

**CS FOR HOUSE BILL NO. 210(STA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 4/28/95

Referred: Rules

Sponsor(s): REPRESENTATIVES VEZEY, Kelly

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to issuance of motor vehicle registrations and titles, and to  
2 licenses and permits to operate a motor vehicle."

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

4 \* **Section 1.** AS 28 is amended by adding a new chapter to read:

5 CHAPTER 12. THIRD-PARTY REGISTRATION, TITLING, AND TESTING.

6 Sec. 28.12.010. THIRD-PARTY REGISTRATION, TITLING, AND  
7 TESTING. (a) The department may establish a program that authorizes

8 (1) third-party agents to

9 (A) process applications for registration of motor vehicles and  
10 issue registration certificates and plates as required under AS 28.10;

11 (B) process applications for certificates of titles and issue  
12 certificates of title as required under AS 28.10.201 - 28.10.261; and

13 (C) administer driver's license examinations as required under  
14 AS 28.15.081 and issue licenses or permits as provided under AS 28.15;

15 (2) third-party registrars to

1 (A) process applications for registration of motor vehicles and  
2 issue registration certificates and plates as required under AS 28.10; and

3 (B) process applications for certificates of titles and issue  
4 certificates of title as required under AS 28.10.201 - 28.10.261;

5 (3) third-party examiners to administer driver's license examinations  
6 as required under AS 28.15.081 and issue licenses or permits as provided under  
7 AS 28.15.

8 (b) The department may utilize third-party agents, registrars, and examiners  
9 to perform the functions described under (a) of this section. A third-party agent,  
10 registrar, or examiner must be an individual. An individual may not be or act as a  
11 third-party agent, registrar, or examiner unless the individual satisfies the requirements  
12 of this chapter and other applicable law and enters into a contract with the department  
13 as set out in AS 28.12.120 that specifies the duties of the third-party agent, registrar,  
14 or examiner.

15 Sec. 28.12.020. CERTIFICATION OF AGENTS, REGISTRARS, AND  
16 EXAMINERS. (a) An application for third-party agent, registrar, or examiner  
17 certification shall be filed with the department on a form prescribed by the department.

18 (b) If the department determines that an individual is qualified under this  
19 chapter as a third-party agent, registrar, or examiner, the department shall issue to the  
20 individual an identification number for electronic record keeping purposes and a  
21 certificate indicating the individual is qualified and authorized to perform the functions  
22 as provided under AS 28.12.010(a). A third-party agent, registrar, or examiner shall  
23 prominently display the certificate in the agent's place of business.

24 (c) A certificate is effective on the date of issuance and expires three years  
25 after issuance. A renewal application form must be filed with the department not less  
26 than 30 days before the time the certification expires.

27 (d) In reviewing an application submitted by a third-party agent or examiner,  
28 the department shall also review the individual's driving record. If the record is  
29 satisfactory and the individual is otherwise qualified under this chapter, the prospective  
30 agent or examiner shall be scheduled for third-party agent or examiner training.

31 Sec. 28.12.030. REQUIREMENTS FOR THIRD-PARTY AGENTS. The

1 department may not certify an individual as a third-party agent unless the individual  
2 meets all of the conditions set out in this section. The individual shall

3 (1) meet all applicable requirements of law;

4 (2) allow the department to conduct random examinations, inspections,  
5 and audits of operating facilities and records as provided under AS 28.12.130;

6 (3) allow the department to conduct annual on-site inspections,  
7 evaluations, and audits of operations, facilities, and records;

8 (4) transmit the original forms and reports to the department as required  
9 by the department;

10 (5) conduct skills tests as required under AS 28.15 and provide that  
11 applicants who fail to successfully complete driving skills testing are not tested more  
12 than once in a seven-day period, unless the original test failure was due to vehicle or  
13 document deficiencies;

14 (6) issue written certification, on a form provided by the department,  
15 to each driver-applicant who passes the driving skills test administered by the third-  
16 party agent;

17 (7) attend all training courses, workshops, seminars, and other  
18 instructional meetings, as required by the department;

19 (8) provide information and reports to the department, upon request,  
20 concerning a criminal or driving skills testing administration complaint against the  
21 third-party agent;

22 (9) transmit to the department all fees imposed under this title that are  
23 collected as required under AS 28.12.100;

24 (10) ensure that at least 95 percent of the forms submitted to the  
25 department are error free;

26 (11) comply with the provisions of AS 28.12.050(2), and (5) - (8).

27 Sec. 28.12.040. REQUIREMENTS FOR THIRD-PARTY REGISTRARS. The  
28 department may not certify an individual as a third-party registrar unless the individual  
29 complies with provisions of AS 28.12.030(1) - (4), (7), (9), and (10).

30 Sec. 28.12.050. REQUIREMENTS FOR THIRD-PARTY EXAMINERS. An  
31 examiner applicant shall meet the conditions set out in this section in order to qualify

1 and maintain qualification as a third-party examiner. The individual shall

2 (1) comply with the provisions of AS 28.12.030(1) - (3), (5), (6), and  
3 (8) - (10);

4 (2) hold a valid driver's license required for operation of the motor  
5 vehicle used in the driving skills test conducted by the examiner;

6 (3) have successfully completed an examiner training workshop and  
7 certified examiner program conducted or approved by the department;

8 (4) attend all training courses, workshops, seminars, and other  
9 instructional meetings as required by the department;

10 (5) have a driving record that indicates the applicant is competent to  
11 operate a motor vehicle safely;

12 (6) have not had a conviction or administrative license action for any  
13 of the following violations under the law of this state or a local ordinance or a law or  
14 local ordinance of another state substantially similar to the law of this state, during the  
15 five-year period preceding application or during the time the individual is an examiner:

16 (A) operating a vehicle while intoxicated in violation of  
17 AS 28.33.030 or AS 28.35.030;

18 (B) refusal to submit to a blood alcohol or breath test in  
19 violation of AS 28.35.032;

20 (C) failure to stop and provide identification after a personal  
21 injury or property damage accident in violation of AS 28.35.060;

22 (D) driving without insurance in violation of AS 28.22.011;

23 (E) a felony;

24 (7) while performing duties as an examiner and during the five-year  
25 period preceding application, have not had a driver's license suspended, revoked,  
26 denied, cancelled or disqualified, or been subjected to a driver's license sanction  
27 ordered by the department or a court;

28 (8) be at least 21 years of age and have at least three years of  
29 experience in driving a motor vehicle;

30 (9) transmit the original forms and reports to the department as required  
31 by the department.

1           Sec. 28.12.060. PROFESSIONAL CONDUCT. (a) A third-party agent or  
2 examiner may not provide a driver's license applicant answers to questions on a  
3 knowledge or driving skills test or other driver examination.

4           (b) A third-party agent, registrar, or examiner shall provide services in a  
5 professional manner.

6           (c) A third-party agent, registrar, or examiner may not consume intoxicating  
7 beverages or controlled substances within eight hours before or during licensing or  
8 testing activities and may not be under the influence of intoxicating beverages during  
9 licensing or testing activities. In this subsection, "controlled substance" has the  
10 meaning given in AS 28.33.190 but does not include a drug prescribed for that person  
11 by a physician licensed in this state and used as required by the prescription, unless  
12 the prescribed drug affects the ability of a person to safely operate a motor vehicle.

13           Sec. 28.12.070. NOTIFICATION REQUIREMENTS. (a) A third-party agent,  
14 registrar, or examiner shall notify the department in writing within

15                   (1) 30 days before a change in name or address;

16                   (2) 10 days of any of the following:

17                           (A) a complaint regarding criminal or civil actions, or driving  
18 skills test administration received by the agent or examiner;

19                           (B) ceasing business operations in the state.

20           (b) A third-party agent or examiner shall notify the department as follows:

21                   (1) before the end of the next business day after the agent or examiner  
22 receives notice of any suspension, revocation, cancellation, or disqualification of the  
23 agent's or examiner's driver's license ordered by a court or the department;

24                   (2) within 10 days after being convicted or found responsible for  
25 violation of a law or local ordinance of any state relating to motor vehicle traffic  
26 control, other than a parking violation;

27                   (3) before the end of the next business day after the agent or examiner  
28 is charged with a crime.

29           Sec. 28.12.080. TEST ADMINISTRATION. A driving skills test shall be  
30 conducted strictly in accordance with the provisions of this title and the test  
31 specifications and procedures prescribed by the department. A driving skills test shall

1 be conducted in a vehicle that is representative of the class and type of vehicle for  
2 which the applicant seeks to be licensed and for which the third-party examiner is  
3 qualified to test. Before testing, the third-party agent or examiner shall inspect the  
4 vehicle to verify that it is empty, meets applicable motor carrier safety regulations,  
5 is equipped as required by law, and is otherwise safe to operate.

6 Sec. 28.12.090. TERMINATION OF THIRD-PARTY AGENT, REGISTRAR,  
7 OR EXAMINER CERTIFICATE. (a) The department may cancel or suspend the  
8 certificate of a third-party agent, registrar, or examiner after determining that the agent,  
9 registrar, or examiner has done one or more of the following:

10 (1) failed to comply with or satisfy any of the provisions of the contract  
11 required under AS 28.12.120;

12 (2) falsified a record or information relating to the third-party agent,  
13 registrar, or examiner program;

14 (3) committed any act or omission that compromises the integrity of  
15 the third-party agent, registrar, or examiner program; before making a determination  
16 under this paragraph, the department and the agent, registrar, or examiner shall submit  
17 the issue to arbitration as provided under AS 09.43; the department may not cancel or  
18 suspend a certificate or card under this paragraph unless the cancellation or suspension  
19 is supported by the decision of the arbitrator; or

20 (4) acted as a third-party agent or examiner without a valid driver's  
21 license, when the agent's or examiner's driver's license has been suspended or  
22 revoked, when the agent's or examiner's certificate has been cancelled, or when the  
23 agent's or examiner's application for a driver's license has been denied.

24 (b) If the department determines that grounds for termination of a third-party  
25 agent's, registrar's, or examiner's certificate exist and that the grounds relate to a  
26 failure to comply with or satisfy the requirements for a certificate or under the contract  
27 required under AS 28.12.120, the department shall suspend the certificate until the  
28 third-party agent, registrar, or examiner corrects the deficiency.

29 Sec. 28.12.100. COLLECTION OF FEES AND COMPENSATION TO  
30 AGENTS. If the third-party agent, registrar, or examiner performs a function for  
31 which a fee is imposed under this title, the third-party agent, registrar, or examiner

1 shall collect the statutory fee on behalf of the department and may collect and retain  
2 a fee as compensation for performing the function. The fee due the third-party agent,  
3 registrar, or examiner shall be set by the agent, registrar, or examiner. The third-party  
4 agent, registrar, or examiner shall retain any amount due the agent, registrar, or  
5 examiner as provided under this section and remit the amount collected on behalf of  
6 the department as determined by contract.

7 Sec. 28.12.110. DEPARTMENT REVIEW OF LICENSING APPLICATIONS.

8 The department may reject an application approved by a third-party agent, registrar, or  
9 examiner if the application fails to comply with a provision of AS 28.10 or AS 28.15.  
10 The department shall allow an individual whose application is rejected under this section  
11 to reapply to the department.

12 Sec. 28.12.120. REQUIRED CONTRACT. (a) The contract required under  
13 AS 28.12.010(b) for a third-party agent must read substantially as follows:

14 AGREEMENT

15 between the

16 DEPARTMENT OF PUBLIC SAFETY

17 and a

18 THIRD-PARTY AGENT

19 THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_  
20 \_\_\_\_\_, 19\_\_\_\_, by and between the Department of Public Safety  
21 (hereinafter the department) and \_\_\_\_\_  
22 \_\_\_\_\_ (hereinafter the third-party agent)

23 LOCATED AT (third-party agent address)

24 \_\_\_\_\_  
25 \_\_\_\_\_  
26 \_\_\_\_\_  
27 \_\_\_\_\_

28 This agreement authorizes the named third-party agent to administer registration,  
29 titling, and testing as required under AS 28.12.010 on behalf of the department. The  
30 department and the third-party agent, for good and valuable consideration and under the  
31 terms and conditions set out in this agreement, mutually agree as follows:

32 I. TERM OF AGREEMENT: RENEWALS.

1 This agreement is effective on the date of execution and shall replace any  
2 comparable agreement previously executed between the parties. This agreement shall  
3 expire three years after execution, but may be renewed for additional periods, provided  
4 that any renewal is set out in writing and that the renewal is signed by a duly authorized  
5 representative of each party.

6 II. THE DEPARTMENT AGREES TO:

7 (1) Permit the third-party agent to administer registration, titling, and testing  
8 described under AS 28.12.010(a), including driver's license skills tests, under the terms  
9 of this agreement and all of the provisions set out in AS 28.12 and applicable provisions  
10 of other state and federal law.

11 (2) Administer and enforce the provisions of AS 28.12.

12 (3) Conduct an on-site inspection of third-party agent facilities, and regular  
13 electronic audits of third-party agent books and records.

14 (4) Conduct an annual performance evaluation and audit of the driving skills test  
15 administered by the third-party agent.

16 (5) Prepare a written report of the results of each inspection and audit and  
17 provide a copy of the report to the third-party agent.

18 (6) Provide the following materials and equipment:

19 \_\_\_\_\_  
20 \_\_\_\_\_  
21 \_\_\_\_\_  
22 \_\_\_\_\_

23 III. THE THIRD-PARTY AGENT AGREES:

24 (1) To comply with all applicable statutes and administrative regulations of the  
25 State of Alaska, with all applicable federal laws, including regulations of the Federal  
26 Highway Administration, and with all applicable municipal ordinances.

27 (2) To provide insurance as required by AS 28.12.150.

28 (3) That the state and its employees are not civilly liable for an act or omission  
29 of the third-party agent in performing duties described under AS 28.12 or an act or  
30 omission under this agreement.

31 (4) To cooperate with the Department of Public Safety in performing the duties  
32 imposed under this contract and AS 28.12.

1 (5) To keep all driver licensing records confidential.

2 IV. COMMUNICATIONS.

3 The third-party agent designates the following individual at the following address  
4 to be its representative to receive the written notices and communications that are desired  
5 or required under this agreement:

6 \_\_\_\_\_  
7 \_\_\_\_\_  
8 \_\_\_\_\_  
9 \_\_\_\_\_

10 Telephone ( ) \_\_\_\_\_

11 The department designates the following individual at the following address to  
12 be its representative to receive the written notices and communications that are desired  
13 or required under this agreement:

14 Director  
15 Division of Motor Vehicles

16 \_\_\_\_\_  
17 \_\_\_\_\_

18 Telephone ( ) \_\_\_\_\_

19 Fax ( ) \_\_\_\_\_

20 A mailed notice shall be considered given when mailed at a United States post  
21 office or official United States mail depository.

22 V. TERMINATION OF CONTRACT.

23 A third-party agent or the department may terminate this agreement for any  
24 reason by providing 60-days' written notice of termination to the other party.

25 VI. NONASSIGNABILITY.

26 This agreement and the third-party agent's certification are not assignable by the  
27 third-party agent, either in whole or in part.

28 VII. WAIVERS AND SEVERABILITY.

29 A waiver by either party of a provision of this agreement may not act as a waiver  
30 of another provision of this agreement. If a provision of this agreement is for any reason  
31 declared invalid, illegal, or unenforceable, that declaration does not affect the remainder  
32 of the provisions of this agreement.

1 VIII. APPLICABLE LAW.

2 A dispute between the parties in this agreement as to the application, meaning,  
3 or interpretation of any part of this agreement shall be resolved in the State of Alaska  
4 by application of Alaska law.

5 IN WITNESS WHEREOF, the parties hereto have executed this agreement on  
6 the date written above.

7 (THIRD-PARTY AGENT)

8 SIGNATURE: \_\_\_\_\_

9 NAME: \_\_\_\_\_

10 TITLE: \_\_\_\_\_

11 (DEPARTMENT OF PUBLIC SAFETY)

12 SIGNATURE: \_\_\_\_\_

13 NAME: \_\_\_\_\_

14 TITLE: Director, Division of Motor Vehicles.

15 (b) The contract required under AS 28.12.010(b) for a third-party registrar must  
16 read substantially as follows:

17 AGREEMENT

18 between the

19 DEPARTMENT OF PUBLIC SAFETY

20 and a

21 THIRD-PARTY REGISTRAR

22 THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of  
23 \_\_\_\_\_, 19\_\_\_\_, by and between the Department of Public Safety  
24 (hereinafter the department) and \_\_\_\_\_  
25 \_\_\_\_\_(hereinafter the third-party registrar)

26 LOCATED AT (third-party registrar address)

27 \_\_\_\_\_  
28 \_\_\_\_\_  
29 \_\_\_\_\_  
30 \_\_\_\_\_

31 This agreement authorizes the named third-party registrar to administer  
32 registration and titling as provided under AS 28.12.010(a)(2) on behalf of the department.

1 The department and the third-party registrar, for good and valuable consideration and  
2 under the terms and conditions set out in this agreement, mutually agree as follows:

3 I. TERM OF AGREEMENT: RENEWALS.

4 This agreement is effective on the date of execution and shall replace any  
5 comparable agreement previously executed between the parties. This agreement shall  
6 expire three years after execution, but may be renewed for additional periods, provided  
7 that any renewal is set out in writing and that the renewal is signed by a duly authorized  
8 representative of each party.

9 II. THE DEPARTMENT AGREES TO:

10 (1) Permit the third-party registrar to administer registration and titling described  
11 under AS 28.12.010(a)(2), under the terms of this agreement and all of the provisions set  
12 out in AS 28.12 and applicable provisions of other state and federal law.

13 (2) Administer and enforce the provisions of AS 28.12.

14 (3) Conduct an on-site inspection of third-party registrar facilities, and regular  
15 electronic audits of third-party registrar books and records.

16 (4) Prepare a written report of the results of each inspection and audit and  
17 provide a copy of the report to the third-party registrar.

18 (5) Provide the following materials and equipment:

- 19 \_\_\_\_\_  
20 \_\_\_\_\_  
21 \_\_\_\_\_  
22 \_\_\_\_\_

23 III. THE THIRD-PARTY REGISTRAR AGREES:

24 (1) To comply with all applicable statutes and administrative regulations of the  
25 State of Alaska, with all applicable federal laws, including regulations of the Federal  
26 Highway Administration, and with all applicable municipal ordinances.

27 (2) That the state and its employees are not civilly liable for an act or omission  
28 of the third-party registrar in performing duties described under AS 28.12 or an act or  
29 omission under this agreement.

30 (3) To cooperate with the Department of Public Safety in performing the duties  
31 imposed under this contract and AS 28.12.

32 (4) To keep all driver licensing records confidential.

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IV. COMMUNICATIONS.

The third-party registrar designates the following individual at the following address to be its representative to receive the written notices and communications that are desired or required under this agreement:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Telephone ( ) \_\_\_\_\_

The department designates the following individual at the following address to be its representative to receive the written notices and communications that are desired or required under this agreement:

Director  
Division of Motor Vehicles  
\_\_\_\_\_  
\_\_\_\_\_  
Telephone ( ) \_\_\_\_\_  
Fax ( ) \_\_\_\_\_

A mailed notice shall be considered given when mailed at a United States post office or official United States mail depository.

V. TERMINATION OF CONTRACT.

A third-party registrar or the department may terminate this agreement for any reason by providing 60-days' written notice of termination to the other party.

VI. NONASSIGNABILITY.

This agreement and the third-party registrar's certification are not assignable by the third-party registrar, either in whole or in part.

VII. WAIVERS AND SEVERABILITY.

A waiver by either party of a provision of this agreement may not act as a waiver of another provision of this agreement. If a provision of this agreement is for any reason declared invalid, illegal, or unenforceable, that declaration does not affect the remainder of the provisions of this agreement.

VIII. APPLICABLE LAW.

1 A dispute between the parties in this agreement as to the application, meaning,  
2 or interpretation of any part of this agreement shall be resolved in the State of Alaska  
3 by application of Alaska law.

4 IN WITNESS WHEREOF, the parties hereto have executed this agreement on  
5 the date written above.

6 (THIRD-PARTY REGISTRAR)

7 SIGNATURE: \_\_\_\_\_

8 NAME: \_\_\_\_\_

9 TITLE: \_\_\_\_\_

10 (DEPARTMENT OF PUBLIC SAFETY)

11 SIGNATURE: \_\_\_\_\_

12 NAME: \_\_\_\_\_

13 TITLE: Director, Division of Motor Vehicles.

14 (c) The contract required under AS 28.12.010(b) for a third-party examiner must  
15 read substantially as follows:

16 AGREEMENT

17 between the

18 DEPARTMENT OF PUBLIC SAFETY

19 and a

20 THIRD-PARTY EXAMINER

21 THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_

22 \_\_\_\_\_, 19\_\_\_\_, by and between the Department of Public Safety

23 (hereinafter the department) and \_\_\_\_\_

24 \_\_\_\_\_(hereinafter the third-party examiner)

25 LOCATED AT (third-party examiner address)

26 \_\_\_\_\_

27 \_\_\_\_\_

28 \_\_\_\_\_

29 \_\_\_\_\_

30 This agreement authorizes the named third-party examiner to administer driver's

31 license examinations and issue licenses or permits as required under AS 28.12.010(a)(3)

32 on behalf of the department. The department and the third-party examiner, for good and

1 valuable consideration and under the terms and conditions set out in this agreement,  
2 mutually agree as follows:

3 I. TERM OF AGREEMENT: RENEWALS.

4 This agreement is effective on the date of execution and shall replace any  
5 comparable agreement previously executed between the parties. This agreement shall  
6 expire three years after execution, but may be renewed for additional periods, provided  
7 that any renewal is set out in writing and that the renewal is signed by a duly authorized  
8 representative of each party.

9 II. THE DEPARTMENT AGREES TO:

10 (1) Permit the third-party examiner to administer testing described under  
11 AS 28.12.010(a)(3), including driver’s license skills tests, under the terms of this  
12 agreement and all of the provisions set out in AS 28.12 and applicable provisions of  
13 other state and federal law.

14 (2) Administer and enforce the provisions of AS 28.12.

15 (3) Conduct an on-site inspection of third-party examiner facilities, and regular  
16 electronic audits of third-party examiner books and records.

17 (4) Conduct an annual performance evaluation and audit of the driving skills test  
18 administered by the third-party examiner.

19 (5) Prepare a written report of the results of each inspection and audit and  
20 provide a copy of the report to the third-party examiner.

21 (6) Provide the following materials and equipment:

- 22 \_\_\_\_\_  
23 \_\_\_\_\_  
24 \_\_\_\_\_  
25 \_\_\_\_\_

26 III. THE THIRD-PARTY EXAMINER AGREES:

27 (1) To comply with all applicable statutes and administrative regulations of the  
28 State of Alaska, with all applicable federal laws, including regulations of the Federal  
29 Highway Administration, and with all applicable municipal ordinances.

30 (2) To provide insurance as required by AS 28.12.150.

31 (3) That the state and its employees are not civilly liable for an act or omission  
32 of the third-party examiner in performing duties described under AS 28.12 or an act or

1 omission under this agreement.

2 (4) To cooperate with the Department of Public Safety in performing the duties  
3 imposed under this contract and AS 28.12.

4 (5) To keep all driver licensing records confidential.

5 IV. COMMUNICATIONS.

6 The third-party examiner designates the following individual at the following  
7 address to be its representative to receive the written notices and communications that  
8 are desired or required under this agreement:

9 \_\_\_\_\_  
10 \_\_\_\_\_  
11 \_\_\_\_\_  
12 \_\_\_\_\_

13 Telephone ( ) \_\_\_\_\_

14 The department designates the following individual at the following address to  
15 be its representative to receive the written notices and communications that are desired  
16 or required under this agreement:

17 Director  
18 Division of Motor Vehicles

19 \_\_\_\_\_  
20 \_\_\_\_\_

21 Telephone ( ) \_\_\_\_\_

22 Fax ( ) \_\_\_\_\_

23 A mailed notice shall be considered given when mailed at a United States post  
24 office or official United States mail depository.

25 V. TERMINATION OF CONTRACT.

26 A third-party examiner or the department may terminate this agreement for any  
27 reason by providing 60-days' written notice of termination to the other party.

28 VI. NONASSIGNABILITY.

29 This agreement and the third-party examiner's certification are not assignable by  
30 the third-party examiner, either in whole or in part.

31 VII. WAIVERS AND SEVERABILITY.

32 A waiver by either party of a provision of this agreement may not act as a waiver

1 of another provision of this agreement. If a provision of this agreement is for any reason  
2 declared invalid, illegal, or unenforceable, that declaration does not affect the remainder  
3 of the provisions of this agreement.

4 VIII. APPLICABLE LAW.

5 A dispute between the parties in this agreement as to the application, meaning,  
6 or interpretation of any part of this agreement shall be resolved in the State of Alaska  
7 by application of Alaska law.

8 IN WITNESS WHEREOF, the parties hereto have executed this agreement on  
9 the date written above.

10 (THIRD-PARTY EXAMINER)

11 SIGNATURE: \_\_\_\_\_

12 NAME: \_\_\_\_\_

13 TITLE: \_\_\_\_\_

14 (DEPARTMENT OF PUBLIC SAFETY)

15 SIGNATURE: \_\_\_\_\_

16 NAME: \_\_\_\_\_

17 TITLE: Director, Division of Motor Vehicles.

18 Sec. 28.12.130. ON-SITE INSPECTIONS AND AUDITS. (a) An applicant for  
19 a third-party agent, registrar, or examiner certificate shall permit the department to  
20 conduct preapproval inspections and to electronically audit its operations, facilities, and  
21 records relating to its third-party agent, registrar, or examiner program, for the purpose  
22 of determining whether the applicant is qualified to participate in the program. A third-  
23 party agent, registrar, or examiner who has been certified and has executed an agreement  
24 described under AS 28.12.120 shall permit the department to inspect and audit its third-  
25 party agent, registrar, or examiner program to determine whether it continues in  
26 compliance with the requirements of this chapter. The department may perform an  
27 inspection or audit with or without prior notice to the third-party agent, registrar, or  
28 examiner.

29 (b) An inspection or audit must include, at a minimum, an examination of

30 (1) records relating to the third-party agent, registrar, or examiner  
31 program;

32 (2) evidence of compliance with this title;

1 (3) the following if the individual is a third-party agent or examiner,  
2 (A) skills testing procedures, practices, and operations;  
3 (B) vehicles used for testing; and  
4 (C) effectiveness of the driving skills test program by either  
5 testing a sample of drivers who have been issued certificates evidencing that they  
6 have passed the driving skills test administered by the third-party agent or  
7 examiner or by having department employees or designees take the driving skills  
8 test from a third-party agent or examiner.

9 (c) The department shall prepare a written report of an inspection or audit. A  
10 copy of the report shall be provided to the third-party agent, registrar, or examiner.

11 Sec. 28.12.140. ADVERTISING. (a) A third-party agent or examiner may not  
12 advertise in a manner that indicates in any way that the third-party agent or examiner can  
13 guarantee the issuance of a driver's license or imply that the third-party agent or  
14 examiner can in any way influence the department in the issuance of a driver's license  
15 or imply that preferential or advantageous treatment from the department can be  
16 obtained.

17 (b) A third-party agent, registrar, or examiner that is certified by the department  
18 may advertise that the third-party agent, registrar, or examiner is "certified," but may not  
19 indicate that the agent, registrar, or examiner is approved, sanctioned, or in any other  
20 way endorsed by the department, and may not use any other name besides the name on  
21 the application for certification. A third-party agent, registrar, or examiner may not use  
22 "state" in any part of the third-party agent's, registrar's, or examiner's business name,  
23 except when the name does not contain a reference to the individual's status as a third-  
24 party agent, registrar, or examiner.

25 Sec. 28.12.150. INSURANCE REQUIREMENTS. (a) A third-party agent or  
26 examiner shall maintain insurance coverage that meets the requirements of AS 28.22.101  
27 on motor vehicles owned by or registered to a third-party agent or examiner.

28 (b) In addition to the requirements of (a) of this section, a third-party agent or  
29 examiner shall maintain bodily injury and property damage liability insurance coverage  
30 on motor vehicles owned or used by the third-party agent or examiner to administer  
31 skills tests in this state. The amount of insurance coverage required under this subsection  
32 may not be less than \$1,000,000 for bodily injury to or death of one or more persons in

1 any one accident and not less than \$250,000 for injury to or destruction of property of  
2 others in any one accident.

3 (c) A third-party agent or examiner shall maintain insurance coverage that does  
4 not exclude from coverage a person taking a driving skills test administered by the third-  
5 party agent or examiner, any person suffering bodily injury or sustained property damage  
6 as a result of a driving skills test administered by the third-party agent or examiner.

7 (d) As evidence of required insurance coverage, a third-party agent or examiner  
8 shall file with the department a certificate of insurance issued by an insurance company  
9 licensed to do business in this state or a certificate of self-insurance approved by the  
10 department. A certificate of insurance or self-insurance must include the make, model,  
11 year, and vehicle identification number of each vehicle that is used by the third-party  
12 agent or examiner to administer a driving skills test.

13 (e) A third-party agent or examiner may not use a motor vehicle to administer  
14 a driving skills test unless the vehicle is insured as required by law.

15 (f) The department may cancel a contract with a third-party agent or examiner  
16 upon determining that the third-party agent or examiner has failed to file a certificate of  
17 insurance or self-insurance or has failed to maintain insurance coverage.

18 Sec. 28.12.160. CIVIL LIABILITY. (a) A third-party agent, registrar, or  
19 examiner authorized under this section to perform a registration, titling, or licensing  
20 function may not be held civilly liable for performing or failing to perform the function.

21 (b) A person may not bring a civil action against the state or an employee of the  
22 state to recover civil damages resulting from an act or omission of a third-party agent,  
23 registrar, or examiner in performing duties described under this chapter.

24 \* **Sec. 2.** AS 36.30.850(b) is amended by adding a new paragraph to read:

25 (33) a contract between the Department of Public Safety and a third-party  
26 agent, registrar, or examiner under AS 28.12.

27 \* **Sec. 3.** TRANSITION. The Department of Public Safety shall implement the provisions  
28 of this Act by July 1 of the year following the effective date of this Act.