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ALASKA MOUNTAIN RESCUE GROUP

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Alaska Mountain Rescue Group (AMRG) is a Mountain Search and Rescue Group based in Anchorage, Alaska. The group consists of approximately 70 volunteers skilled in wilderness search and rescue techniques. AMRG conducts emergency SAR missions only under the direct control of the Alaska State Troopers and performs an average of 25-30 missions annually. Members participate in several different support or rescue categories, depending on individual skills and participation levels. If you are interested in participating, please review our Membership Information page with the membership application and skills checklists. AMRG is a volunteer organization dedicated to:

- Assisting injured and lost persons in backcountry areas of the State of Alaska including areas where specialized mountaineering skills are required.
- Educating the public about safety issues related to backcountry travel and recreation in Alaska.
- Educating themselves about search and rescue techniques that can be applied to their own recreational or professional activities.

AMRG will respond to backcountry emergencies with:

- Four season, day or night operating capability,
- The ability to operate in the field for up to 72 hours without re-supply,
- Stand alone radio communications,
- Mission overhead capability.

In addition to search and rescue (SAR) missions, AMRG has responded to requests for assistance in the following areas:

- Law enforcement
- Wildlife
- Natural disaster
- Major events.

The members of AMRG are people from all walks of life who bring with them a variety of skills, a monetary investment, and lots of personal involvement. AMRG is always looking for new members interested in SAR activities. If you are interested in participating or just finding out more about the Group, you are always welcome at our business meetings and most board and team training sessions. Persons who are interested in joining AMRG should have a strong background in backcountry travel. Prospective members should know how to travel, live and operate efficiently in all seasons off the trail in backcountry Alaska. As important is the ability and desire to spend the time necessary to get and stay trained with the Group and to respond to missions that always seem to occur at the worst possible time. Mountain rescue may be the goal, but safety is the foundation of everything we do. Approach every activity with safety considerations in mind. To be safe, get in physical shape, get equipped properly, learn and use the technical standards found in this Manual.

History: The Alaska Mountain Rescue Group (formerly the Alaska Rescue Group) was founded in 1961 as a rescue and information resource for climbers on Denali. For many years, prospective Denali climbers were required to register their names, emergency contacts, gear inventory and climbing itinerary with the Group. Although the Group still provides some rescue services in Denali National Park, it no longer acts as a registration or information service. The Group is now centered in Anchorage, and it provides technical rescue and mission overhead services throughout southcentral Alaska. In 1990, the name of the group was changed to Alaska Mountain Rescue Group to better reflect the technical nature of its services. In 1999, the Group was certified in all areas of mountain rescue by the national Mountain Rescue Association.

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ALASKA MOUNTAIN RESCUE GROUP

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The AMRG membership contains a diverse group of volunteers from all walks of life that bring a variety of skills and lots of personal involvement to the following tasks:

- Assisting injured and lost members of the general public in wilderness areas of the State of Alaska where specialized skills are required to operate, travel, and cope with weather and altitude conditions.
- Educating the public about safety issues related to travel and recreation in the great Alaska outdoors.
- Educating themselves about individual search and rescue techniques that can be applied to their own recreational or professional activities.

MEMBERSHIP APPLICATION

Interested in Joining? Please read our [Frequently asked Questions](#) page.

See also the [AMRG Member Handbook Chapter on Membership](#)

MEMBERSHIP CATEGORIES & SKILLS CHECKLISTS:

Operational Member
 Technical Rescue
 Avalanche
 Search Manager
 Agency Representative
 Swiftwater
 Helicopter
 Transportation

INDIVIDUAL SKILLS

AMRG members bring a variety of skills to group operations. It is not necessary that every member be a fully-competent mountaineer or climber. We are looking for individuals who are experienced backcountry travelers with solid navigation and survival skills, and some familiarity with Alaska's backcountry, who are willing to train extensively in one or more SAR specialties. Persons with previous experience in technical snow, rock, and ice climbing, mountaineering, avalanche hazard evaluation/rescue, wilderness medical care, helicopter operation, snowmachining/ATV riding, search management, incident command, or swiftwater rescue are highly preferred, but we are in need of assistance of all types and have an auxiliary membership for those who want to help AMRG but not in field operations.

Individuals with time to volunteer are needed to work in all of the following skill areas:

- Technical rock, snow and ice climbing;
- Search operations;
- Search and Rescue Incident Command (search management);
- Communications Dispatch
- Communications Maintenance
- Unit Management (Officers and Committee Chairs)
- Training;
- Legal;
- Wilderness Medicine;
- Publishing (unit newsletter);
- Information Services (WEB site development/maintenance);
- Fund Raising;

MEMBER TRAINING

AMRG generally trains three days per month, September through May. The monthly training cycle generally consists of classroom training sessions for 60 minutes after each monthly general membership meeting, a team training session for 120 minutes in the evening of each second Thursday of the month, and one full day field training session each month (occasionally a full weekend). Additional training classes and scenarios are often scheduled by the various AMRG SAR certification groups or are made available through the Alaska Search and Rescue Association (e.g., SAR Tech II courses). AMRG is not in a position to provide basic skills training in backcountry skills, climbing/mountaineering or wilderness medical care to individuals not already experienced in these areas.

Approximately 12-18 months of regular training participation is required by new members to become fully familiar with group standards, procedures, and personnel. New members are involved in all practice sessions, and in actual

missions to the greatest extent possible while remaining consistent with group safety requirements.

Typical training topics include:

- Litter operations (hoisting, lowering, travel, victim loading, etc.);
- Rescue specific rope work and knots;
- River rescue techniques;
- Helicopter operations and airborne search techniques;
- Ground search techniques and search management;
- Group specific radio operations;
- Group specific equipment inventory, maintenance, and deployment;
- Wilderness EMT training as it applies to victim assessment, stabilization and transport;
- Group procedures (callouts, reporting, safety standards, interagency protocols, etc.);

MEMBERSHIP CATEGORIES

Prospective Member

Requirements: To become a Prospective Member, you must be at least 18 years old, meet any State of Alaska requirements for SAR volunteers, self-certify that you have no medical or physical condition that would prevent participation at the membership level you choose.

Operational Member

Operational members are AMRG's core field personnel for SAR missions and may be deployed for up to 72 hours. All Operational Members will be considered field resources for ground search missions and avalanche missions, and may serve as team leaders for trained or untrained searchers. Each Operational Member may also have one or more Advanced Proficiency Certifications.

Technical Advisor

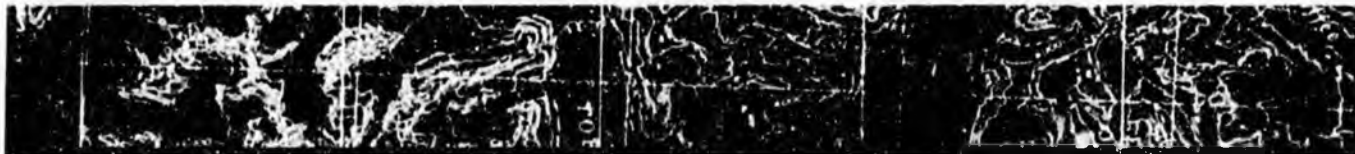
A Technical Advisor is a person who has significant experience and skills in a key SAR discipline whose affiliation with AMRG shall be as an advisor, instructor, consultant or provider of specialized technical skills. Technical Advisor status can only be conferred by a majority vote of the Board following a written request to the Board to consider an individual as an AMRG Technical Advisor. Technical Advisors shall be required to pay dues, will be entitled to vote in AMRG elections, and are eligible for pro-deals through AMRG. Status as Technical Advisor shall be reviewed by the Board on an annual basis and can be revoked at the discretion of the Board.

Auxiliary Member

An Auxiliary Member is a member who wishes to assist AMRG in ways other than field service, such as performing mission callouts, assisting with equipment/cache maintenance, communications, logistics, fundraising, etc. Auxiliary Members will be required to pay dues and can vote in AMRG elections, but they cannot assist in the field aspects of any mission or training. They are eligible for AMRG pro-deals after 12 months of service to AMRG at the Board's discretion. Auxiliary members must provide 10 hours of service to AMRG in a calendar year to remain in active status. Hours of service can be documented in a simple written log a copy of which must be submitted to the AMRG Board by May 1 of each year.

Inactive Member

An Operational Member, Technical Advisor, or Auxiliary Member who does not meet the minimum required proficiency requirements may be placed by the Board on the Inactive Member list. Members can remain on the inactive list for up to 3 years, and at any time during those three years may petition the Board to regain their former membership status by meeting the basic proficiency requirements. Inactive members will not pay dues and will not be eligible to vote in the annual AMRG elections. Inactive members will not be eligible to participate in AMRG pro-deals. After three years on the Inactive list, membership status will be terminated.



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Membership in AMRG

Goals of the Alaska Mountain Rescue Group

- 1) AMRG is committed to ensuring that all members of AMRG and all persons who are involved in AMRG-operated search and rescue missions or training events return home safely and are not injured during these operations.
- 2) AMRG will be available 24 hrs a day, 7 days a week, 365 days a year to conduct backcountry search and rescue operations and will take all reasonable steps to safely locate and assist any person who becomes lost, stranded, or injured in the Alaska backcountry and return them home to their family members.
- 3) AMRG will assist in the recovery of the bodies of deceased victims of accidents in the Alaska backcountry if such recovery can be safely done without unduly endangering the lives of our members.
- 4) AMRG will promote backcountry safety awareness through local efforts to educate the public about backcountry hazards and safe backcountry travel techniques.

Section 1. Membership in the Alaska Mountain Rescue Group

The categories of AMRG membership shall be:

- 1) Prospective Member
- 2) Operational Member
- 3) Technical Advisor
- 4) Auxiliary Member
- 5) Inactive Member

Section 1.1 Membership Category Descriptions & Requirements

1. Prospective Member

A. Requirements: To become a Prospective Member, you must:

- 1) be at least 18 years old.
- 2) meet any State of Alaska requirements for SAR volunteers.
- 3) self-certify that you have no medical or physical condition that would prevent participation at the membership level you choose.

B. Application Process – In order to be considered for Prospective membership, you must submit to the AMRG Board a completed AMRG Application packet. (Attachment A) The AMRG Board will promptly review all pending Applications for membership. A

person will become a Prospective Member only upon approval of a majority vote of the AMRG Board.

C. Position Description - Prospective members may:

- 1) attend AMRG meetings and training classes.
- 2) respond to AMRG missions and assist at the Incident Command Post
- 3) be deployed on AMRG missions in non-technical terrain at the discretion of the Incident Commander.

2. Operational Member

A. Position Description: Operational members are AMRG's core field personnel for SAR missions and may be deployed for up to 72 hours. All Operational Members will be considered field resources for ground search missions and avalanche missions, and may serve as team leaders for trained or untrained searchers. Each Operational Member may also have one or more Advanced Proficiency Certifications noted on the AMRG callout sheet as described in Section 2.

B. Prerequisite Qualifications – To become an Operational Member, you must:

- 1) Complete at least 6 consecutive months as a Prospective Member; and
- 2) Complete the AMRG "Basic Training" course¹
- 3) Participate in at least 6 AMRG field or classroom training events including one of the following:
 - i) an AMRG interagency avalanche field training
 - ii) an AMRG interagency ground search field training.
- 4) Complete all training requirements on the Operational Member Certification Checklist (Attachment B)

C. Application Process – To apply to become an Operational Member, you must submit to the Board of Directors a completed AMRG Operational Member Certification Checklist (Attachment B) and all necessary attachments. The Board shall promptly consider each application. Advancement of a Prospective Member to Operational Member requires approval by a majority of the Board.

D. Time limits - Prospective Members who do not meet all of the requirements to move to Operational Member Status within 16 months of joining AMRG must submit to the Board a written request for an extension of time, not to exceed 12 months. Failure to do so may result in loss of Prospective member status. Approval of a time extension is discretionary for the Board.

¹ Previous SAR training and experience can be used to substitute for some modules of the Basic Training Course and waiver of individual modules will be approved on a case-by-case basis by the Board or Training Coordinator.

E. Continued Proficiency:

- 1) An Operational Member must maintain all skill proficiencies and all required equipment as listed in the Membership Handbook and the Operational Membership Certification Checklist (Attachment B).

F. Other Attributes of Operational Membership

- 1) Operational Members must pay annual membership dues as set by the Board of Directors. Failure to do so can result in suspension of membership status.
- 2) Operational Members are eligible to vote in AMRG elections, hold officer and committee chair positions.
- 3) Operational Members are eligible for pro-deals through AMRG and MRA.

3. Technical Advisor

A Technical Advisor is a person who has significant experience and skills in a key SAR discipline whose affiliation with AMRG shall be as an advisor, instructor, consultant or provider of specialized technical skills. Technical Advisor status can only be conferred by a majority vote of the Board following a written request to the Board to consider an individual as an AMRG Technical Advisor. Technical Advisors shall be required to pay dues, will be entitled to vote in AMRG elections, and are eligible for pro-deals through AMRG. Status as Technical Advisor shall be reviewed by the Board on an annual basis and can be revoked at the discretion of the Board.

4. Auxiliary Member

An Auxiliary Member is a member who wishes to assist AMRG in ways other than field service, such as performing mission callouts, assisting with equipment/cache maintenance, communications, logistics, fundraising, etc. Auxiliary Members will be required to pay dues and can vote in AMRG elections, but they cannot assist in the field aspects of any mission or training. They are eligible for AMRG pro-deals after 12 months of service to AMRG at the Board's discretion. Auxiliary members must provide 10 hours of service to AMRG in a calendar year to remain in active status. Hours of service can be documented in a simple written log a copy of which must be submitted to the AMRG Board by May 1 of each year.

5. Inactive Member

An Operational Member, Technical Advisor, or Auxiliary Member who does not meet the minimum required proficiency requirements may be placed by the Board on the Inactive Member list. Members can remain on the inactive list for up to 3 years, and at any time during those three years may petition the Board to regain their former membership status by meeting the basic proficiency requirements. Inactive members will not pay dues and will not be eligible to vote in the annual AMRG elections. Inactive members will not be eligible to participate in AMRG pro-deals. After three years on the Inactive list, membership status will be terminated.

Section 1.2. Advanced Proficiency Certifications

Operational Members may be recognized as having advanced skill proficiencies as described below. The purpose of maintaining these certifications is to provide Command staff with information with which to assign field personnel with maximum safety and efficiency. To achieve certification, the member shall submit to the Board the pertinent Advanced Proficiency Checklist (Attachments C-K). Certifications shall be awarded for a term as described below. Upon expiration, any member wishing to renew certification shall submit the pertinent Advanced Proficiency Renewal Checklist to the Board. Approval of certifications and renewals thereof shall be discretionary for the Board.

1. Technical Rescue Certification (TR or TR-L)

A. Position Description: Operational Members who have achieved a level of training and experience to safely perform rescue and recovery operations in technical terrain (steep ice, rock, snow, and glacier environments). Operational members with technical rescue certification (TR) will be called upon to participate as a team member in the technical aspects of rescue and recovery missions. Operational members who have achieved a level of training and experience to lead teams in rescue and recovery operations in technical terrain will be designated as TR-L. This certification requires a high level of knowledge, skills, and abilities in technical environments, and has a higher number of proficiency requirements due the high-risk/low frequency nature of such missions.

B. Prerequisite Qualifications

- 1) Minimum of 1 year as an AMRG Operational Member; and
- 2) Experience in alpine mountaineering, including technical rock, snow and ice terrain. (Experience may be demonstrated by a climbing resume or through written recommendations by no fewer than 2 AMRG members with Technical Rescue certification); and
- 3) Submission of a completed Technical Rescue Certification & Renewal Checklist (TR or TR-L option (Attachment C)).

C. Expiration/Renewal – All Technical Terrain Certifications shall expire on January 31 of even numbered years. In order for a Technical Rescue Certification to be renewed, the member must submit to the Board a Technical Rescue Certification & Renewal Checklist (Attachment C) no later than the date of expiration of the prior certification.

2. Medical Certification (M)

A. Position Description: Operational Members with advanced training in wilderness medical care. Medics will be called upon to perform medical assessments in the field and direct the care, packaging, and transport of injured subjects consistent with their medical certification(s), and standing medical protocols approved and reviewed by the AMRG Medical Director and Board of Directors.

B. Prerequisite Qualifications:

- 1) Minimum of 1 year as an AMRG Operational Member, and
- 2) submission of documentation showing current Alaska or National Registry certification as a
 - a) WEMT-B* or
 - b) EMT I, II or III + WFR or
 - c) M.D./D.O/R.N./P.A + WFR (under an Alaska license) or
 - d) Equivalent certification and licenses as determined by the Board. Expiration or other loss of the required underlying certification shall result in concurrent loss of AMRG Medical Certification.

C. Expiration/Renewal— All Medical Certifications shall run concurrent with the required underlying certification. Photocopies of the current, required certifications must be submitted to the Board to obtain Medical Certification. Operational Members with Medical Certification will be required to submit copies of their current WEMT-B or (EMT I,II, or III + WFR) certification card in January of even years to demonstrate continued certification(s).

3. Avalanche Certification (A)

A. Position Description: Operational Members who have a high level of training and experience in avalanche hazard assessment, mitigation, and rescue/recovery. AMRG will rely on avalanche certified operational members to assess current avalanche conditions and whether it is safe to perform rescue and/or recovery of avalanche victims. They will also serve as avalanche site commanders—directing field teams and search efforts on scene. Persons with this certification will have considerable experience as a professional ski patroller, mountain guide, avalanche instructor, or SAR responder with a solid background in avalanche hazard assessment/forecasting, rescue, and control/mitigation measures.

B. Prerequisite Qualifications:

- 1) Minimum of 1 year as an AMRG Operational Member, and
- 2) Submission of written documentation showing completion of a Level II (or higher²) Backcountry Avalanche Hazard Evaluation course (or AAA equivalent 30+ hr course), and
- 3) Minimum 5 years of experience in winter backcountry travel (skiing, snowboarding, climbing, snowmachining,) or as a professional ski patroller, avalanche educator, r. Experience may be shown by resume or the written recommendations of at least 2 AMRG members with Avalanche certification.
- 4) Submission of a completed Avalanche Certification & Renewal Checklist (Attachment D).

C. Expiration/Renewal – All Avalanche Certifications shall expire on January 31 of odd numbered years. In order for an Avalanche Certification to be renewed, the member must

¹(e.g.,) AAA—Level III avalanche course, CAA – Level II Avalanche Modules 1, 2, or 3, AAA Professional Avalanche Worker Seminar (PAWS).

submit to the Board an Avalanche Certification & Renewal Checklist (Attachment D) no later than the date of expiration of the prior certification.

4. Search Manager Certification (SM)

A. Position Description: Operational members who have sufficient training and experience to fulfill key ICS Command and General roles such as: Incident Commander, Planning Section Chief, or Operations Chief, for AMRG SAR missions, particularly wilderness search missions.

B. Prerequisite Qualifications:

- 1) Minimum 1 year as an AMRG Operational Member, and
- 2) Submission of a completed Search Manager Certification Checklist (Attachment F).

C. Expiration/Renewal – All Search Manager certifications shall expire on January 1 of every third year, beginning in 2008. In order for a Search Manager Certification to be renewed, the member must submit to the Board a Search Manager Certification & Renewal Checklist (Attachment E) no later than the date of expiration of the prior certification.

5. Agency Representative (AR)

A. Position Description: An AMRG Operational member who shall serve as initial point of contact by an agency requesting AMRG's services and shall act as initial coordinator of AMRG's response until such time as an Incident Commander has been appointed. Agency Representatives will be required to share the responsibility of carrying the AST notification pagers for periods of time throughout the year. Agency Representatives have the necessary SAR experience and judgment to commit the group to a mission, direct field resources, but can be exempt from the field proficiency requirement of Operational Members due to physical limitations.

B. Prerequisite Qualifications:

- 1) Minimum of five (5) years of experience with organized search and rescue, and
- 2) Minimum of one (1) year of experience as a member of AMRG, and
- 3) Current or previous AMRG certification in Search Management, Technical Rescue, or Avalanche.
- 4) Submission to the Board of an Agency Representative Certification & Renewal Checklist (Attachment F)

B. Duty time – An Agency Representative must be willing and able to carry the AST notification pager for 3-4 weeks at a time, and respond 24-7 during that period to AST requests for assistance.

C. Expiration/Renewal – All Agency Representative Certifications shall expire on Oct 30 of every third year beginning in 2007. In order for an Agency Representative Certification to be

renewed, the member must submit to the Board an Agency Representative Certification & Renewal Checklist (Attachment F) no later than the date of expiration of the prior certification.

6. Swiftwater Certification (SW)

A. Position Description: An Operational Member who has the ability to assess whitewater hazards and lead/direct searches and rescues in water environments. They are expected to have a significant background in whitewater rafting or kayaking and some training in swiftwater rescue as noted below.

B. Prerequisite Qualifications:

- 1) Minimum one (1) year as an AMRG Operational Member, and
- 2) Minimum five (5) years experience in whitewater rafting, whitewater kayaking or 2 years of experience as an active member of a Swiftwater Rescue Team, including experience with glacial rivers, rapids to class IV and night swift water rescue operations.
- 3) Successful completion of a nationally certified 5-day advanced swiftwater rescue course with training in river search management, rope systems and night operations. *(Note: AMRG does not require three-year renewal for this certification.)*
- 4) Submission to the Board of a Swiftwater Certification & Renewal Checklist (Attachment G)

C. Expiration/Renewal – All Swiftwater Certifications shall expire on Jan 1 of even-numbered years. In order for an Swiftwater certification to be renewed, the member must submit to the Board a Swiftwater Certification & Renewal Checklist (Attachment G) no later than the date of expiration of the prior certification.

7. Helicopter Certification (H)

A. Position Description: An Operational Member who has sufficient training and experience to manage helicopter operations, both at a helibase, or remote helispots. A member with Helicopter certification has extensive knowledge of helicopter flight operations, including communications, helicopter systems and aerial observation techniques.

B. Prerequisite Qualifications:

- 1) Minimum one (1) year as an AMRG Operational Member, and
- 2) Successful completion of any Alaska Department of Public Safety helicopter safety and observer training program(s).
- 3) Successful completion of the Dept. of Interior (DOI) Interagency Aviation Training B-3 module, or equivalent.
- 4) Submission to the Board of a Helicopter Certification & Renewal Checklist (Attachment H)

C. Expiration/Renewal – All Helicopter Certifications shall expire on Jan 1 of even-numbered years. In order for a Helicopter certification to be renewed, the member must submit to the Board a Helicopter Certification & Renewal Checklist (Attachment H) no later than the date of expiration of the prior certification.

8. Transportation Certification (TN)

A. Position Description: An Operational Member who own and operate snowmachines and ATVs, and have sufficient training and experience to coordinate the transportation efforts associated with AMRG missions. Transportation Specialists will also be called upon to direct the transportation efforts associated with AMRG missions when needed, particularly participation of untrained or spontaneous transportation resources that assist with missions. They will also assist with maintenance of AMRG transportation equipment (Equipment trailer, sleds, etc.).

B. Prerequisite Qualifications:

- 1) Minimum one (1) year as an AMRG Operational Member, and
- 2) Minimum 3 years of experience in backcountry mechanized travel (snowmachining, ATVs, etc). Experience may be shown by resume or the written recommendations of at least 2 AMRG members with Transportation certification.
- 4) Submission of a completed Transportation Certification & Renewal Checklist (Attachment I).

C. Expiration/Renewal – All Transportation Certifications shall expire on Oct 30 every third year beginning in 2008. In order for a Transportation certification to be renewed, the member must submit to the Board a Transportation Certification & Renewal Checklist (Attachment I) no later than the date of expiration of the prior certification.

Section 1.3 Participation of minors within the group

Participation in training (only) by a member's family (minors more than 16 years old) must be approved on a case-by-case basis by the Board. The member must supervise and accept responsibility and liability for the minor during the training exercise.

Attachment A

Alaska Mountain Rescue Group Application for Membership - Introduction

Thank you for your interest in the Alaska Mountain Rescue Group! We are a volunteer organization that performs search and rescue services in backcountry areas of southcentral Alaska. Before submitting this application, please give a moment to consider participation in the Group.

Time – Participation in the Group means attending meetings and field training events. We hold two evening meetings and one training day each month from September through June. While no one can attend every meeting and training, there are minimum attendance and training proficiency standards for active members. Also, missions tend to happen around weekends and late at night, 365 days a year. Missions may last hours or days. Think about whether this will work with your family and job before you apply.

Work – The Group can use some help with town chores, such as office work. However, the vast majority of our work is done in the backcountry. This could mean anything from a city park to a glacier in the Alaska Range. Our work is often done in the cold, in the rain or snow and in hazardous places. Active members must be able to carry heavy packs and/or a litter in steep, rough terrain and through thick brush for hours at a time. Members must be able to survive AND function efficiently in any Alaskan weather at any time of year. You need not be a climber, but you need to have strong backcountry skills before you join the Group. If you are new to the Alaska backcountry, you might look into membership in the Mountaineering Club of Alaska or other outdoor organizations and/or training to hone your backcountry skills before joining AMRG. If backcountry field work isn't your thing, but you want to help AMRG in other ways, consider joining AMRG as an Auxiliary member which has less stringent participation and physical requirements.

Expense – As people become more involved with AMRG, they find that they need a considerable amount of backcountry gear. This is expensive stuff. Since your life may depend on it, members tend to try to obtain the best equipment available. Gear is often lost or used up on missions, some of which may be replaced by the Department of Public Safety. Gas, food and other consumables, as well as wear and tear on personal vehicles are also a cost to the member.

Still interested? If we haven't scared you off, fill out the attached application, noting whether you wish to join as an auxiliary member or operational member, and mail it to our mailbox (P.O. Box 241102, Anchorage, AK 99524), or hand it to one of our Board members. The Board will want to look over your application and maybe talk with you before responding. In the meantime, feel free to attend our meetings and get to know folks.

Alaska Mountain Rescue Group

Application for Membership

Membership Type Applying For:

- Operational Member
 Auxiliary Member

Date of Application:

Name:
Address:
Home / Work / cell telephone numbers
e-mail address:
Tell us about your backcountry skills and experience, especially any search and rescue training or experience (you can also attach a letter with this information):

Medical training – list any first aid, emergency medical training or experience you may have, including any current or expired certifications

Medical background – Many of AMRG's missions are hazardous. The following is intended to give us some medical background should you be injured. If you prefer, you may provide this information after the Board has considered your application.

Age/Birthdate:

Sex:

Height/weight:

Bloodtype:

Emergency contact(s):

Regular physicia.. (name and phone):

Relevant Medical Conditions / Allergies (If you are on any regular medication or have a condition that an emergency physician should know about before initiating treatment, such as diabetes, hypertension, asthma, etc., please describe here. Please list if you are allergic to any medications or if you have a severe allergic reaction to any substance.

I certify that I do not have an medical, physical, or mental conditions that would prevent me from assisting AMRG in the membership capacity I am seeking:

Signature _____

Date _____

(PLEASE ALSO FILL OUT AMRG MEDICAL INFO CARD AND SUBMIT*

Please read carefully and sign the Release and Assumption of Risk and Ethics forms below, then submit your membership application to any Board member, or mail it to Membership Coordinator, AMRG, P.O. Box 241102, Anchorage, AK 99524, e-mail: wromberg@acsalaska.net

AMRG Release and Assumption of Risk

I am aware that there are certain risks involved in participating on a mountain rescue team. I am aware that these risks can include, but are not limited to, bodily or mental injury, disability or even death. I am aware that hazards include, but are not limited to, travel in remote and/or mountainous terrain, exposure to weather, system or equipment failures, human error, rock, snow and ice fall, including avalanches, and travel by air, automobile, snow machine or other conveyance. I am aware that I may be exposed to these risks both in training and on actual missions.

After considering these risks, I desire to receive training and to participate in missions with the Alaska Mountain Rescue Group. I ASSUME ALL RISK AND AGREE TO HOLD THE ALASKA MOUNTAIN RESCUE GROUP AND ANY OF ITS MEMBERS HARMLESS FROM ANY LIABILITY, ACTIONS, CAUSES OF ACTION, DEBTS, CLAIMS OR DEMANDS OF ANY KIND WHICH MAY ARISE IN CONNECTION WITH MY PARTICIPATION IN ANY TRAINING ACTIVITY OR MISSION. The terms of this agreement shall serve as a release and assumption of risk for myself, my heirs, executors, administrators, guardians, or any member of my family. The effect of this release and assumption of risk shall continue despite the cessation, if any, of my participation with the Group.

I understand that the Alaska Mountain Rescue Group is a non-profit organization operated solely by volunteers. I am aware that it has no liability, medical, workers compensation or similar insurance.

I HAVE READ THIS RELEASE AND ASSUMPTION OF RISK, AND I UNDERSTAND ITS TERMS AND IMPACT. I AGREE TO ITS TERMS.

Date:

_____ (signature)

_____ (print name)

AMRG Principles of Ethical Conduct

Membership in AMRG entails a commitment to provide assistance to those in need, and as such, engenders a public trust that requires the highest level of personal and professional conduct. The ability of AMRG to serve those in need depends on being recognized as a professional volunteer organization with the highest level of skills and standards. It is the duty of each member to reflect the values of the Group. To the extent possible, the following are the principles of conduct that every member shall adhere to.

1. Every member shall consider the welfare of themselves and the welfare of their fellow team members, their primary concern, and shall not place another person in a position of known jeopardy.
2. The welfare of a living subject of a search and/or rescue shall be considered the next highest priority after the safety of the team.
3. Each member shall strive to preserve the dignity and privacy of living or deceased subjects that are the focus of AMRG missions.
4. AMRG and individual members shall not solicit contributions of money, goods, or services in connection with any mission, nor shall any member solicit or accept fees or remuneration for personal benefit, without approval of the Board.
5. No member may use their association with AMRG for political, financial, or business purposes without Board approval.
6. Each member is obligated by membership in AMRG to maintain the standards of their membership level, and to improve upon their ability and capacity to serve.
7. As an individual, a member shall not act on behalf of AMRG, or presume to represent AMRG, in instances of an emergency nature, or in matters of public relations, without Board approval.
8. AMRG shall not be utilized as an adjunct resource for matters relating to the pursuit of fugitives from justice, or other law enforcement missions unless a clear humanitarian issue has been identified, and only upon the concurrence of the Board.
9. Ethical conduct by members requires that their actions and words reflect a policy of nondiscrimination. AMRG and its members will not tolerate discrimination on the basis of race, color, religion, sex, age, disability, social or economic circumstance, or national origin.
10. AMRG conducts itself within the public trust, and will not tolerate or retain any member that has been identified as drug and/or alcohol dependent.

I HAVE READ THESE PRINCIPLES OF ETHICAL CONDUCT, AND I AGREE TO ABIDE BY THESE PRINCIPLES.

Date: _____ (signature)



Alaska Mountain Rescue Group Medical Profile Information Sheet

Please fill out this information to the best of your ability. The medical information form you provide will be housed in the AMRG ICS kit kept in the AMRG trailer for ready access during field training and missions. Should you develop a serious medical condition (i.e., heart attack) or sustain traumatic injuries during a mission or training, this information will be made available to ER personnel upon your arrival should you be unconscious or have an altered mental status. It is the intent of the Board that this information be kept as confidential as possible—only being available to the Board and Drs. Ellemberger, Zafren, and Mike Moxness, R.N.

Please list all medical problems and past surgeries. On your medical form only those conditions that are significant enough to require a physicians attention in an emergency will be written on your card.

For allergies, please include reaction to drug (i.e., rash, anaphylaxis)

Your insurance company name and social security are put on the form to allow for smoother hospital registration. If you are against listing your SSN, then you can omit it. These sheets will be kept in an AMRG binder, if they are ever discarded, they will be shredded.

You can put more then one phone number for the Emergency Contact listing (i.e., cell and home number)

For medicines, please write down name, dosage and how often. For men, while a private matter, I ask that if you take a medication for erectile dysfunction, like Viagra, that you list that please. Nitrate medications like nitroglycerin are contraindicated if you take these medicines and can cause complications/death by dropping your blood pressure if given. For women please list any birth control pills, Depo shots, etc. Also please list herbal supplements you may take. There are some that can cause “blood thinning”.

If this profile changes in any way, please let Dr. Herman Ellemberger know by submitting a new medical information form showing the updated information. These cards are being made to ensure the best possible care for our AMRG members. Thank you!

PLEASE TYPE OR WRITE AS LEGIBLY AS POSSIBLE

Name:

Date of Birth:

Social Security No:

Medical Problems:

Past Surgeries:

Medicines: (please include daily baby aspirin if taken)

Allergies to Medicines (including iodine or shellfish):

Blood Type (please include + or – if known):

Do you smoke ?

Emergency Contact Name:

Emergency Contact Phone Number(s):

Emergency Contact Relation to You:

Insurance Company:

Extra space for additional listing of important medical conditions:

**Attachment B -- Operational Member Certification & Renewal Checklist
Alaska Mountain Rescue Group**

Name: _____

Date became a Prospective Member: _____

First certification of Operational Member status: *date* *instructor*

Completed AMRG Basic Training class _____ _____

AMRG cache orientation* _____ _____

Radio communications* _____ _____

Personal equipment* _____ _____

Helicopter orientation* _____ _____

Six AMRG training events* 1 _____

2 _____

3 _____

4 _____

5 _____

6 _____

Current Wilderness First Aid (or higher) certification (attach copy)*

Current Basic CPR certification (attach copy)

NIMS IS-100 course certificate (attach copy)*

NASAR SAR TECH III (or higher) exam passed (attach copy)*

Date submitted to AMRG board: _____

Within 18 months of attaining Operational Member status:

NIMS IS-200 certificate (attach copy)*

NIMS IS-700 certificate (attach copy)*

NASAR SAR Tech II certification (attach copy)*

Level 1 Avalanche course certificate (attach copy)*

Date submitted to AMRG board: _____

Annual proficiency checklist:

Participated in minimum of five scheduled AMRG training events
(including at least two field training events)

Lead or assisted with at least one AMRG training event

Passed avalanche transceiver test*

Date submitted to AMRG board: _____

* See descriptions, next page.

Descriptions for Attachment B:

First certification:

AMRG Cache Orientation - Demonstrates familiarity with layout and inventory of AMRG Cache, trailer, and checkout procedures

Radio Communications - Demonstrates ability to operate AMRG portable radios, assemble and operate Base stations; assemble and operate repeater stations.

Personal Equipment - Confirms all mandatory equipment of Operational Member Equipment List, including appropriate pack.

Training - Confirms participation in at least six AMRG training events including at least one of the following:

AMRG interagency avalanche field training

AMRG interagency ground search field training.

Helicopter Orientation - Attend helicopter (AST Helo 1) orientation session

Current Wilderness First Aid - Attach copy of current Wilderness First Aid (or higher) certification with Basic CPR. (Note: persons who have completed a WFR or WFA course within the last 10 yrs but who may not have current certification can provide copy of most recent certification card)

NIMS IS-100 is a free online self-study course.

NASAR SAR Tech Certification – Attach documentation of completion of NASAR SAR Tech III (or II, or I) course (Note: SAR Tech III certification available online as a self-study course—course completion certificate from NASAR sufficient).

Within 18 months:

NIMS IS-200 is a free online self-study course.

NIMS IS-700 is a free online self-study course.

Level 1 Avalanche is a 24-hour nationally certified course.

NASAR SAR Tech II is a 43-hour nationally certified course. The course may be challenged by taking 1 written test and 6 field tests.

Annual proficiency checklist:

Passed avalanche transceiver test - Demonstrated the ability to locate at least two avalanche transceivers buried in a 30m x 30m area within six minutes.

Attachment C -- Technical Rescue Certification & Renewal Checklist

Alaska Mountain Rescue Group

Experience

- Minimum of 1 year as an AMRG Operational Member
- Experience in alpine mountaineering, including technical rock, snow and ice terrain as demonstrated by:
 - a climbing resume (attach copy), OR
 - written recommendation by no fewer than 2 AMRG members with Technical Rescue certification (attach copy)

Date & Initials of Trainer

Training

- Completion of AMRG Technical Training Program (attach copy):
 - Technical Training Program attendance sheet
 - Technical Rescue Proficiency Checklist (below)
- Participation in two (2) AMRG Rope Rodeo field trainings

Advancement to Technical Rescue Leader (TR-L)

- Completion of a formal, multi-day rescue rigging course (e.g. Rigging for Rescue 7-day seminar), containing at least 25 hrs of field training (attach copy), OR
- Technical rescue leader certification with another mountain rescue unit, the military, or mountain guide operation verified in writing by the unit (attach copy)

Biennial Proficiency Checklist (submit by Jan 31 of even years)

- Continued active involvement in technical climbing (rock, snow, and ice) as well as glacier travel/mountaineering (as verified by other AMRG Technical Rescue members or review by the Board).
- Demonstrated proficiency in current AMRG technical standards by completing two or more of the following requirements during the renewal period:
 - Participation in a minimum of five (5) scheduled AMRG technical field training events
 - Successful demonstration of skills at all stations of annual AMRG Rope Rodeo.
 - Serve as an instructor/co-instructor for at least three (3) AMRG technical training events in the renewal period

Alaska Mountain Rescue Group

Technical Climbing Proficiency Checklist

(To be completed through a combination of review of climbing resume and demonstration at AMRG training events while completing Technical Rescue Training Program.)

Date & Initials of Trainer

Rock

free climb 5.7 or better

safely place protection-

Bolts, pitons, chocks, cams

rig protection, belays

belay leader/follower

Snow / Ice

Climb steep snow / ice (Grade III)

Safely place anchors -

Ice screws, pickets, bollards

Self arrest on snow

Glacier

Glacier travel

Crevasse extrication, patient and

Rope partner

Technical Rescue

AMRG knots

Rig harness / pickoff

Anchor systems

Belay / rappelling

Raising systems

Lowering systems

Litter handling / tending

Attachment D -- Avalanche Certification & Renewal Checklist

Alaska Mountain Rescue Group

Experience

Date & Initials of Trainer

- Minimum of 1 year as an AMRG Operational Member.
- Minimum 5 years of experience in winter backcountry travel (skiing, snowboarding, climbing, snowmachining,) or professional ski patrol as demonstrated by any two of the following:
 - a outdoor resume (attach copy)
 - written recommendation by no fewer than 2 AMRG members with avalanche certification (attach copy)
 - a letter of recommendation from ski patrol director or another mountain rescue unit. (attach copy)

Training

- Has completed a Level II (or higher¹) Backcountry Avalanche Hazard Evaluation course (or AAA equivalent 30+ hr course) (attach copy).
- Participation in at least two (2) AMRG interagency mock avalanche response training events to demonstrate knowledge and skills in avalanche hazard assessment and response, preferably as avalanche site commander. _____
- Field participation in at least three (3) avalanche response missions with AMRG or another MRA-accredited team. _____

Biennial Proficiency Checklist (submit by Jan 31 of odd years)

- Active involvement in winter backcountry activities (as a skier, snowboarder, snowmachiner, climber, or professional ski-patroller) that regularly involves traveling in avalanche terrain, evaluating avalanche hazard, and practicing safe travel techniques (as verified by an AMRG member with avalanche certification)
- Assisted with coordination or instruction at the AMRG interagency avalanche training at least once during the renewal period.
- Involved in professional ski patrolling, avalanche education, or avalanche hazard assessment and mitigation efforts within Alaska during the renewal period (attach summary of work)
- Continues to pursue additional avalanche hazard evaluation, mitigation and rescue training and experience during the renewal period.¹

¹ (e.g.,) AAA—Level III avalanche course, CAA - Level II Avalanche Modules 1, 2, or 3, AAA Professional Avalanche Worker Seminar (PAWS), attendance at ISSW, etc..

Attachment E -- Search Manager Certification & Renewal Checklist

Alaska Mountain Rescue Group

Experience

Initials of Reviewer

- Minimum 1 year as an AMRG Operational Member.
- Experience in key ICS positions (IC, Planning, Operations) during at least two (2) mock ground search scenarios with AMRG.¹
- Experience in at least two (2) actual search events within the past 3 years.

Training (attach copy of certificates)

- Completion of NASAR Managing the Lost Person Incident (MLPI) (or equivalent) search management course
- Completion of:
 - NIMS IS-300 (classroom)
 - NIMS IS-800 (online course)
- Completion of at least one (1) of the following advance ICS courses:
 - NASAR Planning Section Chief (PSCSAR)
 - NASAR Incident Commander Emergency Response (ICER)
 - NIMS IS-400 (Advanced ICS)
 - ERI I-400 (Advanced ICS) (Modules 12-14)

Triennial Proficiency Checklist

(submit by Jan 1 of every third year beginning in 2008)

- Served as the coordinator, mentor, and/or trainer for at least two (2) AMRG mock search scenario event during the renewal period
- Was involved in managing (as IC, OSC, PSC) at least 2 mock or actual search events during the renewal period.
- Conducted or assisted with at least two (2) AMRG classroom training events on ground search topics (ICS, search techniques/strategies, table top scenarios)

¹ Persons with extensive search management experience with another search and rescue unit will only be required to manage 1 mock search scenario with AMRG.

Attachment F -- Agency Representative Certification & Renewal Checklist

Alaska Mountain Rescue Group

Date & Initials of Reviewer

Experience

- Minimum of five (5) years of experience with organized search and rescue, and
- Minimum of one (1) year of experience as a member of AMRG
- Has served as Incident Commander, Planning Section Chief, or Operations Chief in at least (4) AMRG mock scenario exercises, specifically, the annual interagency avalanche and/or ground search training exercises.

Training (attach copy of certificates)

- Completion of AMRG Agency Representative Mentoring Program which may include one or more of the following:
 - Review and familiarization with AMRG Mission Pre-plan packet _____
 - Completion of an IS-300 or IS-800 course

Triennial Proficiency Checklist

(submit by Oct 30 of every third year beginning in 2007)

- Participated in at least 3 AMRG field training events during the renewal period _____
- Carried an AST notification pager for at least 4 weeks annually during the renewal period.¹ _____
- Participated in the command structure of at least one (1) actual AMRG mission (or mission with another agency/organization) during the renewal period (IC, PSC, OSC, Administrative or "in-town" contact). _____

Attachment G -- Swiftwater Certification & Renewal Checklist

Alaska Mountain Rescue Group

Date & Initials of Reviewer

Experience

- Minimum 1 year as an AMRG Operational Member.
- Minimum 5 years experience in whitewater rafting, whitewater kayaking or 2 years of experience as an active member of a Swiftwater Rescue Team, including experience with glacial rivers, rapids to class IV and night swift water rescue operations.

Training (attach copy of certificates)

- Successful completion of a nationally certified 5-day advanced swiftwater rescue course with training in river search management, rope systems and night operations.¹
- Possession of personal protective equipment for swiftwater operations: dry suit, PFD, water helmet, throw rope.
- Demonstrated understanding of AMRG technical rope rescue standards and equipment by participation in at least (1) AMRG Rope Rodeo field training.

Biennial Proficiency Checklist (submit by Jan 31 of even years)

- Continued active involvement in whitewater boating and/or swiftwater rescue (as verified by another AMRG Swiftwater Certified member or review by the Board).
 - Participate in at least one (1) AMRG "swiftwater refresher training" during the renewal period, during which they must demonstrate proficiency in:
 - Throw-rope rescue
 - Tethered swimmer rescue
 - Rigging for tethered boat rescue
 - Strainer swim
 - Night river search (may be a tabletop exercise)
 - Instruct/co-instruct at least 1 AMRG swiftwater refresher training during the renewal period
-
-

¹ AMRG does not require three-year renewal for this certification.)

Attachment H -- Helicopter Certification & Renewal Checklist

Alaska Mountain Rescue Group

Experience

Date & Initials of Reviewer

- Minimum 1 year as an AMRG Operational Member.
- Successful completion of any Alaska Department of Public Safety helicopter safety and observer training program(s).

Training (attach copy of certificates)

- Successful completion of the Dept. of Interior (DOI) Interagency Aviation Training B-3 module, or equivalent.
- Has completed AMRG Helicopter Training Program, that includes familiarity and proficiency in:
 - aviation communications
 - landing zone (LZ) management
 - helicopter loading and unloading
 - hand signals
 - night helicopter operations
 - external load operations
 - helicopter hoisting and litter management.
 - aerial search/spotter, including night vision equipment procedures.

Optional:

- Completion of a forward looking infrared (FLIR) training course and a Night Vision Goggle (NVG) training course is recommended, but not required.

Biennial Proficiency Checklist (submit by Jan 31 of even years)

- Completed at least two (2) of the following during renewal period:
 - Attended biennial refresher training on helicopter operations with other AMRG helicopter certified members.
 - Attend refresher training of DOI B-3 module, or equivalent, every 2 years
 - Served as an instructor of an AMRG helicopter operations training module.
- Performed helicopter operations management or in aerial search capacity in at least two (2) AMRG mock training events or missions during renewal period.

Attachment I -- Transportation Certification & Renewal Checklist

Alaska Mountain Rescue Group

Date & Initials of Reviewer

Experience

- Minimum one (1) year as an AMRG Operational Member, and
- Minimum three (3) years of experience in backcountry mechanized travel (snowmachining or ATV/ORV). Experience may be demonstrated by resume or the written recommendation of at least two (2) AMRG members.

Training

- Complete AMRG transportation orientation program to become familiar with AMRG transport protocols. _____
- Complete an initial checkout drive/ride with another transportation certified member of AMRG. _____
- Complete AMRG equipment trailer orientation and towing check-drive. _____
- Serve as "Transportation Chief" (head of motorpool) or Staging Area Manager for at least one (1) of the following:
 - AMRG interagency avalanche training
 - AMRG interagency ground search training

Required Equipment

- Own a personal trailer for transporting motorized equipment to scene of a mission.
- Must own 4-wheeler and/or snowmachine that:
 - Is properly maintained and ready to go at all times.
 - Has repair kit for flats, belts, and other basic repairs
 - Is equipped with winch or come-along, and a tow strap.
 - Is capable of carrying driver with his overnight pack and repair kit.
 - Is of appropriate size for our missions (i.e., carry 2 people) and can tow a sled/toboggan, OR a trailer into the field as needed.
- Must own a personal helmet(s) appropriate to the equipment driven (e.g., snowmachine) that is available at all times with eye protection.

Optional

- Own a vehicle capable of towing 5000 pounds, a trailer hitch and a 2" ball for towing AMRG equipment trailer(s)

Triennial Proficiency Checklist (submit by Oct 30 of every three years beginning in 2008)

- Participate in at least two (2) AMRG interagency field training events during the renewal period _____
- Complete at least two (2) of following during the renewal period:
 - Conduct AMRG equipment trailer orientation and towing check-drive training _____
 - Teach/assist with teaching AMRG transportation orientation program _____
 - Conduct a check-drive with another AMRG transport member _____

HB

331

ALASKA STATE LEGISLATURE

House of Representatives

INTERIM:
716 W. 4TH AVE.
ANCHORAGE, AK 99501
Phone: (907) 269-0265
Fax: (907) 269-0264
(website: www.akrepublicans.org/roses.htm)



SESSION:
STATE CAPITOL
JUNEAU, AK 99801-1182
Phone: (907) 465-4939
Toll Free: (800) 465-4939
Fax: (907) 465-2418

Representative Bob Roses

email: Representative_Bob_Roses@legis.state.ak.us

HB 331 – MOTOR VEHICLES:INSURANCE/LICENSES/IMPOUNDMENTS

Sponsor Statement

Current law states that a person who changes their name or address must notify the Department of Public Safety or the Department of Administration within 30 days. House Bill 331 adds a fine not to exceed \$300 for those that do not notify the departments.

House Bill 331 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. Under current law a driver can lose their license for driving without insurance, and can be criminally charged for driving when their license is subsequently suspended. Those 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 the 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 license.

This bill also increases the penalty for uninsured motorists. Under HB 331 it is a class B misdemeanor to drive without insurance, punishable by a minimum fine of \$500 and up to 90 days in jail. Under current law the minimum fine is \$0, making it potentially cost-free to drive without insurance.

House Bill 331 provides that – upon the arrest of a person for certain violations – the vehicle used in the offense shall be impounded. Also, the cost of towing and storage of the vehicle is a lien on the vehicle.

House Bill 331 requires drivers to have automobile insurance, and prevents drivers from being charged with crimes they did not commit. I urge your support.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 331
 () Publish Date: _____

Identifier (file name): HB331-DOA-DMV-01-24-08 Dept. Affected: Administration
 Title: _____ RDU: Division of Motor Vehicles
 "Mandatory motor vehicle insurance, license suspensions ..."
 Component: Motor Vehicles
 Sponsor: Reps ROSES, Harris, Gara
 Requester: (H) L&C Component Number: 2348

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
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	0.0	0.0

CAPITAL EXPENDITURES	0.0							
-----------------------------	------------	--	--	--	--	--	--	--

CHANGE IN REVENUES ()	0.0							
-------------------------------	------------	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1156 Receipt Supported Services							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill does not have a financial impact on the Division of Motor Vehicles; therefore, the Division submits a zero fiscal note.

Prepared by: Whitney H. Brewster, Director
 Division: Motor Vehicles
 Approved by: Kevin Brooks, Deputy Commissioner
Department of Administration

Phone 907-269-5574
 Date/Time 1/24/08 4:00 PM
 Date 1/24/2008

ALASKA STATE LEGISLATURE

House of Representatives

INTERIM:
716 W. 4TH AVE.
ANCHORAGE, AK 99501
Phone: (907) 269-0265
Fax: (907) 269-0264
(website: www.akrepublicans.org/roses.htm)



SESSION:
STATE CAPITOL
JUNEAU, AK 99801-1182
Phone: (907) 465-4939
Toll Free: (800) 465-4939
Fax: (907) 465-2418

Representative Bob Roses

email: Representative_Bob_Roses@legis.state.ak.us

HB 331 – MOTOR VEHICLES:INSURANCE/LICENSES/IMPOUNDMENTS

Sectional Analysis

- Section 1 – Provides that a violation of AS 28.05.071 (Notifying the DMV of a change of address) be punishable by a civil fine of up to \$300. Currently this is a misdemeanor.
- Section 2 – Provides a legal defense to a person charged with the crime of driving without a license, for failure to have legally required automobile insurance, when the driver proves they in fact had automobile insurance. This closes a loophole in current law.
- Section 3 – Makes driving without insurance a Class B Misdemeanor, punishable by a minimum fine of \$500.
- Section 4 – Provides that DMV should send the required insurance paperwork to a driver's last known address, not just the address DMV has on file.
- Section 5 – Provides that upon the arrest of a person for certain violations, the vehicle used in the offense shall be impounded. Also, the cost of towing and storage of the vehicle is a lien on the vehicle.

Home Licenses Registrations Titles License Plates Manuals Parking Permits Notices

Search DMV find

Department of Administration

Division of Motor Vehicles

State of Alaska > Administration > DMV > Mandatory Insurance

Mandatory Insurance Suspension



Alaska has both Mandatory Insurance and Financial Responsibility laws. The purpose of these laws is to ensure that drivers and owners of vehicles using the streets and highways are financially responsible for any damage or injury caused by motor vehicle collisions and to remove financially irresponsible drivers from the highways.

The mandatory insurance law requires the operator or owner of a motor vehicle subject to registration to have motor vehicle liability insurance **in effect** when the vehicle is driven on a highway, vehicular way or area, or other public property in the state. The owner's or driver's motor vehicle liability insurance policy must meet the minimum coverage amounts required by law. The minimum coverage amounts are \$50,000.00 for injuries or death to any one person, \$100,000.00 for total injuries or death per collision, and \$25,000.00 for property damages.

A driver who has been involved in a collision, regardless of fault, is required to show proof of motor vehicle liability insurance if the collision resulted in personal injury or death, or damage to property exceeding \$500.00. A driver may show proof by completing the Certificate of Insurance form provided by the investigating police office at the collision scene. The form is also available from any Division of Motor Vehicles Office.

The Division of Motor Vehicles must suspend the driver's license, privilege to drive or privilege to obtain a license of drivers who fail to provide proof of liability insurance. The suspension period can be 90 days to 1 year depending on prior license actions. The license suspension will occur even if the driver is not at fault in the collision.

A person may apply for a limited work purpose license during the suspension period. The application for mandatory insurance limited license may be obtained at any Division of Motor Vehicle Office. There is not a fee for this specific type of limited license due.

Drivers must reinstate their privilege to drive at the end of their suspension period.

A person's license may also be suspended for non-compliance with the Financial Responsibility law.

If you have additional questions you can call, write, e-mail or visit a DMV office.

DOA DMV JDL@Alaska.gov

Quick Links...

- DMV Web Cameras
- Online Address Change
- Online Registration Renewal
- Personalized Plates Online

Of Interest...

- Forms
- General Information
- Links to Other Related Sites
- Office Locations/Hours
- Office Closures
- Regulations
- Research Materials
- Senior Citizen Information
- Statistics
- Table of Contents
- Partner Information

[Vehicle Registrat](#) [Info](#) [License Plate Info](#) [Driver's License Info](#) [General Info](#) [FAQ](#) [Email Alaska DMV](#)

**STATE OF ALASKA - DIVISION OF MOTOR VEHICLES
CERTIFICATE OF INSURANCE**

CRASH INFORMATION	Crash Date: _____ Location: _____
DRIVER	Name: _____ Date of Birth: _____ License #: _____ State: _____ Mailing Address: _____ Street or Box _____ City _____ State _____ Zip _____
OWNER OF VEHICLE	Name: _____ Date of Birth: _____ License #: _____ State: _____ Mailing Address: _____ Street or Box _____ City _____ State _____ Zip _____
VEHICLE	Year: _____ Make: _____ Model: _____ License Plate #: _____ VIN: _____
INSURANCE	Was an automobile liability policy in effect covering this crash? YES <input type="checkbox"/> NO <input type="checkbox"/>
	Name of Insurance Company: _____ Policy Number: _____
	Name and Address of Policyholder: _____ Policy Period: From _____ To _____
SIGNATURE	Your Signature: _____ Date: _____
Do not write below this line. The Division of Motor Vehicles will contact your insurance Company.	

Insurance Verification: If the motor vehicle liability insurance policy listed above was not in effect for the motor vehicle listed at the time of the crash indicated above, the insurance company is to complete the following and return this form to the Division of Motor Vehicles at the address listed on the reverse of this form. If indicated coverage was in effect at the time of the accident, no action is required.

REASON FOR DENIAL:

- | | | |
|---|---|--|
| <input type="checkbox"/> Policy Expired Before Crash | <input type="checkbox"/> Policy Number Given is Incorrect | <input type="checkbox"/> Lapse in Policy |
| <input type="checkbox"/> Policy Effective After Crash | <input type="checkbox"/> Driver Not Covered on Policy | <input type="checkbox"/> Other _____ |

Signature of Authorized Representative _____ Date _____

CUT ON LINE ABOVE. RETURN TOP PORTION ONLY.

MANDATORY INSURANCE AND FINANCIAL RESPONSIBILITY NOTICE

If the actual or estimated damages of any one person's property involved in the crash exceeds \$501.00, or if there is any personal injury or death, you are subject to the Alaska mandatory insurance and financial responsibility laws. The mandatory insurance laws require you to file proof of insurance with the State of Alaska. Failure to do so will result in the suspension of your driver's license.

The financial responsibility laws require a person to show financial responsibility by one of the following methods: (1) an automobile liability insurance policy in effect at the time of the crash; (2) a release of liability; (3) a settlement agreement and proof of future financial responsibility (SR22 insurance); (4) a deposit of security and proof of future financial responsibility (SR22 insurance); (5) a finding of no liability by the court in a civil action (a finding of not guilty of a traffic citation does not apply). Failure to show financial responsibility by one of the listed methods will also result in the suspension of your driver's license for a period of 3 years if there is a possibility you are liable.

After any suspension you must show future financial responsibility (SR22 insurance), and pay a reinstatement fee of \$100.00 to \$500.00, in addition to the fee for the license being requested, to have your driving privileges restored. A notice of suspension returned by the post office because of an incorrect address on your driver license or DMV records will not invalidate the suspension if the notice was mailed to the last address you provided to DMV.

IMPORTANT: THE FORM ON THE REVERSE MUST BE FILLED IN AND SENT TO THE DIVISION OF MOTOR VEHICLES WITHIN 15 DAYS FROM THE DATE OF THE CRASH. A participant's accident report is also required if the crash was not investigated by a peace officer, and the total amount of damage exceeds \$2,000.00, or there was personal injury.

Mail Completed Form To:

**STATE OF ALASKA
DIVISION OF MOTOR VEHICLES
ATTN: DRIVER LICENSING
PO BOX 110221
JUNEAU AK 99811-0221
(907) 465-4361**

HB

340

FY 2007 timely filing credits 2% not to exceed \$4,000

	current credit	2% not to exceed \$4,000	Cost to the State	Capped	Total TP's
Alcohol tax*	\$0	\$25,000	\$25,000	5	31
Commercial passenger vessel tax*	\$0	\$30,000	\$30,000	7	8
Other tobacco products tax (currently .4%)	\$40,819	\$45,000	\$4,181	6	42
Motor fuel (currently 1%)	\$76,736	\$250,000	\$173,264	36	250
Salmon enhancement tax*	\$0	\$65,000	\$65,000	7	197
Dive fisheries*	\$0	\$8,000	\$8,000	0	20
Regional seafood development tax*	\$0	\$26,000	\$26,000	1	56
Pull tab tax*	\$0	\$20,000	\$20,000	3	12
Tire Fee	\$62,838	\$31,000	-\$31,838	1	98
Vehicle rental tax*	\$0	\$65,000	\$65,000	7	117
			\$384,607		

*No timely filing credit current allowed for this program.

(CURRENT CREDIT)

Shows how much money businesses are currently allowed to keep for collecting tax, for the state of Alaska. Referred to as the timely filing credit.

(2% NOT TO EXCEED \$4,000)

Shows how much money the business would be able to keep as an offset for the cost collecting a tax for the state of Alaska. Or 2% of whatever the total is of tax collected. But the 2% can't be more that \$4,000 dollars a year.

(COST TO THE STATE)

Loss or gain to the state of Alaska for allowing business to keep 2% of the tax collected, up to the \$4000 dollar cap per year, per business

(CAPPED)

Shows the number of business that collect enough tax that their 2% is more than the \$4000 dollar cap. They are allowed to keep the first \$4000

(TOTAL TP)

Shows the number of business collecting a excise tax for the state of Alaska

Excise Taxes (Taxes levied on one person, but collected by another. For example, person who consumes cigarettes is liable for the tax, but the tax is collected and remitted to the state generally by cigarette distributors. It is common to provide a timely filing credit to the person who is required to collect the tax on behalf of the state when that person is not also the taxpayer.)

Alcohol tax - no timely filing credit

Bed tax - the state doesn't have this tax. Several municipalities do.

Commercial passenger vessel tax - no timely filing credit

Cigarette tax - distributors receive a discount on tax stamps to help them cover the costs of stamping the cigarettes (the amount is graduated from 3% to 1% and capped at \$50,000 each year)

Other tobacco products tax - .4% timely filing credit with no cap

Motor Fuel tax - 1% timely filing credit capped at \$100 per month

Salmon Enhancement tax - no timely filing credit

Dive fisheries tax - no timely filing credit

Regional seafood development tax - no timely filing credit

Gaming tax - no timely filing credit

Tire fee - 5% timely filing credit capped at \$900 per quarter

Income taxes - There is no timely filing credit for any of these tax types. This is due to the fact that the person who is paying the tax is also the person liable for the tax. A third party is not put in a position to collect taxes from another on behalf of the state.

Telephone cooperative tax

Electric cooperative tax

Corporate income tax

Fisheries business income tax

Large passenger vessel gambling tax

Oil and Gas production tax

Mining license tax

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES
OFFICE OF THE COMMISSIONER

SARAH PALIN, GOVERNOR

3132 CHANNEL DRIVE
PO Box 112500
JUNEAU, ALASKA 99811-2500

FAX: (907) 586-8365
PHONE: (907) 465-3900

January 31, 2008

The Honorable Kurt Olson
Alaska State Legislature
State Capitol, Room 408
Juneau, AK 99801-1182

Dear Representative Olson:

I respectfully request a hearing for HB 340 "An Act establishing the Alaska capstone avionics revolving loan fund". The loan provides funding for commercial operators and private aircraft owners to purchase "capstone" avionics. A capstone equipped plane has a video display showing the pilot his location relative to terrain, weather and similarly equipped aircraft in the vicinity.

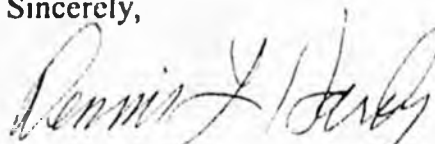
This technology, which was cutting edge when it was tested as a pilot program in Bethel and Southeast Alaska, is being implemented nationally by the Federal Aviation Administration. The accident rate reduction in Alaska was 47% during the pilot program. Fatalities are estimated to be reduced by one third as a downed plane can be located quickly and precisely. Alaska's rural communities, who rely solely on air travel particularly in the winter, will have increased service, as capstone equipped planes will be able to land in inclement conditions.

The Department of Commerce, Community, and Economic Development will administer the loan program. The program is initially funded from the general fund; however, since it is a revolving loan fund, additional loans can be made from repayments over the life of the program. Loans will be available for up to 80% of the costs at an interest rate of 4% for 10 years.

January 31, 2008

Increasing so dramatically the safety of a mode of travel used by many Alaskans is one of the most important things we can do. I look forward to discussing this with you further.

Sincerely,



for

Leo von Scheben, P.E., L.S., M.B.A.
Commissioner

Enclosures: HB 340
Bill Analysis
Talking Points
FAA Capstone Program
DVD

cc: Russ Kelly, Legislative Director, Office of the Governor
Mary Siroky, Legislative Liaison, Dept. of Transportation & Public Facilities

SARAH PALIN
GOVERNOR
GOVERNOR@GOV.STATE.AK.US



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB 340
P.O. Box 110001
JUNEAU, ALASKA 99811 0001
(907) 465-3500
FAX (907) 465-3532
WWW.GOV.STATE.AK.US

January 24, 2008

The Honorable John Harris
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill establishing the Alaska capstone avionics revolving loan fund and relating to the fund.

In Alaska, aviation is relied upon to move people, mail, and cargo throughout the state. Alaska has only 14,788 miles of public roads and many communities are not connected to the highway system. Ninety percent of Alaska is accessible only by air. Because of this situation, commuter and air taxi flights often serve in lieu of the traditional road system.

Alaska has seven times more licensed pilots than the national average, but it also has the highest aviation accident rate in the nation. One way to make Alaska's skies safer is with capstone avionic equipment. A study done in Alaska over a six year period determined that the accident rate of aircraft equipped with capstone avionic equipment decreased by 47 percent as compared to other aircraft operating without the equipment. The Federal Aviation Administration (FAA) estimates the adoption of this technology will result in a 33 percent reduction in fatal accidents statewide.

The FAA's Joint Resource Council estimates the benefits of the capstone project would be substantial. These benefits flow from a combination of fewer aviation accidents, improved search and rescue, greater precision in adverse weather and difficult terrain, and increased access to remote villages (including medical evacuations) when the system is fully deployed both on the ground and in the air. In addition, there will be socio-economic improvements for rural Alaska, due to a safer and more reliable transportation infrastructure.

This new technology requires both the installation of ground based infrastructure and capstone avionics in the cockpit to achieve these benefits. To be visible to the system, as well as to take advantage of all of capstones capabilities, an aircraft must be equipped with appropriate on-board avionics.

HOUSE BILL NO. 340

The Honorable John Harris

January 24, 2008

Page 2

The FAA has invested in Alaska by deploying, and continuing to deploy, new ground-based aviation safety and access infrastructure including communications, navigation, and weather reporting systems, and upgraded airport access in Alaska. Support for the acquisition of the onboard avionics necessary to utilize the FAA ground infrastructure will aid in securing the substantial benefits of this technology for Alaskans and enhance, encourage, and make the most of the FAA investment in Alaska.

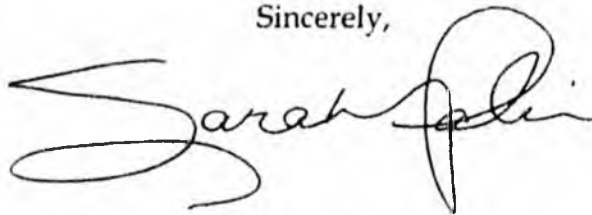
This bill would create the Alaska capstone avionics revolving loan fund within the Department of Commerce, Community, and Economic Development. The purpose of the fund would be to increase safety of air carrier, air taxi, and general aviation intrastate air transportation, by providing low-interest loans towards purchasing and installing capstone avionic equipment. An applicant for the low-interest loan must be an owner of an aircraft that is operated in the state. An applicant may be an individual, corporation, partnership, limited liability corporation, limited liability partnership, limited liability company, joint venture, or non-federal governmental entity.

The broad-based benefits of this legislation will help ensure that people can fly in a safer environment as they conduct their business and personal affairs

Under this new loan program, a loan for \$12,000 for avionics equipment at four percent over a ten-year term would result in a monthly payment of \$122 or an annual payment of \$1,480.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah Palin". The signature is fluid and cursive, with a large initial "S" and a long, sweeping underline.

Sarah Palin
Governor

Enclosure

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 340
(H) Publish Date: 1/25/08

Identifier (file name): 0049-CED-INV-01-24-08 Dept. Affected: DCCED
Title: Alaska Capstone Avionics Revolving Loan Fund RDU: Investments (122)
Sponsor: Rules Component: New
Requester: By Request of Governor Component Number: New

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES							
Personal Services	116.0		116.0	116.0	116.0	116.0	116.0
Travel	2.3		1.2	1.2	1.2	1.2	1.2
Contractual							
Supplies	0.5		0.5	0.5	0.5	0.5	0.5
Equipment	1.0						
Land & Structures							
Grants & Claims							
Misc: Capitalize Capstone Fund	4,800.0						
TOTAL OPERATING	4,919.8	0.0	117.7	117.7	117.7	117.7	117.7

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

CHANGE IN REVENUES ()	0.0	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 Mat							
1004 GF	4,800.0						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Capstone Fund (New)	119.8		117.7	117.7	117.7	117.7	117.7
TOTAL	4,919.8	0.0	117.7	117.7	117.7	117.7	117.7

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time	2	0	2	2	2	2	2
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This legislation establishes a new loan fund called the Alaska Capstone Avionics Revolving Loan Fund (Capstone Fund). The fund would be capitalized by a general fund appropriation of \$4.8 million.

The purpose of the Capstone Fund is to increase the safety of intra-state air transportation in Alaska by providing low interest loans to aircraft owners so that they can purchase capstone avionics equipment. The department estimates that approximately 400 loans would be made in the first year for a total of \$4.8 million. Repayments to the fund and earnings retained by the fund would provide cash flow to make approximately 80 additional loans each year thereafter.

The department anticipates needing one new loan officer and one new loan closer for program outreach and to process new loan requests. Funds are also requested to cover travel, supplies and equipment expenses associated with the new positions.

Prepared by: Greg Winegar, Director
Division: Investments
Approved by: Emil R. Notti, Commissioner
Commerce, Community, and Economic Development

Phone: 907.465.2625
Date/Time: 1/24/08 8:48 AM
Date: 1/24/2008

**Sectional Analysis of
HB 340/SE 249 /25-GH2049A**

Prepared by Mary Ellen Beardsley
Alaska Department of Law
(907) 269-5200

Alaska Capstone Avionics Revolving Loan Fund

Summary: This bill creates the Alaska capstone avionics revolving loan fund (fund) within the Department of Commerce, Community, and Economic Development (department). The purpose of the fund is to increase safety of general aviation intrastate air transportation by providing low interest loans for the purchase and installation of capstone avionics equipment.

Section 1 creates a new article in AS 44.33. This new article establishes the fund and the Alaska capstone avionics revolving loan program.

AS 44.33.650 sets out the policy and purpose for the fund.

AS 44.33.655 creates the fund within the department. It further describes what the fund consists of: money appropriated, transferred, devised, donated, etc., to the fund; principal and interest payments or other income earned on the loans or investments in the fund; and money derived from the foreclosure of collateral securing the loans. This section further allows the money in the fund to be appropriated for costs of administering the fund.

AS 44.33.660 sets out the powers and duties of the department as they relate to the program. It allows the department to make loans for the purchase and installation of the equipment. The department may establish the terms of the loan, including extensions and assumptions; charge and collect fees for services provided under the program; and adopt regulations to carry out the purposes of the program.

AS 44.33.665 establishes the eligibility requirements for applicants. The applicant may be an individual, corporation, partnership, limited liability corporation, limited liability partnership, limited liability company, joint venture, or non-federal governmental entity. The applicant must own the aircraft and the aircraft must log a substantial percentage of its flight hours in Alaska.

AS 44.33.670 sets out limitations on the loans. The loan is not to exceed a term of 10 years (not including any extensions), interest must be at least 4% per year; the loan must be secured with acceptable collateral; and it may not exceed 80% of the cost of the equipment.

AS 44.33.675 establishes the foreclosure expense account within the fund. The money in this fund is to be used to offset expenses associated with the collection of defaulted loans or to protect the State's security interest in the collateral.

AS 44.33.680 allows the department to dispose of repossessed collateral in a manner which serves the best interest of the State.

AS 44.33.690 provides for definitions for "capstone avionic equipment," "capstone program," and "department."

Section 2 repeals AS 44.33.650 – 44.33.690 when the program sunsets in 2020.

Section 3 provides authority to the department to proceed with adopting regulations needed to implement the new program. These regulations will not become effective until the effective date of the Act.

The remaining sections establish when each section of the act is to take effect.

Capstone Aviation Loan Fund

What is Capstone?

- Capstone is aviation positioning technology that allows equipped aircraft to interact with ground and satellite stations to provide pilots their exact location, airspeed and rate of ascent or descent in relation to the terrain and other aircraft, as well as providing real-time weather conditions.
- Aviation safety will be improved with an estimated 47% reduction in aircraft accidents and a 33% reduction in aircraft fatalities.
- Flights, once prohibited due to inclement weather conditions, (including medical evacuations) are possible with aircraft equipped with Capstone technology.
- The FAA selected Alaska as the site for its successful pilot project, installing stations in Southeast and the Bethel region.
- The FAA is now looking to expand the program to other regions of the state but have indicated that a certain number of additional aircraft must be equipped to justify the agency's increased investment of approximately \$500 million in ground infrastructure.
- It is looking to the State of Alaska to assist in this effort by helping aircraft owners to afford the cost of the equipment.

How will the loan program work?

- An owner of an aircraft operating primarily in Alaska can qualify for a loan of up to 80% of the cost to purchase and install Capstone equipment.
- Capstone equipment costs are expected to range between \$10,000 and \$20,000 depending on the type of aircraft.
- Loans are available for up to 10 years and would have a 4% interest rate.
- An average loan of \$12,000 would result in a monthly payment of \$122.
- The Department of Commerce, Community and Economic Development will administer the program.

Where does the money for the loan program come from?

- General Fund
- As a revolving loan fund, additional loans can be made from the repayments over the life of the program



Surveillance and Broadcast Services (SBS) Statewide Capstone Project Brief

What's at Issue?

The future of the Alaskan aviation transportation system is literally at stake. Approximately \$493 million in federal funding for needed aviation infrastructure, coupled with \$11 million in private funding, will be in jeopardy without a commitment of State support for approximately \$34.1 million over five years.

Why It's Important

The SBS Capstone Project is a joint industry and Federal Aviation Administration (FAA) effort to improve Alaska aviation safety and community access by implementing proven, cost effective safety technology. Studies by the University of Alaska show that the original Alaska Capstone Program reduced the aviation accident rate in southwest Alaska by 47% and will save the lives of more than 100 residents in this area alone over a decade! Under the second phase of Capstone, residents of Southeast Alaska are now benefiting from the commercial aircraft equipped with next generation technology allowing improved access in that challenging terrain and weather environment.

Once Capstone is implemented statewide, FAA estimates a 33% reduction in fatal accidents and \$824 million in combined public benefits from.

- Reduced aircraft accidents
- Enhanced rural community access
- Improved medical evacuation, and
- More effective search & rescue operations

Status

Capstone is now managed by the FAA Surveillance and Broadcast Services (SBS) Office in Washington DC, with a project manager for Alaska based in Anchorage. The Alaska aviation associations and the FAA SBS office signed an agreement to effect a coordinated deployment of ground infrastructure and aircraft equipage statewide. A detailed implementation plan includes a federal investment of \$100 million over the initial five years, with a total of \$493 million in ground infrastructure for Alaska over the next 27 years. However, this to receive the entire FAA investment requires that 4,000+ Alaska based aircraft install additional avionics over the initial five years to utilize the upgraded FAA infrastructure. While market forces are expected to bring avionics equipage costs into affordable ranges over the next decade, the cost of the equipment is currently not affordable for most operators. Without such equipage, some \$187 million of this FAA investment needed to complete the statewide system in Alaska will be lost.

Equipage Program

The FAA has authorized funding for new ground infrastructure, including communications, navigation, surveillance, weather reporting, and airport access



upgrades. However, all of this federal funding will only be expended if Alaska aviation operators voluntarily equip with the avionics necessary to utilize the FAA infrastructure. A joint federal-state-private sector **Safety Equipage Incentive Program (SEIP)** is planned to encourage commercial and general aviation operators to install the necessary equipment on their aircraft. This short-term program is designed to lower the cost of avionics, and to stimulate the equipage required to achieve the federal investment.

Aviation Community Position

A State of Alaska investment of \$34.1 million over five years is required to match \$493 million in federal funding authorized by the FAA, as well as \$11 million in private funding, from individual aircraft owners and operators. With this highly leveraged investment by the State of Alaska, our aviation transportation system will become an early implementation of the next generation FAA national airspace system (NextGen).

With full statewide implementation, Alaskan travelers will have access to an aviation transportation system that is on a par with the rest of the U.S. A significant number of accidents will be avoided through the capabilities of the Capstone-proven avionics safety equipage package. The system also will provide increased access and opportunities for economic development and medical emergency evacuation by increasing the number of airports served by instrument approaches and having radar-like services in areas outside of radar coverage. Plus, search & rescue costs will be reduced – virtually eliminating the search operation portion and enabling expedited rescue action through aircraft tracking capabilities.

ACTION REQUESTED

- Provide State of Alaska support for a **Safety Equipage Incentive Program** to equip approximately 4,000 aircraft: specifically a \$34.1 million grant as described above to match \$493 million in FAA federal funding as well as \$11 million in private funding.
- Provide input to the Governor and Legislature to support modernizing Alaska's most extensive transportation system



U.S. Department
of Transportation
**Federal Aviation
Administration**

DEC 10 2007

Governor Sarah P
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Palin:

This letter is concerning the Alaska Aviation Industry's plan to obtain \$34 million dollars in support of the joint Federal Aviation Administration (FAA) and Aviation Industry's Statewide Plan. This plan has been developed by the Capstone Statewide Agreement Implementation Committee (AIC), which was formed with the signing of the Memorandum of Agreement between the FAA and the Aviation Industry representatives, in February 2007.

Under the AIC, the Safety Equipage Incentive Program (SEIP) has been designed by the Alaska Aviation representatives to provide sufficient financial assistance for the owners of approximately 4,000 Alaskan aircraft, (based on 90% of the reported flight hours) to equip with proper avionics for completion of the air-ground safety system.

For its part of the AIC Plan, the FAA has approved an investment in Alaska of approximately \$493 million for Capstone/Automatic Dependent Surveillance- Broadcast (ADS-B) infrastructure, out to Fiscal Year 2035.

The FAA recognizes the safety and access benefits this enhanced technology provides the air transportation community within the state of Alaska. The agency has committed to provide an investment of \$306 million for services in Anchorage, Bethel, Juneau, Fairbanks, Nome and Kotzebue. The remaining \$187 million that the FAA will invest is contingent upon the aviation industry's ability to equip with proper avionics.

In summary, the Alaska Aviation Community needs to obtain \$34 million for avionics equipage in order to secure the remaining \$187 million for the FAA to complete the statewide deployment of the ground infrastructure.

Your consideration and support in this matter would be greatly appreciated.

For more information please contact: Jere Hayslett, Surveillance and Broadcast Services Project Manager, Western Service Area at: (907) 271-5780.

Sincerely,

Hank Krakowski
Chief Operating Officer, Air Traffic Organization

cc: Mr. Robert Sturgell, Acting Administrator
Mr. Michael Cirillo, Alaska Regional Administrator
Ms. Megan Rosia, Assistant Administrator for Government and Industry Affairs

State of Alaska > Governor > News > News Details

Plan to Improve Aviation Safety Announced
Governor Directs Multi-departmental Effort

The Office of the Governor

SARAH PALIN



No. 08-009

Governor Palin Announces Plan to Improve Aviation Safety New Bill Helps Pilots Obtain State of the Art Avionics

January 25, 2008, Juneau, Alaska – Governor Sarah Palin today announced details of her administration's comprehensive aviation safety initiative.

This multi-departmental effort includes a bill that will establish a new loan program in the Department of Commerce, Community & Economic Development. Under the program, low interest loans will be provided for the purchase and installation of advanced satellite based avionics in aircraft.

Alaska has seven times more licensed pilots than the national average and has the highest aviation accident rate in the nation. One of the leading causes of accidents is bad weather. The avionics and advanced satellite system are aimed directly at preventing that type of accident.

"In addition to reducing aircraft accidents, equipping planes with these advanced avionics can offer safer access to rural communities," Governor Palin said. "This new technology will also increase the safety and effectiveness of medical evacuations and search-and-rescue operations."

Other efforts to improve aviation safety include creating new digital maps of the entire state. These maps, used by the new avionics, will feature accurate height and depth data of physical terrain that will be incorporated into the Federal Aviation Administration's (FAA) terrain models.

The Department of Military and Veterans Affairs is also working with the Medallion Foundation to provide map data in flight simulators. This allows pilots to receive realistic and accurate training for flying in Alaska.

Governor Palin's plan to improve aviation safety is a critical component of the FAA's plan to invest hundreds of millions of dollars in the installation, operation, and maintenance of the ground stations as part of its "CAPSTONE" aviation safety program. Aircraft equipped with the avionics can receive signals from the FAA's ground-based satellite receivers and transmitters.

Pilots flying aircraft equipped with the avionics are able to view their exact position, groundspeed, position relative to altitude and terrain, position relative to other equipped aircraft, course, and destination on a display screen in the cockpit. Pilots can also receive real-time weather conditions.

Governor Palin expressed appreciation for Senator Ted Stevens' continued support in promoting expansion of the CAPSTONE technology.

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Printed on 2/07/08 at 2:41:45 PM by 146.63.202.66

**Alaska Air Carriers Association
Alaska Airmen's Association
Alaskan Aviation Safety Foundation**

FOR IMMEDIATE RELEASE

Jan. 30, 2008

**Alaska Aircraft Safety Equipage Incentive Program
RE: Governor Palin Announced Plan to Improve Aviation Safety**

The above aviation associations represent nearly all commercial- and general-aviation constituents in Alaska and are pleased to support Governor Palin's Jan. 25 announcement concerning an aviation safety initiative to help Alaska pilots obtain state-of-the-art Capstone avionics. Capstone is a joint effort between the industry and the Federal Aviation Administration to improve Alaska aviation safety and community access by implementing proven, cost effective safety technology.

Because more than 90 percent of Alaska is accessible only by air, and Alaska has the highest aviation accident rate in the nation, an expedited statewide implementation of proven Capstone safety technologies is essential for the future of flying safely around Alaska.

The Alaska aviation industry continues to work with the Alaska Legislature, and multi-departmental state offices, to ensure House Bill No. 340 and Senate Bill No. 249, submitted by the Governor on Jan. 25, will meet the accelerated equipage required in securing the substantial benefits of this technology for Alaskans and maximizing the FAA investment in Alaska. As proposed, both Bills need some modification to ensure these goals and to meet the FAA's requirements. The broad-based benefits of this legislation include a safer and more reliable aviation transportation system for all Alaskan travelers.

A Safety Equipage Incentive Program will enable Alaska-based operators to install their airborne part of an improved aviation safety system along with the FAA's installation of ground infrastructure. Once implemented statewide, the FAA estimates a 33 percent reduction in fatal accidents, more effective search-and-rescue operations and a public benefit of \$824 million from reduced aircraft accidents, enhanced rural community access and improved medical evacuation.

The FAA and the Alaska aviation industry collaborated in developing and signed the *Surveillance and Broadcast Services Capstone Statewide Plan* on Aug. 8, 2007, including the above mentioned SEIP. This plan documents the activities for implementing proven Capstone technologies throughout Alaska to increase aviation safety and rural community access in concert with a national implementation approach. Coordinating deployment of FAA ground infrastructure and aircraft avionics equipage is key to an accelerated implementation strategy. The five year plan includes:

- equipping approximately 4,000 Alaska-based aircraft with safety avionics
- improving communications, navigation, surveillance, weather reporting infrastructure
- upgrading airports to allow increased access

The measured goal of this plan would cover 90 percent of Alaska flight hours and 90 percent of the area where Alaska aircraft accidents happened in the past. Our concern is the lack of economic incentives in the proposed Bills to meet the plan's goals.

The Alaska Air Carriers Association represents more than 150 air carriers and suppliers of aviation products and services. The Alaska Airmen's Association represents more than 2,200 private pilots, mechanics, and individuals having an interest in flying. The Alaskan Aviation Safety Foundation is dedicated to improving aviation safety in Alaska. Together we are pleased to support an Alaska Aircraft Safety Equipage Incentive Program. Please contact Karen Casanovas of the AACA (907-277-0071) or any one of these organizations if you have additional questions.

Detailed information on the Capstone Program, including the Statewide Plan, can be found at <http://www.alaskaairmen.org>.

HB

350

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSHB 350 (L&C)
 () Publish Date: _____

Identifier (file name): CSHB350(L&C)-DOR-TAX-3-11-08 Dept. Affected: Revenue 04
 Title: Vehicle Rental Tax Collection RDU: Taxation and Treasury
 Component: Taxation and Treasury
 Sponsor: Rep Harris
 Requester: (H) Labor & Commerce Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
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	0.0	0.0
C/ PITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	(65.0)	0.0	(65.0)	(65.0)	(65.0)	(65.0)	(65.0)	(65.0)

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

See attached.

Prepared by: Johanna Bales, Deputy Director and Dan Stickel, Economist
 Division: Tax
 Approved by: Jerry Burnett
Department of Revenue

Phone: (907) 269-6620
 Date/Time: 3/11/08 12:00 AM
 Date: 3/11/2008

FISCAL NOTE

**STATE OF ALASKA
2008 LEGISLATIVE SESSION**

BILL NO. CSHB 350 (L&C)

ANALYSIS CONTINUATION

Bill Language:

This bill would allow taxpayers who collect and pay vehicle rental tax to retain two percent of the amount of the tax due to cover the expense of accounting for and submitting the tax, with a maximum deduction of \$4,000 per taxpayer per year.

Revenues:

We estimate this bill will reduce revenue to the state by approximately \$65,000 annually. Our FY 2009 forecast of vehicle rental tax collections is \$8.5 million, with two percent of that value amounting to approximately \$170,000. With no maximum deduction for accounting and submission expenses, the reduction in revenue under this bill would be \$170,000 per fiscal year. With the \$4,000 per taxpayer per year maximum deduction, revenue would be reduced by about \$65,000 per year as a result of this bill. This estimate is based on a company-by-company analysis of FY 2007 tax returns. For our revenue estimates we assumed an effective date of July 1, 2008.

Expenditures:

The provisions of this bill can be implemented using existing resources.

25-LS1362/L
Bullock
3/5/08

CS FOR HOUSE BILL NO. 350(L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE HARRIS

A BILL

FOR AN ACT ENTITLED

1 "An Act providing for an amount to be deducted and retained for collecting and
2 submitting the vehicle rental tax."

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

4 * **Section 1.** AS 43.52.050 is amended by adding a new subsection to read:

5 (c) A person required to collect and pay the tax to the department under (a) of
6 this section that pays the tax to the department at the time required under (a)(2) of this
7 section may deduct and retain two percent of the amount of the tax due to cover the
8 expense of accounting and submitting the tax, except that the amount that may be
9 deducted and retained for a calendar year may not exceed \$4,000. In this subsection,
10 "calendar year" has the meaning given in AS 39.35.680.

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

13 **APPLICABILITY.** Section 1 of this Act applies to taxes required to be paid to the
14 Department of Revenue under AS 43.52.050(a)(2) after the effective date of this Act.

25-LS1362M
Bullock
3/5/08

CS FOR HOUSE BILL NO. 350(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVE HARRIS

A BILL

FOR AN ACT ENTITLED

1 "An Act providing for an amount to be deducted and retained for collecting and
2 submitting the vehicle rental tax."

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

4 * **Section 1.** AS 43.52.050 is amended by adding a new subsection to read:

5 (c) A person required to collect and pay the tax to the department under (a) of
6 this section that pays the tax to the department at the time required under (a)(2) of this
7 section may deduct and retain two percent of the amount of the tax due to cover the
8 expense of accounting and submitting the tax.

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

11 **APPLICABILITY.** Section 1 of this Act applies to taxes required to be paid to the
12 Department of Revenue under AS 43.52.050(a)(2) after the effective date of this Act.

25-LS1362C
Bullock
2/22/08

CS FOR HOUSE BILL NO. 350()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVE HARRIS

A BILL
FOR AN ACT ENTITLED

1 "An Act providing for an amount to be deducted and retained for collecting and
2 submitting the vehicle rental tax."

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

4 * **Section 1.** AS 43.52.050 is amended by adding a new subsection to read:

5 (c) A person required to collect and pay the tax to the department under (a) of
6 this section that pays the tax to the department at the time required under (a)(2) of this
7 section may deduct and retain three percent of the amount of the tax due to cover the
8 expense of accounting and submitting the tax, except that the amount that may be
9 deducted and retained for a calendar quarter may not exceed \$1,000. In this
10 subsection, "calendar quarter" has the meaning given in AS 43.50.410.

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

13 **APPLICABILITY.** Section 1 of this Act applies to taxes required to be paid to the
14 Department of Revenue under AS 43.52.050(a)(2) after the effective date of this Act.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 350
 () Publish Date: _____

Identifier (file name): HB350-DOR-TAX-2-21-08 Dept. Affected: Revenue 04
 Title: Vehicle Rental Tax Collection RDU: Taxation and Treasury
 Component: Taxation and Treasury
 Sponsor: Rep Harris
 Requester: (H) Labor & Commerce Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
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	0.0
CAPITAL EXPENDITURES		0.0	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()		(255.0)	0.0	(255.0)	(255.0)	(255.0)	(255.0)	(255.0)

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill would allow taxpayers who collect and pay vehicle rental tax to retain three percent of the amount of the tax due to cover the expense of accounting and submitting the tax.

The revenue impact of this bill will be a reduction of three percent of our forecast revenue from the vehicle rental tax, expected to be \$8.5 million in FY 2009. For our revenue estimates we assumed an effective date of July 1, 2008.

The provisions of this bill can be implemented using existing resources.

Prepared by: Johanna Bales, Deputy Director and Dan Stickel, Economist
 Division: Tax
 Approved by: Jeriy Burnett
Department of Revenue

Phone (907) 269-6620
 Date/Time 2/21/08 12:00 AM
 Date 2/21/2008

Alaska State Legislature

Interim: (June-Dec)
716 WEST 4TH AVENUE, SUITE 600
ANCHORAGE, AK
99501-2133
(907) 269-0129
FAX (907) 269-0128



Session: (Jan-May)
STATE CAPITOL, ROOM 208
JUNEAU, AK
99801-1182
(907) 465-4859
FAX (907) 465-3799

JOHN HARRIS
Speaker of the House

Sponsor Statement

HB350

An Act providing for an amount to be deducted and retained for collecting and submitting the vehicle rental tax."

This measure was introduced as the request of small Alaskan-Based businesses who incur costs associated with collecting, accounting for, and paying to the State tax receipts relating to the Vehicle Rental Tax under AS 43.52.

HB350 amends AS 43.52.050 (Vehicle Rental Taxes) to allow "a person" required to collect and pay the tax the authorization to deduct and retain three percent of the amount of the tax due to cover the expenses of accounting for and submitting the tax. The change proposed under this bill would be applicable only to those tax receipts due after the effective date of this Act.

The Vehicle Rental Tax is 10 percent of the total fees and costs charged for the lease or rental of a passenger vehicle. These tax receipts are collected and paid over to the State. In short, each small business is required, without compensation, to be an extension of the collection arm of the Alaska's Department of Revenue. This effort, however, is not cost-free to our local businesses. A three percent "off-set" to total collections seems a reasonable level compensation for their compliance activities.

It should be noted that nearly all vehicle rental contracts or leases are paid via credit cards. Credit card fees, especially for small businesses, are a serious cost of doing business – they represent real out-of-pocket expenses. The deduction, proposed in HB350, will only partially off-set these costs; not to mention the collection and accounting expenses associated with the tax itself.

The proposal contained in HB350 is not without precedent in our tax code. Under AS 43.50 (Tobacco Taxes) a licensee is allowed to deduct four-tenths of one percent of the tax due, and under AS 43.40 (Motor Fuel Taxes) one percent of the total monthly tax due, limited to a maximum of \$100, may be deducted and retained to cover the expense of accounting and filing the monthly tax return. As a matter of equity, small Alaskan businesses collecting the Vehicle Rental Tax deserve similar compensation.



February 8, 2008

House Speaker John Harris
State Capitol, Room 208
Juneau, Alaska 99801

Dear Speaker Harris,

Since the State of Alaska Vehicle Rental Tax was enacted in 2004, Great Alaskan Holidays, Inc. has collected on behalf of the State \$523,876 in Rental Tax. More than 95% of our customers pay the tax (and the rental) using a Visa or MasterCard credit card. Our average Merchant Discount Fee for payments received by Visa or MasterCard is 1.85% resulting in Great Alaskan Holidays having to pay approximately \$9,692 in discount fees to Visa and MasterCard to collect the Rental Tax for the State of Alaska. In addition to collecting these fees, we have had to do more than 24,000 accounting entries and process all of the paperwork to file the tax, all of which takes labor, time and money to process.

AS 43.98.025 allows tire dealers that collect the Tire Fees to keep 5% (up to a maximum of \$900 a quarter) "as a reward for remitting the fees in a timely manner and to cover their costs of collecting the tax."

With more than 25 year round employees and a staff of up to 75 employees during the rental season, we had a 2007 payroll in excess of \$1.9 million. We appreciate everyone's efforts at the State of Alaska House of Representatives in helping to pass House Bill 350.

Over the last 23 years, we have seen the cruise industry take a big bite out of the independent traveler market in Alaska. House Bill 350 will allow us to cover our costs of collecting the State tax, which will help us to remain competitive in the tourism marketplace.

Sincerely,

A handwritten signature in black ink, appearing to read "Daryl Bennett", followed by a long horizontal line extending to the right.

Daryl Bennett
President
Great Alaskan Holidays, Inc.

9800 Old Seward Highway
Anchorage, AK 99515-2139
(907) 248-7777 - Toll Free 1-888-2-Alaska
Fax (907) 248-7878



CLIPPERSHIP MOTORHOMES, INC.

Honorable John Harris
Speaker of The House
State Capitol
Juneau, AK 99801

RE: House Bill 350

Dear Speaker Harris,

I am writing to express my support for House Bill 350, and applaud your leadership for it's introduction. As you must know, our industry has been unfairly burdened as a result of the rental vehicle tax. In addition to the administrative burdens associated with the collection and payments of the rental tax, it has resulted in real cut of pocket cash.

Almost 100% of my clientele pays their bill by credit card, which cost me a constructed percentage that includes the tax. From my vantage point, this is unfair to our industry as other industries are usually compensated in same fashion for their tax collection efforts.

House Bill 350 will at least eliminate our out-of-pocket cost.

Again, I support this legislation in the strongest terms possible and urge its speedy passage.

Thank you.

Sincerely,

Luda Gashenko
President
George Walton
Vice President
Clippership Motorhome

Cc: House Labor & Commerce Committee
Fax: 907-465-3835



MOTORHOME & CAR RENTALS

February 11, 2008

To all members of the current State Legislative Session,

I am in great support of house bill #350 introduced by Representative John Harris that will provide an adjustment on the rental tax burden implemented in 2003/2004.

Please consider approving this important measure.

This proposed adjustment will enhance our ability to provide a greater experience to our important visitors to this great state. We all know the importance of tourism to our economy and should always consider providing a positive environment and favorable conditions for our potential clients. I am convinced that this bill will accomplish this goal.

You are welcome to contact me at any time to discuss this issue further.

Thank you for all that you do for our state and thank you, in advance for your thoughtful consideration.

Wayne Martin

General Manager
ABC Motorhome and Car Rentals

Direct: 266-7103
Cel: 862-6867
Home: 745-3560

3875 Old International Airport Road, Anchorage, Alaska 99502
Phone: (907)279-2000 Fax: (907)266-7135 Toll Free: (800)421-7456
www.abcmotorhome.com E-mail: abcadmin@alaska.net

HB

357

25-LS1363L
Bailey
2/28/08

CS FOR HOUSE BILL NO. 357(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 **"An Act requiring errors and omissions insurance for real estate licensees; renaming the**
2 **real estate surety fund as the real estate recovery fund and relating to that fund, and**
3 **redefining the procedures and criteria used by the Real Estate Commission to make an**
4 **award from the fund to a person suffering a loss caused by certain misconduct of real**
5 **estate licensees; requiring a real estate licensee to maintain an office in the state; and**
6 **providing for an effective date."**

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

8 *** Section 1. AS 08.88.071(a) is amended to read:**

9 **(a) The commission shall**

10 **(1) determine whether applicants meet requirements for licenses under**
11 **this chapter and issue licenses to those who qualify;**

12 **(2) prepare and grade examinations;**

13 **(3) after hearing, have the authority to suspend or revoke the license of**

1 a licensee or impose other disciplinary sanctions authorized under AS 08.01.075 on a
2 licensee who

3 (A) with respect to a real estate transaction

4 (i) made a substantial misrepresentation;

5 (ii) made a false promise likely to influence, persuade,
6 or induce;

7 (iii) in the case of a real estate broker, pursued a
8 flagrant course of misrepresentation or made a false promise through
9 another real estate licensee;

10 (iv) has engaged in conduct that is fraudulent or
11 dishonest;

12 (v) violates AS 08.88.391;

13 (vi) violates AS 08.88.396;

14 (B) procures a license by deceiving the commission, or aids
15 another to do so;

16 (C) has engaged in conduct of which the commission did not
17 have knowledge at the time the licensee was licensed demonstrating the
18 licensee's unfitness to engage in the business for which the licensee is licensed;

19 (D) knowingly authorizes, directs, connives at or aids in
20 publishing, distributing, or circulating a material false statement or
21 misrepresentation concerning the licensee's business or concerning real estate
22 offered for sale, rent, or lease, or managed in the course of the licensee's
23 business in this or any other state or concerning the management of an
24 association in the course of a licensee's business in this or another state;

25 (E) if a real estate broker, wilfully violates AS 08.88.171(d) or
26 08.88.291;

27 (F) if an associate real estate broker, claims to be a real estate
28 broker, or, if a real estate salesperson, claims to be a real estate broker or
29 associate real estate broker;

30 (G) if a real estate broker, employs an unlicensed person to
31 perform activities for which a real estate license is required;

1 (H) if an employed real estate licensee of a real estate broker,
2 fails immediately to turn money or other property collected in a real estate
3 transaction over to the employing real estate broker; or

4 (I) fails to carry and maintain errors and omissions
5 insurance with terms and conditions established by the commission under
6 AS 08.88.172;

7 (4) prosecute, through the Department of Law, violations of the
8 provisions of this chapter or lawful regulations adopted under this chapter;

9 (5) release for publication in a newspaper of general circulation in the
10 locale of the offending person's principal office registered with the commission notice
11 of disciplinary action taken by the commission against a person licensed under this
12 chapter;

13 (6) issue a temporary permit to the personal representative of the estate
14 of a deceased real estate broker or to another person designated by the commission
15 with the approval of the personal representative of the estate in order to secure proper
16 administration in concluding the affairs of the decedent broker's real estate business;

17 (7) issue a temporary permit to the personal representative of a legally
18 incompetent real estate broker or to another person designated by the commission with
19 the approval of the personal representative of the broker in order to secure proper
20 administration in temporarily managing the real estate business of the broker;

21 (8) establish and periodically revise the form of the seller's property
22 disclosure statement required by AS 34.70.010;

23 (9) have the authority to levy civil fines as established in this chapter;

24 (10) revoke the license of a broker or associate broker who is
25 convicted of a felony or other crime committed while licensed under this chapter that,
26 in the judgment of the commission, affects the ability of that person to practice as a
27 broker or associate broker competently and safely or who is convicted of forgery,
28 theft, extortion, conspiracy to defraud creditors, or fraud; notwithstanding
29 AS 08.88.171, a person whose license is revoked under this paragraph is not qualified
30 for a license under AS 08.88.171(a) or (b) until seven years have elapsed since the
31 person completed the sentence imposed for the conviction.

1 * Sec. 2. AS 08.88.071(b) is amended to read:

2 (b) When an award is made from the real estate recovery [SURETY] fund
3 under this chapter, the commission may suspend the license of the real estate licensee
4 whose actions formed the basis of the award. A suspension ordered under this
5 subsection shall be lifted if the licensee reaches an agreement with the commission on
6 terms and conditions for the repayment to the real estate recovery [SURETY] fund of
7 the money awarded to the claimant [AND THE COSTS OF HEARING THE CLAIM
8 UNDER AS 08.88.465] and if the licensee satisfies the requirements of AS 08.88.095.
9 The suspension shall be reimposed if the licensee violates the terms of a repayment
10 agreement entered into under this subsection.

11 * Sec. 3. AS 08.88.171(b) is amended to read:

12 (b) A natural person qualifies for an associate real estate broker license if the
13 person passes the brokers examination, applies for the license within six months after
14 passing the examination, submits satisfactory proof of successful completion of the
15 education requirements of AS 08.88.091, has had at least 24 months of active and
16 continuous experience as a real estate licensee within the 36 months immediately
17 preceding application for the license, furnishes satisfactory proof that errors and
18 omissions insurance required under AS 08.88.172 has been obtained, is not under
19 indictment for or seven years have elapsed since the person has completed a sentence
20 imposed upon conviction of a felony or other crime that, in the judgment of the
21 commission, affects the person's ability to practice as an associate real estate broker
22 competently and safely or upon conviction of forgery, theft, extortion, conspiracy to
23 defraud creditors, or fraud, and is employed by a licensed real estate broker as an
24 associate real estate broker. Unless the associate broker fails to satisfy the educational
25 requirements of AS 08.88.095 or renew the license, or the associate broker's license is
26 suspended or revoked, the associate broker's license continues in effect as long as the
27 associate broker is employed by a licensed real estate broker as an associate broker. If
28 the associate broker stops being employed by a licensed real estate broker, the
29 associate broker's license is suspended from the time the associate broker stops until
30 the associate broker satisfies the educational requirements of AS 08.88.098 and

31 (1) again is employed by a real estate broker as an associate broker; or

1 (2) becomes an owner of a real estate business or is employed as a real
2 estate broker by a foreign or domestic corporation, partnership, limited partnership, or
3 limited liability company, in which case the associate broker's license shall be returned
4 to the commission by the associate broker, and the commission shall issue the licensee
5 a broker's license.

6 * Sec. 4. AS 08.88.171(c) is amended to read:

7 (c) A natural person qualifies for a real estate salesperson license if the person
8 passes the real estate salesperson examination, applies for the license within six
9 months after passing the examination, submits satisfactory proof of successful
10 completion of the education requirements of AS 08.88.091, is at least 19 years of age,
11 furnishes satisfactory proof that errors and omissions insurance required under
12 AS 08.88.172 has been obtained, is not under indictment for a felony or other crime
13 that, in the judgment of the commission, affects the individual's ability to practice as a
14 real estate salesperson competently and safely or under indictment for forgery, theft,
15 extortion, conspiracy to defraud creditors, or fraud, or, if convicted of such an offense,
16 seven years have elapsed since the person completed the sentence imposed upon
17 conviction. Unless the salesperson fails to satisfy the educational requirements of
18 AS 08.88.095 or renew the license, or the real estate salesperson's license is suspended
19 or revoked, a real estate salesperson's license continues in effect.

20 * Sec. 5. AS 08.88 is amended by adding a new section to read:

21 **Sec. 08.88.172. Errors and omissions insurance.** (a) A person licensed as a
22 real estate broker, associate real estate broker, or real estate salesperson shall, as a
23 condition of licensing, carry and maintain errors and omissions insurance to cover
24 activities for which licensing is required under AS 08.88.161.

25 (b) The department shall establish by regulation the terms and conditions of
26 the errors and omissions insurance required by this section, including

- 27 (1) coverage requirements;
28 (2) limits of coverage;
29 (3) the maximum amount of premium to be charged licensees under a
30 master errors and omissions policy under (d) of this section; and
31 (4) the method for adjusting these amounts based on the Consumer

1 Price Index.

2 (c) A licensee may obtain the errors and omissions insurance required by (a)
3 of this section by

4 (1) obtaining a master insurance policy that may be made available to
5 licensees by the commission; or

6 (2) independently obtaining errors and omissions insurance that
7 complies with the requirements established under (b) of this section.

8 (d) The commission may

9 (1) solicit bids for a master errors and omissions insurance policy for
10 licensees that meets the minimum terms and conditions established under (b) of this
11 section using a competitive sealed bid process under AS 36.30 (State Procurement
12 Code); and

13 (2) charge a licensee a reasonable administration fee to recover costs
14 incurred in connection with the solicitation made under (1) of this subsection.

15 (e) If the commission is unable to obtain a master errors and omissions
16 insurance policy to insure licensees that meets the terms and conditions established
17 under (b) of this section, the requirement that a real estate licensee carry and maintain
18 errors and omissions insurance under AS 08.88.172 is void during the period that the
19 commission is unable to obtain the insurance.

20 (f) A licensee seeking to obtain or renew a license shall certify to the
21 commission that errors and omissions insurance has been obtained. A licensee who
22 elects to independently obtain errors and omissions insurance shall provide a
23 certificate of coverage with the application to obtain or renew a license.

24 * Sec. 6. AS 08.88.173(b) is amended to read:

25 (b) If a loss covered by the fidelity bond required under this section is also
26 reimbursable from the real estate recovery [SURETY] fund, the owners' association
27 that suffered the loss may not recover under the bond until the association has
28 obtained a final judgment, final arbitration award, or a settlement agreement
29 and filed a claim for an award [REIMBURSEMENT] under AS 08.88.460 [AND
30 PROCEEDINGS RELATING TO THE CLAIM ARE CONCLUDED].

31 * Sec. 7. AS 08.88.281 is amended to read:

1 **Sec. 08.88.281. Real estate recovery [SURETY] fund.** Before issuing a
2 license to an applicant under this chapter, the commission shall ensure that the
3 applicant has complied with the provisions of AS 08.88.455 and is covered by the real
4 estate recovery [SURETY] fund established in AS 08.88.450.

5 * **Sec. 8.** AS 08.88.291(a) is amended to read:

6 (a) A person licensed as a real estate broker shall, by registering with the
7 commission, inform the commission of the person's principal office and of any branch
8 offices of the person's real estate business and include in the information the names of
9 the real estate licensees who are employed at each office. A real estate licensee may
10 do real estate business only through a principal office or from a branch office
11 registered by the broker by whom the licensee is employed. Failure of a real estate
12 broker to maintain a place of business in the state or to inform the commission of its
13 location and the names and addresses of all real estate licensees employed at each
14 location by the broker is grounds for the suspension or revocation of the broker's
15 license.

16 * **Sec. 9.** AS 08.88.291(d) is amended to read:

17 (d) The commission shall mail all notices pertaining to a license or recovery
18 [SURETY] fund action taken under this chapter or a regulation adopted under this
19 chapter to the current address or addresses of a licensee obtained under this section.
20 Proof of notice provided under this subsection satisfies due process notice
21 requirements.

22 * **Sec. 10.** AS 08.88.391(b) is amended to read:

23 (b) The failure of a licensee to disclose a conflict of interest as required under
24 this section does not give rise to a cause of action by a private person. However, the
25 commission may, under AS 08.88.071, impose a disciplinary sanction for violation of
26 this section [, AND A CLAIM MAY BE FILED BY A PRIVATE PERSON UNDER
27 AS 08.88.460 IF THE VIOLATION CONSTITUTED FRAUD,
28 MISREPRESENTATION, OR DECEIT AND THE PERSON SUFFERED A LOSS
29 AS A RESULT OF THE VIOLATION].

30 * **Sec. 11.** AS 08.88.450 is amended to read:

31 **Sec. 08.88.450. Real estate recovery [SURETY] fund.** (c) The real estate

1 recovery [SURETY] fund is established in the general fund to carry out the purposes
2 of AS 08.88.450 - 08.88.495. The fund is composed of payments made by real estate
3 licensees under AS 08.88.455, filing fees retained under AS 08.88.460, income earned
4 on investment of the money in the fund, and money deposited in the fund under (c) of
5 this section. Money in [APPROPRIATED TO] the fund does not lapse. The
6 commission may make payments from the fund for awards from the fund under
7 AS 08.88.450 - 08.88.495 [AMOUNTS IN THE FUND MAY BE APPROPRIATED
8 FOR CLAIMS AGAINST THE FUND], for hearing and legal expenses directly
9 related to fund operations and claims, and for real estate educational purposes.

10 (b) The Department of Commerce, Community, and Economic Development
11 shall provide the commission every three months with a statement of the activities of,
12 balances in, interest earned on, and interest returned to the real estate recovery
13 [SURETY] fund.

14 (c) If money from the real estate recovery [SURETY] fund is expended to
15 prepare, print, manufacture, sponsor, produce, or otherwise provide an item or a
16 service to a member of the public, to a real estate licensee, to a potential real estate
17 licensee, or to another person, any money paid by the person to the commission, either
18 directly or through an agent or contractor of the commission, to receive the item or
19 service shall be deposited in the fund. In this subsection, "an item or a service"
20 includes an information pamphlet, an examination preparation packet, an educational
21 course, the certification of a real estate education course, and the approval of a real
22 estate education instructor.

23 * Sec. 12. AS 08.88.455 is amended to read:

24 **Sec. 08.88.455. Payments by real estate licensees.** (a) A real estate licensee,
25 when applying for or renewing a real estate license, in lieu of obtaining a corporate
26 surety bond, shall pay to the commission, in addition to the license fee, a recovery
27 [SURETY] fund fee not to exceed \$125. After each two-year licensing cycle, if the
28 commission finds that the average balance in the recovery [SURETY] fund during the
29 two-year licensing cycle was less than \$250,000 or more than \$500,000, the
30 commission shall by regulation adjust the recovery [SURETY] fund fees so that the
31 average balance of the recovery [SURETY] fund during the next two-year licensing

1 cycle is anticipated to be an amount that is not less than \$250,000 or more than
2 \$500,000. In this subsection, "average balance" means the average balance after taking
3 into account anticipated expenditures for awards from [CLAIMS AGAINST] the
4 fund [, FOR HEARING] and legal expenses directly related to fund operations [AND
5 CLAIMS], and for real estate educational purposes.

6 (b) All fees collected under this section shall be paid at least once a month by
7 the department into the general fund. These payments shall be credited to the real
8 estate recovery [SURETY] fund.

9 * Sec. 13. AS 08.88.460(a) is amended to read:

10 (a) Subject to (e) of this section, a person seeking an award from the
11 recovery fund [REIMBURSEMENT] for a loss suffered in a real estate transaction as
12 a result of fraud, an intentional tort [MISREPRESENTATION], deceit, or the
13 conversion of trust funds or the conversion of community association accounts under
14 the control of a community association manager on the part of a person [LICENSEE]
15 licensed under this chapter shall

16 (1) obtain a final judgment from a court of competent jurisdiction,
17 a final arbitration award, or a settlement agreement with a licensee that involves
18 a person committing fraud, an intentional tort, deceit, the conversion of trust
19 funds, or the conversion of community association accounts;

20 (2) submit an affidavit describing the efforts made to collect the
21 final judgment, final arbitration award, or settlement agreement stating that the
22 person has used due diligence to collect the amount due, stating that the
23 judgment, arbitration award, or settlement agreement is uncollectable using
24 reasonable efforts, and that the conduct that is the subject of the judgment,
25 arbitration award, or settlement agreement, involved an activity for which a
26 person must obtain a license under AS 08.88.161;

27 (3) make a claim to the commission for an award from the recovery
28 fund [REIMBURSEMENT] on a form furnished by the commission; in [IN] order to
29 be eligible for an award [REIMBURSEMENT] by the commission, the claim form
30 must be filed within two years after the date of a judgment, arbitration award, or
31 settlement agreement that is [THE OCCURRENCE OF THE FRAUD,

1 MISREPRESENTATION, DECEIT, OR CONVERSION OF TRUST FUNDS OR
 2 THE CONVERSION OF COMMUNITY ASSOCIATION ACCOUNTS UNDER
 3 THE CONTROL OF A COMMUNITY ASSOCIATION MANAGER CLAIMED
 4 AS] the basis for the award from the recovery fund is no longer subject to appeal;
 5 the [REIMBURSEMENT. THE] form must [SHALL] be executed under penalty of
 6 unsworn falsification in the second degree and must include

7 (A) [THE FOLLOWING: (1)] the name and address of each
 8 real estate licensee involved;

9 (B) a copy of the final judgment, final arbitration award, or
 10 settlement agreement;

11 (C) a copy of the affidavit asserting due diligence but lack
 12 of success in collecting the entire amount due;

13 (D) [(2)] the amount of the final judgment, final arbitration
 14 award, or settlement agreement that remains unpaid [ALLEGED LOSS;

15 (3) THE DATE OR PERIOD OF TIME DURING WHICH THE
 16 ALLEGED LOSS OCCURRED;

17 (4) THE DATE UPON WHICH THE ALLEGED LOSS WAS
 18 DISCOVERED];

19 (E) [(5)] the name and address of the claimant; and

20 (F) [(6)] a general statement of facts relative to the claim.

21 * Sec. 14. AS 08.88.460(b) is amended to read:

22 (b) The commission shall send a [A] copy of a claim filed [WITH THE
 23 COMMISSION], under (a) of this section [SHALL BE SENT] to each real estate
 24 licensee named in (a)(3) of this section [ALLEGED TO HAVE COMMITTED THE
 25 MISCONDUCT RESULTING IN LOSSES, TO THE PRINCIPAL REAL ESTATE
 26 BROKER EMPLOYING A LICENSEE ALLEGED TO HAVE COMMITTED THE
 27 CONDUCT RESULTING IN LOSSES, AND TO ANY OTHER REAL ESTATE
 28 LICENSEE INVOLVED IN THE TRANSACTION AT LEAST 20 DAYS BEFORE
 29 ANY HEARING HELD ON THE CLAIM BY THE OFFICE OF
 30 ADMINISTRATIVE HEARINGS (AS 44.64.010)].

31 * Sec. 15. AS 08.88.460(d) is amended to read:

1 (d) A claimant under this section shall pay a filing fee of \$250 to the
2 commission at the time the claim is filed. The filing fee shall be refunded if the

3 (1) commission makes an award to the claimant from the real estate
4 recovery [SURETY] fund; or

5 (2) claimant withdraws the claim [CLAIM IS DISMISSED UNDER
6 (c) OF THIS SECTION; OR

7 (3) CLAIM IS WITHDRAWN BY THE CLAIMANT BEFORE THE
8 OFFICE OF ADMINISTRATIVE HEARINGS (AS 44.64.010) HOLDS A
9 HEARING ON THE CLAIM].

10 * Sec. 16. AS 08.88.465(a) is repealed and reenacted to read:

11 (a) If the commission receives a claim for an award from the recovery fund
12 that complies with the requirements of AS 08.88.450 - 08.88.495, the commission
13 shall make an award from the recovery fund in an amount not to exceed \$15,000. Not
14 more than \$15,000 may be paid for each transaction, regardless of the number of
15 persons injured or the number of parcels of real estate involved in the transaction.

16 * Sec. 17. AS 08.88.472(a) is amended to read:

17 (a) The commission may charge [TO] the real estate recovery [SURETY]
18 fund for [HEARING AND LEGAL] expenses related to fund operations [AND
19 CLAIMS]. The commission shall deposit into the real estate recovery [SURETY]
20 fund amounts recovered for these expenses from the licensee under AS 08.88.071(b)
21 or from other parties under AS 08.88.490.

22 * Sec. 18. AS 08.88.472(d) is amended to read:

23 (d) If the salary of an employee is entirely or partially paid for from money in
24 the real estate recovery [SURETY] fund, the employee may perform administrative
25 duties for the commission in addition to any duties the employee performs that are
26 related to the real estate recovery [SURETY] fund. AS 08.88.910 does not apply to
27 this subsection.

28 * Sec. 19. AS 08.88.475 is amended to read:

29 **Sec. 08.88.475. Maximum liability.** (a) The maximum liability of the real
30 estate recovery [SURETY] fund may not exceed \$50,000 for any one real estate
31 licensee.

1 (b) If the \$50,000 liability of the fund as provided in (a) of this section is
2 insufficient to pay in full the valid claims of all persons who have obtained a final
3 judgment, final arbitration award, or settlement agreement involving [FILED
4 CLAIMS AGAINST] an individual licensee and have filed claims for an award
5 from the recovery fund, the \$50,000 shall be distributed among the claimants in the
6 ratio that their individual claims bear to the aggregate of valid claims, or in another
7 manner that the commission considers equitable. Distribution shall be among the
8 persons entitled to share in the recovery without regard to the order in which their
9 claims were filed.

10 * Sec. 20. AS 08.88.480 is amended to read:

11 **Sec. 08.88.480. Order of claim payment.** If the money deposited in the real
12 estate recovery [SURETY] fund is insufficient at a given time to satisfy a legally
13 [DULY] authorized claim against the fund, the commission shall, when sufficient
14 money has been deposited in the fund and appropriated, satisfy unpaid claims in the
15 order that the claims were originally filed, plus accumulated interest at the rate of eight
16 percent a year.

17 * Sec. 21. AS 08.88.490 is amended to read:

18 **Sec. 08.88.490. Right to subrogation.** When the commission has paid to a
19 claimant from the real estate recovery [SURETY] fund the sum awarded by the
20 commission, the commission shall be subrogated to all of the rights of the claimant to
21 the amount paid, and the claimant shall assign all right, title, and interest in that
22 portion of the claim to the commission. Money collected by the commission on the
23 claim shall be deposited to the real estate recovery [SURETY] fund.

24 * Sec. 22. AS 08.88.495 is amended to read:

25 **Sec. 08.88.495. Disciplinary action [AGAINST BROKERS AND**
26 **SALESMEN].** Repayment in full of all obligations to the real estate recovery
27 [SURETY] fund does not nullify or modify the effect of disciplinary proceedings
28 brought under the provisions of this chapter.

29 * Sec. 23. AS 08.88.990 is amended by adding new paragraphs to read:

30 (13) "final arbitration award" means an arbitration award for which
31 there is no further right to appeal;

1 (14) "final judgment" means a judgment for which there is no further
2 right to appeal.

3 * Sec. 24. AS 08.88.460(c), 08.88.465(b), 08.88.465(c), 08.88.465(d), 08.88.465(e),
4 08.88.465(f), 08.88.470, 08.88.472(b), 08.88.472(c), and 08.88.474 are repealed.

5 * Sec. 25. The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 TRANSITIONAL PROVISIONS: REGULATIONS. The commission may proceed to
8 adopt regulations necessary to implement this Act. The regulations take effect under AS 44.62
9 (Administrative Procedure Act), but not before the effective date of the amendments made by
10 secs. 1 - 24 of this Act.

11 * Sec. 26. Section 25 of this Act takes effect immediately under AS 01.10.070(c).

12 * Sec. 27. Except as provided in sec. 26 of this Act, this Act takes effect March 1, 2010.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: work draft: CSHB 357(L&C)
 () Publish Date: _____

Identifier (file name): HB357CS(L&C)-CED-OL-03-03-08 Dept. Affected: DCCED
 Title: Claims Against Real Estate Licensees RDU: Corp, Bus & Prof Licensing (117)
 Component: Corp, Bus & Prof Licensing
 Sponsor: Labor and Commerce
 Requester: House Labor and Commerce Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
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	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES (1156)								
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FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1156 Receipt Supported Services							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This legislation amends AS 08.88 Real Estate Commission by requiring errors and omissions insurance for real estate licensees; renaming the real estate surety fund as the real estate recovery fund and redefining the procedures and criteria used by the Real Estate Commission to make an award from the fund to a person suffering a loss caused by certain misconduct of real estate licensees; and requiring a real estate licensee to maintain an office in the state.

This legislation allows the division to charge administrative costs to licensees for any administrative costs associated with the E&O insurance. Costs to be charged to licensees is unknown at this time; however, in accordance with AS 08.01.065 these costs will be recovered through the licensing fees collected.

Prepared by: Chris Wyatt, Administrative Officer
 Division: Corporations, Business, and Professional Licensing
 Approved by: Emil R. Notti, Commissioner
 Agency: Commerce, Community, and Economic Development

Phone (907) 269-7900
 Date/Time 3/3/08 12:14 PM
 Date 3/3/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: work draft: CSHB 357(L&C)
 () Publish Date: _____

Identifier (file name): HB357CS(L&C)-CED-INS-03-03-08 Dept. Affected: DCCED
 Title Claims Against Real Estate Licensees RDU Insurance (116)
 Component Insurance Operations
 Sponsor Labor and Commerce
 Requester House Labor and Commerce Component Number 354

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
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	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 Interagency Receipts								
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

This legislation would require mandatory errors and omissions insurance coverage for real estate licensees. It would not impact the operations of the division.

Prepared by: Linda Hall, Director
 Division: Insurance
 Approved by: Enil R. Notti, Commissioner
 Agency: Commerce, Community, and Economic Development

Phone (907) 269-7900
 Date/Time 3/3/08 12:00 PM
 Date 3/3/2008



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Sarah Palin, Governor
Errol Notti, Commissioner

Division of Corporations, Business and Professional Licensing

HB 357 – Real Estate E & O. Recovery Fund

Testimony given by Jennifer Strickler, Chief

Division of Corporations, Business and Professional Licensing on 2-11-08

The Division of Corporations, Business and Professional Licensing generally supports the reform of the surety fund.

The Division concurs with the recommendations of the September 7, 2007 report by Legislative Audit that the Alaska Real Estate Commission should continue until 2016 and that certain aspects of the surety fund should be changed.

However, the division would note that the bill as drafted would establish a mandatory errors and omission insurance program for all licensees as procured by the Real Estate Commission.

The division has worked with the Division of Insurance on the issues of E&O coverage as set out in the bill and would agree the bill needs to be amended.

1. Section 1, page 3, line 31, addition of item #11: requiring the AREC to establish the requirements of the errors and omissions coverage, including coverage requirements, limits of coverage, deductible amounts, and limitations on cancellation terms as a concern.

The AREC is a regulatory licensing entity, not equipped to establish insurance coverage. Alaska's Division of Insurance would be more knowledgeable in establishing insurance coverage's. Other professional licensing programs that require insurance coverage have parameters identified in statute (contractors, collection agencies, hearing aid dealers, etc.)

2. Item #12 that requires the AREC to procure and make available an errors and omissions insurance policy through the bidding process may not be the appropriate entity to procure and administer coverage.

The AREC should not be engaged in promoting the sales of insurance.

3. Section 5, page 6, Line 8, item (c) allows an individual to independently obtain an errors and omissions insurance coverage is appropriate, but should not be subject to parameters established by the AREC.

4. By mandating E & O insurance, there is no provision in this bill that would cover licensees who are unable to obtain E & O insurance. The point we raise is, should the Recovery Fund still be made available to those who are unable to obtain E & O insurance?

5. We are mindful that this type of system is in place in other states and we have contacted the State of Idaho with respect to their program. We stand ready to work with Insurance and others to effectuate meaningful revision to the current surety system.



ALASKA STATE LEGISLATURE

HOUSE LABOR & COMMERCE COMMITTEE

REP. KURT OLSON

Chairman
State Capitol, Room 17
Juneau, AK 99801-1182
(907) 465-2693 FAX 465-3835

Rep. Mark Neuman, V-Chair Rep. Carl Gatto
Rep. Jay Ramras Rep. Berta Gardner
Rep. Gabrielle LeDoux Rep. Bob Buch

SPONSOR STATEMENT

HB 357 Claims Against Real Estate Licensees

HB 357 enacts mandatory errors and omissions insurance for all real estate licensees and brokers, and changes the current surety fund system to a recovery fund. E & O Insurance is similar to professional liability insurance of other professions, as it covers the clients and customers in the event of an honest mistake or negligent error in a real estate transaction.

Currently there are two kinds of E & O remedies available: The first is voluntary E & O that covers brokers and licensees who choose to purchase the insurance; the second is the Surety Fund administered by the Real Estate Commission. Neither remedy offers the type of consumer protection necessary to protect the public in a transaction as large as purchasing a property. The Surety Fund system has been in place for 25+ years with very little modification. The industry has taken a good look at the current system and both licensee and agents agree the current Surety Fund system is broken. With the continual increase in property values and the high costs associated with home repairs the current limit of \$15,000 per claim is far too low. Most major home repairs today far exceed this \$15,000 limit. Additionally, the high cost for administrative hearings and undue legal expenses for brokers and licensees has resulted in many frivolous claims being settled unnecessarily.

The purpose of this bill is to help protect the public by requiring every transaction to be covered, not just those where the agent has voluntarily purchased E & O insurance. As many of you are aware E & O insurance does not cover crimes such as fraud and conversion of trust, therefore, HB 357 converts the existing Surety Fund to a Recovery Fund and requires claims to be uncollectible judgments for acts requiring a license.

Mandatory E & O has been adopted by 13 other states. This bill requires the Real Estate Commission to make basic E & O insurance available at a reasonable rate to all licensees. Licensees may obtain their own E & O insurance provided it meets the minimum threshold amounts set by the Commission.

The Commission is responsible to ensure that applicants have the required E & O insurance in place before being issued a license.

Additionally, this act clarifies the requirement for a real estate office in Alaska to actually be in Alaska, as there are issues of regulatory supervision of licensees and consumer protection with cyber offices.

MANDATED PROGRAM CHART as of January 1, 2008

STATE	COVERAGE REQUIRED FOR FIRM LICENSE	PER CLAIM LIMIT	AGGREGATE LIMIT	DEDUCTIBLE	POLICY PERIOD	GROUP PREMIUM Per Licensee	WHO COLLECTS
Colorado	Yes	\$100,000	\$300,000	\$0 defense \$1,000 damages	1 year 1/1/08 - 1/1/09	\$243	Company
Idaho	Yes	\$100,000	\$300,000	\$0 defense \$1,000 damages	1 year 10/1/07 - 10/1/08	\$165	Company
Iowa	Yes	\$100,000	\$100,000	None	1 year 1/1/08 - 1/1/09	\$150	Company
Kentucky	No	\$100,000	\$1,000,000	None	1 year 4/1/08 - 4/1/09	\$140	Commission
Louisiana	Yes	\$100,000	\$300,000	0 defense \$1,000 damages	1 year 1/1/08 - 1/1/09	\$184	Commission
Mississippi	No	\$100,000	\$500,000	\$1,000 defense \$1,000 damages	1 year 7/1/07 - 7/1/08	\$205	Company
Nebraska	No	\$100,000	\$300,000	0 defense \$1,000 damages	1 year 1/1/08 - 1/1/09	\$135	Company
New Mexico	No	\$100,000	\$500,000	0 defense \$1,000 damages	1 year 1/1/08 - 1/1/09	\$200	Company
North Dakota	No	\$100,000	\$500,000	\$1,000 defense \$1,000 damages	1 year 1/1/08 - 1/1/09	\$140	Company
Rhode Island	No	\$100,000	\$500,000	\$1,000 defense \$1,000 damages	2 years 4/30/06 - 4/30/08	\$160/2 year	Company
South Dakota	No	\$100,000	\$500,000	\$500 defense \$1,000 damages	1 year 1/1/08 - 1/1/09	\$130	Commission
Tennessee	No	\$100,000	\$300,000	\$0 defense \$1,000 damages	2 years 1/1/07 - 1/1/09	\$256/2 year	Company
Wyoming	No	\$100,000	\$500,000	\$1,000 defense \$1,000 damages	1 year 1/1/08 - 1/1/09	\$150	Company