

LEGAL SERVICES

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MEMORANDUM

February 19, 2014

SUBJECT: Sectional Analysis for CSSB 127 (Work Order No. 28-LS1263\U)

TO: Senator Cathy Giessel
Attn: Forrest Wolfe

FROM: Doug Gardner
Director



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

Section 1 provides that the commissioner of administration may enter into contracts with an agent to provide vehicle title and registration services, so long as the agent meets the qualifications and requirements adopted by the commissioner in regulations. The regulations adopted by the commissioner must include a requirement that the agent have an appropriate bond, an Alaska business license, and have been in existence for at least one year prior to entering into an agency agreement with the department.

In addition to agent qualifications required by the bill as set out above, this section also requires that the commissioner provide for regular audits of the agent in the agreement, penalties for failure to timely submit proceeds to the department, and a report, also required by the bill, of title and registration services provided by the agent.

The bill provides that the department may, in regulations adopted by the commissioner, allow the agent to retain up to 15 percent of the proceeds, excluding any taxes or fees imposed by a municipality, as compensation under the agreement. The bill also provides, subject to regulations adopted by the commissioner, that the agent may use the acronym "DMV" or a similar reference to the division responsible for vehicle title and registration in the agent's marketing. The bill imposes, as briefly discussed above, a requirement that the agent, under the terms of an agreement with the commissioner, transmit to the commissioner the proceeds, collected by the agent, except for any amounts the agent is authorized by the bill to retain, and provide a report of the title and registration services performed by the agent. This section of the bill closes by defining "agent" for purposes of this section to clarify that "agent" does not include a person who is a state employee when acting in the capacity of a state employee.

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Section 2 of the bill provides that the Act takes effect on July 1, 2014.

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