consumers deserve to be fully informed of where their money is going. They should not be misled into believing that the interest rate they've agreed to is the interest rate the bank has offered when that is not the case.

ALASKA STATE LEGISLATURE



REPRESENTATIVE LES GARA

HB 383: Regulating Unfair Auto Dealer Practices Sectional Analysis

Section 1.

Legislative Intent – states that intent is to clarify existing law regarding disclosures by car dealers.

Section 2.

Clarifies law to state that fees and costs not paid to a state agency may not be charged unless included in advertised or negotiated price.

Section 3.

Requires that if a dealer is charging a “dealer reserve” fee, it must be disclosed and the consumer must agree to it by signing a separate statement.

ALASKA STATE LEGISLATURE



REPRESENTATIVE LES GARA

April 7, 2006

HB 383 – Transparency in Car Pricing

Dear Colleagues:

I am writing to give you some information on HB 383, which requires better disclosure of car dealer fees. The bill seeks to make the sales transaction more transparent, and, contrary to some suggestions by those who've lobbied against the bill, does not dictate what price a dealer may charge.

Attached are two recent newspaper articles on the bill, a letter of support from AARP, and a letter we recently received from an Anchorage consumer. House Bill 383 has two parts:

1. **Disclosing Car Dealer Loan "Reserve Fees" to a Consumer.** Some car dealers appropriately offer financing to consumers, but list the name of the bank offering the loan and the interest rate in a manner that suggests the rate is what the bank is charging. That can be misleading. In some cases, car dealers increase the rate and keep a portion. HB 383 says that if the rate the bank charges is less than what is stated in the contract, the fact that the dealer is keeping a portion should be disclosed to the consumer. The bill allows the dealer to keep any portion of the loan the dealer and bank wish, but simply requires disclosure to the consumer.

2. **Transparency & Dealer "Documentation Fees".** Some car dealers add an additional \$150 - \$299 to a car price after it's been negotiated. They call the additional fee a "Doc Fee." Some consumers are misled to believe this is a required government fee or that it is a non-negotiable part of the price. The fee is pure dealer profit and overhead for the minor cost of the sales paperwork. Rep. Gatto is quoted on this issue, based on his personal experience, in the attached March 2006 news article.

HB383 says if a car dealer wants to charge \$6,200 for a car, they can offer to sell it for \$6,200. They can't offer to sell it for \$5,999, and then add on the "doc fee" on top of that price and pressure consumers to pay it. A dealer will still be able to add required governmental fees on to the negotiated price.

In the end, car dealers will still be allowed to charge whatever they wish for a car. HB 383 requires more fair disclosure and negotiating practices to protect consumers. Please let me know if you have any questions. I'd certainly appreciate your support on this legislation, and appreciate all the support we've received to date.

Sincerely,

Les

A handwritten signature in black ink, appearing to be "Les Gara", written over a horizontal line.

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Anchorage Daily News

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Buyer sues dealer over finance charges**Dealership offered woman higher loan rate, kept part as profit**

By PAULA DOBBYN

Anchorage Daily News

(Published: October 9, 2005)

Erica Hobson bought her dream pickup truck at the right price. Or so she thought.

But the Anchorage woman is in court now, trying to end a practice that the Consumer Federation of America estimates costs car buyers nationwide hundreds of millions of dollars in extra finance costs. Hobson's experience is a cautionary tale for anyone planning to buy a car.

Hobson, 27, spotted a shiny Toyota Tacoma pickup in a Midtown Anchorage dealer's lot during her lunch hour. Later that day in June 2004, she test-drove the used silver-colored truck, made a down payment, signed loan papers for \$23,797 and drove the vehicle home.

"I was really excited," Hobson recalled. "I thought, 'I'll have this Toyota for the next 15 years.' "

Her elation turned to disbelief when Hobson's brother inspected the 2003 truck a week later. The professional auto painter noticed tell-tale signs that the truck had been wrecked: He noticed it had been repainted and parts had been replaced.

Hobson, a paralegal, is suing the dealer, Lithia of Anchorage, for triple damages, which her attorney estimated at \$99,265.68.

Lithia's attorney, June Rohlf, would not comment, saying the company does not discuss pending litigation. In court filings, Lithia acknowledged selling Hobson a vehicle that had sustained damage without revealing that to her. But the company did not engage in deceptive practices or intend to mislead Hobson about the car, Rohlf said in court papers.

The lawsuit has evolved from a case about failure to disclose damage to a vehicle to one that takes on a widespread but little known aspect of auto financing. Hobson claims that Lithia deceived her about the loan interest rate for which she qualified, raising her monthly loan payments and giving Lithia a secret extra payment.

If Hobson wins, she hopes her case will end in Alaska a practice among car dealers and banks called "dealer reserve." It's a practice that can add hundreds, or thousands, of dollars in hidden costs to car buyers.

"You go into these dealerships thinking you can trust that what they represent to you is accurate. While you might expect to dicker, you come to find out that the system is designed to take advantage of you any way it can," Hobson said recently.

Dealers say there's nothing illegal about padding a little extra on to the interest rate. It's a way of compensating themselves for arranging the financing, saving people time and sometimes securing the customer a better rate than they could have gotten on their own.

Consumer interest groups like Public Citizen say hogwash.

<http://www.adn.com/news/alaska/v-printer/story/7065773p-6970498c.html>

10/11/2005



Erica Hobson's lawsuit against Lithia of Anchorage began after her brother noticed signs that her truck had been wrecked before, a fact that wasn't made known to her. (Photo by BILL ROTH / Anchorage Daily News)

"Car-dealer fraud is plaguing our country. The tactics being used are so subtle that even informed consumers who do their homework are being taken for hundreds, and often thousands, of dollars," said Public Citizen when it issued a 2003 report titled "Rip-off Nation: Auto Dealers' Swindling of America."

THE DEAL

Hobson says her experience has taught her that financing terms on car loans are just as negotiable as the sales price, and that by getting buyers to accept higher interest rates dealers can boost their profits.

But that knowledge came painfully.

Lithia quoted Hobson three different interest rates before she agreed to accept the lowest one offered: 5.95 percent.

The loan came from Denali Alaskan Federal Credit Union.

But 5.95 percent wasn't the lowest interest rate that Denali said Hobson qualified for. Denali quoted to Lithia a rate of 4.5 percent, according to court filings.

"At no time did Lithia advise plaintiff that Denali had offered a 4.5 percent interest rate on the loan, or that Lithia was going to or did increase the loan interest rate an additional 1.45 percent in order to earn a 'dealer reserve' payment from Denali," Hobson's attorneys said in court papers.

By signing up for the 5.95 percent interest rate, Hobson in effect agreed to pay an extra \$1,100 over the life of her six-year loan.

Denali paid Lithia \$836.64 for signing up Hobson at the higher interest rate, according to paperwork Hobson's lawyers acquired through legal discovery.

In her answer to Hobson's complaint, Rohlf defended the practice of dealer reserves.

"Many courts that have considered this issue agree that there is nothing illegal, deceptive or unfair about 'dealer reserve' practices, and that there is no obligation to disclose the information to customers," Rohlf wrote in court papers.

All financial institutions that work with car dealerships use dealer reserves, said Denali Alaskan spokesman Keith Fernandez on Friday.

While people can generally get better rates if they come into a branch and arrange financing themselves, Denali Alaskan "does view indirect lending as a service to members who don't want to run back and forth between the institution and a dealer to buy a car," Fernandez said.

Several spokespersons for Alaska banks and credit unions said their businesses no longer engage in dealer reserves or never did.

THE WAY IT WORKS

Lawyers and consumer advocates who have studied auto-lending practices say the dealer reserve formula is fairly standard and goes something like this:

Car dealers and lenders form alliances. The bank or credit union agrees to buy car loans from the dealer at a range of interest rates based on the purchaser's creditworthiness. The lowest one the car buyer qualifies for is called the "buy rate."

If the loan is made at the buy rate, the dealer doesn't get any commission.

However, if the dealer gets the purchaser to accept a higher interest rate, the difference between the buy rate and the agreed-on rate is called the spread premium. This premium -- which critics call a kickback and others call a reserve -- is usually split between the car dealer and the lender. Usually the dealer gets a bigger slice, according to consumer advocates.

Dealers rarely disclose this arrangement because they are not required to do so, critics say.

"These hidden finance kickbacks typically add at least \$1,000 to the cost of an auto loan, and are costing consumers as much as one billion dollars annually," Stephen Brobeck, executive director of the Consumer Federation of America, said last year when his organization issued a report on the subject.

IS IT FAIR?

Dealers generally say the reserves they receive are payment for a useful service they provide to customers. They save people the hassle of finding their own financing. They complete a lot of paperwork so all people have to do is sign on the bottom line.

Because of their relationships with lenders, dealers also say they can often get loans for people who otherwise wouldn't qualify, or they can get them better interest rates.

"A lot of times it's not a bad thing because with our buying power we can often get a cheaper interest rate," said Calvin Worthington Jr. of Worthington Ford, a large auto dealer in Anchorage. "We often know about bank specials that are published only to dealers and are not made known to the general public."

But dealers clearly feel under attack by recent high-profile media coverage about dealer reserves, namely "60 Minutes" and "Dateline" pieces.

"Dealer financing is getting a bad rap. A recent wave of negative media reports has focused attention on vocal critics of dealer markups who have called for legislation that would impose either a flat fee or a cap on dealer compensation for obtaining credit for car buyers," said Charley Smith, chairman of the National Automobile Dealers Association, in a speech last year.

Smith said dealers shouldn't hide under their desks but respond by educating people about auto financing, he said. The association's board voted to support disclosing to customers that the finance rate is negotiable and that the dealer may retain part of the finance charges as compensation for helping the buyer secure a loan.

SEEKING RELIEF

Consumer education by auto dealers is fine, but Hobson wants relief for what she went through.

She continues to drive a pickup that was wrecked and worries about her safety if she gets into a crash. If she tried to sell it and properly disclosed the previous damage, Hobson estimates she could get barely half of what she paid for it.

Besides getting her money back and possibly damages, Hobson really wants other people to avoid her experience.

One of her attorneys, Chris Bataille, said Alaska's consumer protection law is strong and that bodes well for his client.

"Our understanding of the law is that businesses shouldn't engage in practices that mislead consumers," Bataille said.

Lithia's attorney said in court papers that nothing misleading took place and that Hobson was not required to accept the 5.95 percent interest rate if she didn't want to.

Trial is scheduled for Nov. 28.

Daily News reporter Paula Dobbyn can be reached at pdobbyn@adn.com or 257-4317.

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