

HB

210

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO: CSHB 210(TRA)

Revision Date: 4/22/95 Dept. Affected: Public Safety
 Title: An act relating to issuance of motor vehicle BRU: Motor Vehicles
registrations and titles, and to licenses..... Component: Field Services
 Sponsor: Representative Vezey
 Requestor: H. TRA COMPONENT SERIAL NO. 0502

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-
CHANGE IN REVENUES ()	-0-	-0-	-0-	-0-	-0-	-0-
Revenue Code						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

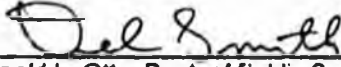
Estimate of current year (FY 95) impact: \$ _____

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

See Attached

Prepared By: Charles R. Hosack Phone: 269-5559
 Division: Motor Vehicles Date: 4/22/95
 Approved by Commissioner:  Date: 4/22/95
 Agency: Ronald L. Otte, Dept. of Public Safety

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ANALYSIS CONTINUED:

This bill gives the Division the authority to utilize contract agents to provide services. The Division already has in place a number of contract agents to provide service in smaller communities where there is no Division office and recently the Division has started a new program to allow emission test stations to register vehicles in Anchorage and Fairbanks. The new program is currently in operation in Anchorage and in the very near future it will be expanded to Fairbanks.

The \$0 amount in this fiscal note is based on the assumption that the Division will maintain the existing agents although the contracts and method of payment may be modified to conform with this bill. The Division will also continue with the existing emission test station program in the Anchorage and Fairbanks areas. These programs are already in the Division's budget plan and the only funding needed is an RPL currently before the LB&A committee to allow the Division to receive and expend funds for the DP costs associated with the new stations.

The Division will continue to explore the feasibility of adding additional contract agents where justified by the workload or where cost efficiencies can be shown. It is recognized that in future years there may be start up costs associated with the training and administrative requirements for new agents. These costs will be addressed as budget increments in the years the agents are established.

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Representative Al Vezey

SPONSOR STATEMENT

HB-210, "An Act relating to issuance of motor vehicle registrations and titles, and to licenses and permits to operate a motor vehicle", was drafted in response to many constituent complaints about the quality of service received from the Division of Motor Vehicles. This bill is complete as is and you will notice I have added language that prohibits the department from writing regulations to implement the bill. This bill is a statute with all the required regulations built in. If, in the future, we discover problems, the bill can be amended. To carry out the purposes of this legislation, I feel the third party agents need to know exactly what is required of them. That is the reason for the comprehensive language and the prohibition of regulatory authority. What you see is what you will get.

We, in the legislature, are faced with revenue shortfalls and would have difficulty funding the additional positions in the Department of Motor Vehicles necessary to elevate the service level to that demanded by the public. Therefore, another approach to solving the problem of public complaints of poor service, long lines and excessive time spent waiting in line to renew a license seemed to be in order.

In order not to reinvent the wheel, I inquired how privatizing of these functions, now performed by DMV, has been accomplished in other states. Various states have privatized all or portions of the services found in HB-210. A majority of states use third parties for testing the driving skills of operators of commercial vehicles. Nine states use state employees exclusively to process motor vehicle transactions. Another seventeen states use a combination of state employees and private agents. Twenty-five states delegate much of the motor vehicle function to local government, usually counties, twelve of these states also use private agents in some capacity. The Federal Aviation Administration has used designated pilot examiners to issue pilots licenses from student through flight instructor and airline transport pilot since its inception in 1958.

This bill will ensure that the public receives the service required. It potentially would allow the state to save money by not having to absorb the total cost associated with maintaining the functions of the department. Most of the functions now performed by the Department of Motor Vehicles would be performed by the private sector.

We feel we have accomplished two goals. The first, having the private sector provide expanded services to the voting public that the state may not be able to afford to provide. The second goal is offering the legislature the opportunity to reduce the state operating budget. I urge your support for this bill.

DIVISION OF LEGAL SERVICES
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STATE OF ALASKA

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MEMORANDUM

March 2, 1995

SUBJECT: Sectional Summary of HB 210 (Work Order No. 9-LS0343/O)

TO: Representative Al Vezey
Attn: Joe Ryan

FROM: Michael F. Ford 
Legislative Counsel

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

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

Section 1. Requires the Department of Public Safety to establish a program authorizing private third-party agents, registrars, and examiners to perform duties related to motor vehicle registration, issuance of titles, licenses, and permits and driver's license skill tests. Establishes criteria for certification of individuals as third-party agents, registrars or examiners. Establishes professional conduct requirements, notification requirements and requirements for driving skills tests. Provides for termination of a third-party agent, registrar, or examiner certificate, for collection of fees and for compensation to third-party agents, registrars, and examiners. Establishes a required contract between the department and the agent, registrar, or examiner. Establishes a program for certifying a person's experience qualifications for a commercial driver's license. Provides for on-site inspections and audits. Limits certain types of advertising by agents or examiners. Imposes insurance requirements for agents and examiners. Limits the civil liability of an agent, examiner, or registrar, and of the state. Prohibits the Department of Public Safety from adopting further administrative regulations to implement the chapter.

Section 2. Exempts a contract under AS 28.12 from the provisions of the State Procurement Code (AS 36.30).

Representative Aj Vezev

March 2, 1995

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Section 3. Transition section requiring implementation within six months after this Act becomes law

MFF pl.kib

95-055 plm

OBITUARIES

ALICE SCOTT

Wasilla resident and lifelong Alaskan Alice M. Walker Scott, 73, died Feb. 22, 1995, at Alaska Native Medical Center after a lengthy illness.

A funeral will be held at 4 p.m. Monday at Evangelical Covenant Church with the Revs. Hank Pearson and Ralph Fongell officiating.

Ms. Scott was born Oct. 12, 1921, in Scott White Mountain to Frederick and Alice Kochookin Walker. She met her husband, Douglas Scott, at the North Pole Cafe in Nome in 1947. They were married in 1949 in Seattle. "It all started over coffee," the family said.

They lived in Nome, Seat-



le. Juneau and Anchorage. Mrs. Scott enjoyed spending summers in Nome at Pilgrim River, fishing, trapping, berry picking, spending time at hot springs, visiting, nuna-kking, her grandchildren and making gifts for family and friends.

Her family said, "Alice will be missed by all."

Mrs. Scott is survived by her husband, Douglas of Eagle River; two sons, Allan of Anchorage and Douglas of Seian, Wash.; four daughters, Dariene Seilie and Irene Douthitt of Anchorage, Loretta Bullard of Nome, and Alice Scherb of Eugene, Ore.; brother, Francis Walker, and four sisters, Laura Johnson, Irene Green, and Martha Apck, all of Nome, and Cantta Uirickson of Soldotna; 16 grandchildren; and one great-grandson. She was preceded in death by an infant son, Darrell James Scott; brother, Edward

Walker, and two sisters, Rose Olson and Julia Nelson.

Arrangements were handled by Evergreen Memorial Chapel.

PAMELA J. BLANKENSHIP

Palmer resident Pamela Jan Blankenship, 39, died Feb. 22, 1995, at home.

Visitation will be held at 5 p.m. Monday followed by a funeral at 5

p.m. at Kehl's Forest Lawn Mortuary. The Rev. Glenn Clary of Anchorage Baptist Temple will officiate.

Burial will be in the spring at Angelus Memorial Park Cemetery.

Ms. Blankenship was born Nov. 13, 1955, in Fort Worth,



Blankenship

DMV to launch one-stop pilot program

Anchorage drivers soon will be able to take care of the registering and emission testing of their vehicles at one location.

Next month, the Department of Public Safety's Division of Motor Vehicles

will launch a 90-day pilot program to allow vehicles to be registered at certified emission testing centers, according to a press release issued by the department.

"If this partnership between the state and private

business works out, it could save car owners some hassle when registering their vehicles and free up DMV employees for other functions," said Public Safety Commissioner Ron Otte.

for registration/emissions testing

The pilot program will start with Kwik Lube's emission test center at 36th Avenue and Old Seward Highway. It will be equipped to update DMV files and issue new license tags, and will offer on-the-

spot registration for any vehicle that has passed emission testing.

To register cars at the center, drivers need only supply their DMV registration renewal cards received in the mail and a cash

check or credit-card payment.

If the pilot project proves feasible, the concept could be extended to other certified emission testing facilities in Anchorage and Fairbanks.

Legislative Research Agency

Alaska State Legislature



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November 25, 1994

MEMORANDUM

TO: Representative Al Vezev

FROM: Patricia Young *p young*
Legislative Analyst

RE: Privatizing Motor Vehicle Registration and Drivers' Licensing
Research Request 95 032

You asked for samples of pertinent statutes and regulations from states that have privatized motor vehicle registration and drivers' licensing. You also wished to know if such privatization is considered successful.

Drivers' Licensing Services

A majority of states use third parties for testing the driving skills of operators of *commercial* vehicles, as authorized under the Commercial Motor Vehicle Safety Act of 1986.¹ Additionally, many states use third parties or private agents for noncommercial drivers' license *renewals*. According to David Hugel, director of government affairs with the American Association of Motor Vehicle Administrators, however, the use of third-party or private agents for the original

¹The Commercial Motor Vehicle Safety Act of 1986 (43 CFR Section 383) was passed by Congress in an attempt to reduce truck and bus accidents by requiring all commercial drivers to meet standards for procedures, methods, and minimum passing scores. To this end, each commercial driver must qualify for and carry a single commercial driver's license (CDL). The Act requires an inspection of commercial vehicles, an off-road driving test (such as in a parking or loading area), and an on-road test over a predetermined route. Although states generally administer applicant screening and knowledge testing, many state drivers' bureaus are neither trained to inspect commercial vehicles, nor equipped to administer the driving skills tests. States are authorized under the Act to use third parties to administer commercial driving skills tests. *Third party* is defined as "another state, an employer, a private driver training facility or other private institution, or a department, agency or instrumentality of a local government."

Representative Al Vezey

November 15 1994

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testing and issuance of noncommercial drivers' licenses has only recently been considered in some states.

Arizona relies heavily on third parties for commercial drivers' license (CDL) testing and is considering their use for licensing of noncommercial drivers as well. Statutory language was added last year to allow for third-party testing for noncommercial drivers' licenses. According to a representative of Arizona's Division of Motor Vehicles, the provision is due to go into effect on an experimental basis soon. The intent is to allow high school drivers' training programs to administer "all tests required" in order to determine an applicant's eligibility for a regular passenger automobile or motorcycle driving license. Copies of the pertinent statutes are attached.

Michigan is another state making extensive use of third-party CDL testing. According to Bill Charron, Michigan Office of Traffic Safety, the state screens applicants and administers the knowledge tests, but relies on private agents to administer the vehicle inspections and actual driving tests. Mr. Charron considers the private CDL testing as very successful, and he believes the program could be expanded to noncommercial drivers' licensing as long as the state maintains a strict auditing practice. The pertinent statute in Michigan simply specifies that the state may enter into third-party agreements for driver testing services. A new contract for third-party agents is currently being developed. Mr. Charron is sending a draft copy of the contract, and that contract will be forwarded to your office upon its arrival.

Motor Vehicle Registration

A survey conducted this year by the Office of Legislative Auditor in Minnesota, entitled *Motor Vehicle Deputy Registrars*, suggests that although nearly all states use a central office to regulate motor vehicle registration and title services, many also employ third parties to perform a variety of services.² The survey contains a useful synopsis of current state regulation and potential approaches for streamlining motor vehicle services of all kinds. The survey is attached along with statutes from Washington and North Dakota. A copy of the contract used in North Dakota is also included.

I hope you find this information useful. Please let us know if we can be of further help.

Attachments

²Office of the Legislative Auditor, State of Minnesota, *Motor Vehicle Deputy Registrars*, March 1994, attached.

THE
FOLLOWING
DOCUMENTS
ARE
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used to transport hazardous materials in a quantity requiring placarding under regulations issued by the Secretary under the Hazardous Materials Transportation Act as amended (49 U.S.C. app. 1801 et seq.).

DRIVER QUALIFICATIONS

Require a driver to be properly licensed to drive a motor vehicle; require a driver to be in good physical health, at least 21 years of age, able to operate a vehicle safely, and maintain a good driving record, prohibit drug and alcohol abuse; require a motor carrier to maintain a driver qualification file for each driver; require a motor carrier to ensure that a driver is medically qualified, and require a motor carrier to establish an anti-drug program with testing of drivers prior to employment, periodically, based on reasonable cause, after reportable accidents, and by random selection.

Note. The requirements for testing apply only to drivers of commercial motor vehicles as defined in 49 CFR part 383.

DRIVING OF MOTOR VEHICLES

Prohibit possession, use, or driving under the influence of alcohol or other controlled substances (while on duty), and establish 0.04 percent as the level of alcohol in the blood at which a driver is considered under the influence of alcohol.

PARTS AND ACCESSORIES NECESSARY FOR SAFE OPERATION

Require operational lights and reflectors, require systematically arranged and installed wiring, and require brakes working at the required performance level, and other key components included in 49 CFR part 393.

HOURS OF SERVICE

Prohibit a motor carrier from allowing or requiring any driver to drive more than 10 hours following 8 consecutive hours off duty, after being on duty 15 hours, after being on duty more than 60 hours in any 7 consecutive days, or after being on duty more than 70 hours in any 8 consecutive days.

Require a driver to prepare a record-of-duty status for each 24-hour period. The driver and motor carrier must retain the records.

INSPECTION AND MAINTENANCE

Prohibit a commercial motor vehicle from being operated when it is likely to cause an accident or a breakdown; require the driver to conduct a walk-around inspection of the vehicle before driving it to ensure that it can be safely operated; require the driver to prepare a driver vehicle inspection report

and require commercial motor vehicles to be inspected at least annually.

HAZARDOUS MATERIALS

Require a motor carrier or a person operating a commercial motor vehicle transporting hazardous materials to follow the safety and hazardous materials requirements.

STATE DETERMINATIONS

1. Each State must determine whether its requirements affecting interstate motor carriers are "less stringent" than the Federal requirements. "Less stringent" requirements represent either gaps in the State requirements in relation to the Federal requirements as summarized under item number one in this appendix or State requirements which are less restrictive than the Federal requirements.

a. An example of a gap is when a State does not have the authority to regulate the safety of for hire carriers of passengers or has the authority but chooses to exempt the carrier.

b. An example of a less restrictive State requirement is when a State allows a person under 21 years of age to operate a commercial motor vehicle in interstate commerce.

2. Each State must determine whether its requirements affecting interstate motor carriers are "more stringent" than the Federal requirements. "More stringent" requirements are more restrictive or inclusive in relation to the Federal requirements as summarized under item number one in this appendix. For example, a requirement that a driver must have 2 days off after working 5 consecutive days. The State would demonstrate that its more stringent requirements:

a. Have a "safety benefit," for example, result in fewer accidents or reduce the risk of accidents;

b. do not create "an undue burden on interstate commerce," e.g., do not delay, interfere with or increase that cost or the administrative burden for a motor carrier transporting property or passengers in interstate commerce; and

c. are otherwise compatible with Federal safety requirements.

3. A State must adopt and enforce in a consistent manner the requirements referenced in the above guidelines in order for the FHWA to accept the State's determination that it has compatible safety requirements affecting interstate motor carrier operations. Generally, the States would have up to 3 years from the effective date of the new Federal requirement to adopt and enforce compatible requirements. The FHWA would specify the deadline when promulgating future Federal safety requirements. The requirements are considered of equal importance.

PART 383—COMMERCIAL DRIVER'S LICENSE STANDARDS, REQUIREMENTS AND PENALTIES

See

- 383.101 Testing methods
- 383.105 Minimum passing score

Subject I—[Reserved]

Subject J—Commercial Driver's License Document

- 383.151 General
- 383.153 Information on the document and application
- 383.155 Tamperproofing requirements

Authority: 49 U.S.C. 3102, 49 U.S.C. app. 12701 et seq., 49 CFR 1.101.

Source: 52 FR 20507, June 1, 1987, unless otherwise noted.

Subject A—General

383.1 Purpose and scope.

(a) The purpose of this part is to help reduce or prevent truck and bus accidents, fatalities, and injuries by requiring drivers to have a single commercial motor vehicle driver's license and by disqualifying drivers who operate commercial motor vehicles in an unsafe manner.

(b) This part

(1) Prohibits a commercial motor vehicle driver from having more than one commercial motor vehicle driver's license;

(2) Requires a driver to notify the driver's current employer and the driver's State of domicile of certain convictions;

(3) Requires that a driver provide previous employment information when applying for employment as an operator of a commercial motor vehicle;

(4) Prohibits an employer from allowing a person with a suspended license to operate a commercial motor vehicle;

(5) Establishes periods of disqualification and penalties for those persons convicted of certain criminal and other offenses and serious traffic violations, or subject to any suspensions, revocations, or cancellations of certain driving privileges;

(6) Establishes testing and licensing requirements for commercial motor vehicle operators;

(7) Requires States to give knowledge and skills tests to all qualified applicants for commercial driver's li-

Subject A—General

See

- 383.1 Purpose and scope
- 383.3 Applicability
- 383.5 Definitions
- 383.7 Waiver provisions

Subject B—Single License Requirement

- 383.21 Number of driver's licenses
- 383.23 Commercial driver's license

Subject C—Notification Requirements and Employer Responsibilities

- 383.31 Notification of convictions for driver violations
- 383.33 Notification of driver's license suspensions
- 383.35 Notification of previous employment
- 383.37 Employer responsibilities

Subject D—Driver Disqualifications and Penalties

- 383.51 Disqualification of drivers
- 383.53 Penalties

Subject E—Testing and Licensing Procedures

- 383.71 Driver application procedures
- 383.72 Implied consent to alcohol testing
- 383.73 State procedures
- 383.75 Third party testing
- 383.77 Substitute for driving skills tests

Subject F—Vehicle Groups and Endorsements

- 383.91 Commercial motor vehicle groups
- 383.93 Endorsements
- 383.95 Air brake restrictions

Subject G—Required Knowledge and Skills

- 383.110 General requirement
- 383.111 Required knowledge
- 383.113 Required skills
- 383.115 Requirements for double/triple trailers endorsement
- 383.117 Requirements for passenger endorsement
- 383.119 Requirements for tank vehicle endorsement
- 383.121 Requirements for hazardous materials endorsement

Accounts to Section 15, Required Knowledge and Skills, Section 15.100-15.100-10

Subject H—Tests

- 383.113 Test procedures

rules which meet the Federal standard.

(8) Sets forth commercial motor vehicle groups and endorsements;

(9) Sets forth the knowledge and skills test requirements for the motor vehicle groups and endorsements;

(10) Sets forth the Federal standard for procedures, methods, and minimum passing scores for States and others to use in testing and licensing commercial motor vehicle operators; and

(11) Establishes requirements for the State issued commercial license documentation.

(52 FR 26507, June 1, 1987, as amended at 51 FR 27610, July 21, 1986, 54 FR 10767, Oct. 1, 1989)

§ 381.1 Applicability.

The rules in this part apply to every person who operates a commercial motor vehicle in interstate, foreign, or intrastate commerce, and to all employers of such persons.

§ 381.5 Definitions.

As used in this part:

Administrator means the Federal Highway Administrator, the chief executive of the Federal Highway Administration, an agency within the Department of Transportation.

Alcohol or alcoholic beverage means (a) beer as defined in 26 U.S.C. 5052(a), of the Internal Revenue Code of 1954, (b) wine of not less than one-half of one per centum of alcohol by volume, or (c) distilled spirits as defined in section 5002(a)(10), of such Code.

Alcohol concentration (AC) means the concentration of alcohol in a person's blood or breath. When expressed as a percentage, it means grams of alcohol per 100 milliliters of blood or grams of alcohol per 210 liters of breath.

Commerce means (a) any trade, traffic, or transportation within the jurisdiction of the United States between a place in a State and a place outside of such State, including a place outside of the United States, and (b) trade, traffic, and transportation in the United States which affects any trade, traffic, and transportation described in paragraph (a) of this definition.

Commercial driver's license (CDL) means a license issued by a State or other jurisdiction, in accordance with the standards contained in 49 CFR part 383, to an individual which authorizes the individual to operate a class of a commercial motor vehicle.

Commercial driver's license information system (CDLIS) means the CDLIS established by FHWA pursuant to section 12007 of the Commercial Motor Vehicle Safety Act of 1986.

Commercial motor vehicle (CMV) means a motor vehicle or combination of motor vehicles used in commerce to transport passengers or property if the motor vehicle:

(a) Has a gross combination weight rating of 26,001 or more pounds inclusive of a towed unit with a gross vehicle weight rating of more than 10,000 pounds; or

(b) Has a gross vehicle weight rating of 26,001 or more pounds; or

(c) Is designed to transport 10 or more passengers, including the driver, or

(d) Is of any size and is used in the transportation of materials found to be hazardous for the purposes of the Hazardous Materials Transportation Act and which require the motor vehicle to be placarded under the Hazardous Materials Regulations (49 CFR part 172, subpart F).

Controlled substance has the meaning such term has under section 102(a), of the Controlled Substances Act (21 U.S.C. 802(a)) and includes all substances listed on schedules I through V of 21 CFR part 1308, as they may be revised from time to time. Schedule I substances are identified in appendix D of this subchapter and schedule II through V are identified in appendix E of this subchapter.

Conviction means an unvacated adjudication of guilt, or a determination that a person has violated or failed to comply with the law in a court of original jurisdiction or by an authorized administrative tribunal, an unvacated forfeiture of bail or collateral deposited to secure the person's appearance in court, a plea of guilty or nolo contendere accepted by the court, the payment of a fine or court cost, or violation of a condition of release without bail, regardless of whether or

not the penalty is related, suspended, or probated.

Disqualification means either:

(a) The suspension, revocation, cancellation, or any other withdrawal by a State of a person's privileges to drive a commercial motor vehicle; or

(b) A determination by the FHWA, under the rules of practice for motor carrier safety contained in part 386 of this title, that a person is no longer qualified to operate a commercial motor vehicle under part 391, or

(c) The loss of qualification which automatically follows conviction of an offense listed in § 381.51.

Driver applicant means an individual who applies to a State to obtain, transfer, upgrade, or renew a CDL.

Driver's license means a license issued by a State or other jurisdiction, to an individual which authorizes the individual to operate a motor vehicle on the highways.

Driving a commercial motor vehicle while under the influence of alcohol means committing any one or more of the following acts in a CMV driving a CMV while the person's alcohol concentration is 0.04 percent or more, driving under the influence of alcohol, as prescribed by State law, or refusal to undergo such testing as is required by any State or jurisdiction in the enforcement of § 381.51(b)(2)(B)(A) or (D), or § 392.2(a)(2).

Employee means any operator of a commercial motor vehicle, including full-time, regularly employed drivers, casual, intermittent or occasional drivers, leased drivers and independent, owner operator contractors (while in the course of operating a commercial motor vehicle) who are either directly employed by or under lease to an employer.

Employer means any person (including the United States, a State, District of Columbia or a political subdivision of a State) who owns or leases a commercial motor vehicle or assigns an employer to operate such a vehicle.

Enforcement means an authority that to an individual's CDL, required to permit the individual to operate certain types of commercial motor vehicles.

Felony means an offense under State or Federal law that is punishable by

death or imprisonment for a term exceeding 1 year.

Foreign means outside the 48 United States and the District of Columbia.

Gross combination weight rating (GCWR) means the value specified by the manufacturer as the loaded weight of a combination (articulated) vehicle. In the absence of a value specified by the manufacturer, GCWR will be determined by adding the GVWR of the power unit and the total weight of the towed unit and any load thereon.

Gross vehicle weight rating (GVWR) means the value specified by the manufacturer as the loaded weight of a single vehicle.

Hazardous materials has the meaning such term has under section 101 of the Hazardous Materials Transportation Act.

Motor vehicle means a vehicle, machine, tractor, trailer, or semitrailer propelled or drawn by mechanical power used on highways, except that such term does not include a vehicle, machine, tractor, trailer, semitrailer operated exclusively on a rail.

Nonresident CDL means a CDL issued by a State to an individual domiciled in a foreign country.

Representative vehicle means a motor vehicle which represents the type of motor vehicle that a driver applicant operates or expects to operate.

Serious traffic violation means conviction when operating a commercial motor vehicle of:

(a) Excessive speeding, involving any single offense for any speed of 15 miles per hour or more above the posted speed limit;

(b) Reckless driving, as defined by State or local law or regulation, including but not limited to offenses of driving a commercial motor vehicle in willful or wanton disregard for the safety of persons or property;

(c) Impaired or erratic traffic law changes;

(d) Following the vehicle closely too closely; or

(e) A violation arising in connection with a fatal accident of State or local law relating to motor vehicle traffic control (other than a parking violation) or

(A) Check with the CDLIS to determine whether the driver applicant already has a CDL, whether the applicant's license has been suspended, reeled, or canceled, or if the applicant has been disqualified from operating a commercial motor vehicle; and

(B) A check with the National Driver Register (NDR), when it is deemed to be operational by the Federal Highway Traffic Safety Administrator, to determine whether the driver applicant has:

(1) Been disqualified from operating a motor vehicle (other than a commercial motor vehicle);

(2) Had a license (other than CDL) pending, revoked, or canceled for use in the 3 year period ending on date of application; or

(3) Been convicted of any offenses listed in section 205(a)(3) of the final Drivers Register Act of 1982 (5 S.C. 104 note), and

(4) Require the driver applicant, if she has moved from another State, to surrender his/her driver's license issued by another State.

(C) *License transfers.* Prior to issuing a CDL to a person who has a CDL in another State, a State shall:

(1) Require the driver applicant to take the certifications contained in § 383.71(a);

(2) Complete a check of the driver applicant's record as contained in § 383.73(a)(3);

(3) Request and receive updates of information specified in subpart J of this part;

(4) If such applicant wishes to retain a hazardous materials endorsement, ensure that the driver has, within the 90 days preceding the transfer, either:

(i) Passed the test for such endorsement specified in § 383.121; or

(ii) Successfully completed a hazardous materials test or training that is given by a third party and that is given by the State to substantially the same knowledge base as that required by § 383.121; and

(5) Obtain the CDL issued by the applicant's previous State of domicile.

(D) *License renewals.* Prior to renewing any CDL, a State shall:

(1) Require the driver applicant to take the certifications contained in § 383.71(a);

(2) Complete a check of the driver applicant's record as contained in § 383.73(a)(3);

(3) Request and receive updates of information specified in subpart J of this part; and

(4) If such applicant wishes to retain a hazardous materials endorsement, require the driver to pass the test for such endorsement specified in § 383.121.

(E) *License upgrades.* Prior to issuing an upgrade of a CDL, a State shall:

(1) Require such driver applicant to provide certifications and pass tests as described in § 383.71(a); and

(2) Complete a check of the driver applicant's record as described in § 383.73(a)(3).

(F) *Nonresident CDL.* A State may issue a Nonresident CDL to a person domiciled in a foreign country if the Administrator has determined that the commercial motor vehicle testing and licensing standards in the foreign jurisdiction of domicile do not meet the standards contained in this part. State procedures for the issuance of a nonresident CDL, for any modifications thereto, and for notifications to the CDLIS shall be a minimum be identical to those pertaining to any other CDL, with the following exceptions:

(1) If the applicant is requesting a transfer of his/her Nonresident CDL, the State shall obtain the Nonresident CDL currently held by the applicant and issued by another State;

(2) The State shall add the word "Nonresident" to the face of the CDL, in accordance with § 383.153(b); and

(3) The State shall have established, prior to issuing any Nonresident CDL, the practical capability of disqualifying the holder of any Nonresident CDL, by withdrawing, suspending, canceling, and revoking his/her Nonresident CDL, as if the Nonresident CDL were a CDL issued to a resident of the State.

(G) *License issuance.* After the State has completed the procedures described in § 383.73 (a), (b) (i), (d) or (e), it may issue a CDL to the driver applicant. The State shall notify the operator of the CDLIS of such issuance, transfer, renewal, or upgrade

within the 10 day period beginning on the date of license issuance.

(G) *Penalties for false information.* If a State determines, in its check of an applicant's license status and record prior to issuing a CDL, or at any time after the CDL is issued, that the applicant has falsified information contained in subpart J of this part or any of the certifications required in § 383.71(a), the State shall at a minimum suspend, cancel, or revoke the person's CDL, or his/her pending application, or disqualify the person from operating a commercial motor vehicle for a period of at least 60 consecutive days.

(H) *Reciprocity.* A State shall allow any person who has a valid CDL which is not suspended, revoked, or canceled, and who is not disqualified from operating a commercial motor vehicle, to operate a commercial motor vehicle in the State.

(I) *Alternative procedures.* A State may implement alternative procedures to the certification requirements of § 383.71(a) (1), (4), and (6), provided those procedures ensure that the driver meets the requirements of those paragraphs.

153 FR 29649, July 21, 1988, as amended at 54 FR 40788 (Oct 3, 1989)

§ 383.75 Third party testing

(a) *Third party tests.* A State may authorize a person (including another State, an employer, a private driver training facility or other private institution, or a department, agency or instrumentality of a local government) to administer the skills tests as specified in subparts G and H of this part, if the following conditions are met:

(1) The tests given by the third party are the same as those which would otherwise be given by the State; and

(2) The third party, as an agreement with the State containing, at a minimum, provisions that:

(i) Allow the FHWA, or its representative, and the State, to conduct random examinations, inspections and audits without prior notice;

(ii) Require the State to conduct on-site inspections at least annually;

(iii) Require that all third party examiners meet the same qualification

and training standards as State examiners, to the extent necessary to conduct skills tests in compliance with subparts G and H;

(iv) Require that, at least on an annual basis, State employees take the tests actually administered by the third party as if the State employee were a test applicant, or that State test a sample of drivers who were examined by the third party to compare pass/fail results; and

(v) Reserve unto the State the right to take prompt and appropriate remedial action against the third party testers in the event that the third party fails to comply with State or Federal standards for the CDL testing program, or with any other terms of the third party contract.

(b) *Proof of testing by a third party.* A driver applicant who takes and passes driving tests administered by an authorized third party shall provide evidence to the State licensing agency that he/she has successfully passed the driving tests administered by the third party.

§ 383.77 Substitute for driving skills tests

At the discretion of a State, the driving skills test as specified in § 383.114 may be waived for a CMV operator who is currently licensed at the time of his/her application for a CDL, and substituted with either an applicant's driving record and previous passage of an acceptable skills test, or an applicant's driving record in combination with certain driving experience. The State shall impose conditions and limitations to restrict the applicants from whom a State may accept alternative requirements for the skills test described in § 383.114. Such conditions must require at least the following:

(1) An applicant must certify that during the two year period immediately prior to applying for a CDL, he/she:

(i) Has not had more than one license (except in the instances specified in § 383.216(d));

(ii) Has not had any license suspended, revoked, or canceled;

(iii) Has not had any conviction for any type of motor vehicle for the disqualifying offenses contained in § 383.216(a)(2);

1989 Reviser's Note:

Prior to the 1991 amendment, this section contained the amendments made by Laws 1989, Ch

162, § 2 and Ch 220, § 31 which were blended together pursuant to authority of § 41 130101

§ 28-127. Notice of change of address or name; record update

A. When a person after applying for or receiving a driver's license or a nonoperating identification license moves from the address named in the application or in the license issued to him or when the name of a licensee, as stated on the driver's license or nonoperating identification license, is changed by marriage or otherwise, the person shall within ten days thereafter notify the department of his new address, complete name, date of birth and the number of each license held by him or a statement that each license is suspended, revoked or cancelled. A person may notify the department of an address change by telephone, in writing or in person. A person may notify the department of a name change in person or in writing.

B. The department may update the address in a driver's license record if a traffic citation received by the department or records of another consenting government agency indicate an address change after the date the address was stated in the department records.

Amended by Laws 1989, Ch 220, § 36, eff. Jan. 1, 1990; Laws 1992, Ch 34, § 3, Laws 1993, Ch 178, § 16, eff. April 29, 1993

Historical and Statutory Notes

Amendment of this section by Laws 1988, c 109, § 2 (see § 28-427 in the main volume) was repealed by Laws 1989, Ch 220, § 37, subsec. A, effective January 1, 1990

Laws 1989, Ch 220, § 64 provides:

"This act is effective from and after December 31, 1989"

The 1989 amendment of this section by Ch 220 explicitly amended the 1987 amendment of this section by Ch 148.

Laws 1993, Ch 178, § 33 provides:

"Requirements for enactment

"Pursuant to article IX, § 22, Constitution of Arizona, this act is effective only on the affirmative vote of at least two thirds of the members of each house of the legislature and is effective immediately on the signature of the governor [act signed by the governor on April 20, 1993] or, if the governor vetoes this act, on the subsequent affirmative vote of at least three fourths of the members of each house of the legislature"

Cross References

Motor vehicle registration or title, notice of change of address, see § 28-310

Notice of revocation, suspension, or cancellation of license, see § 28-210

§ 28-128. Records to be kept by the department

A. The department shall file every application for a license received by it and shall maintain suitable indexes containing, in alphabetical order:

1. All applications denied and on each application a note of the reasons for the denial.
2. All applications granted.
3. The name of every licensee whose license has been suspended or revoked by the department and after each name a note of the reasons for the action.

B. Notwithstanding subsection A, paragraph 3 of this section, the director shall expunge from the public records maintained by the department the fact of any suspension or revocation made pursuant to section 28-694 if, after the period of suspension or revocation has terminated, the licensee submits a certified copy of the court record indicating the dismissal or finding of not guilty of the violation on which the suspension or revocation is based. The director shall not expunge the record or shall rescind the expungement of the record in those instances in which the licensee has been convicted of or found responsible for any violation of chapter 6 of this title¹ which occurred during the period of the suspension or revocation.

C. The department shall also file all abstracts of court records of convictions received by it under the laws of this state and in connection therewith maintain convenient records of suitable notations in order that an individual record of each licensee showing the name of the licensee and the traffic accidents in which he has been involved is

ascertainable and available for the consideration of the department upon an application for renewal of a license and at other suitable times.

D. The department shall maintain all such records for a period of five years after the application, suspension, revocation or abstract of a court record of conviction has become inactive.

Amended by Laws 1990, Ch 376, § 4, eff. June 28, 1990.

¹ Section 601 et seq.

Historical and Statutory Notes

The 1990 amendment inserted subsec. B; and For application provision of Laws 1990, Ch 376, redesignated former subsecs. B and C as subsecs. see Historical and Statutory Notes following § 4-241

§ 28-129. Physician or psychologist; reports to department; immunity from personal liability; definitions

A. A physician, psychologist or certified substance abuse counselor who, in good faith, provides at the written request of a driver's license applicant or licensee information to the director concerning a person's medical or psychological condition with respect to operation of a motor vehicle is immune from personal liability with respect to the information provided.

B. Notwithstanding the physician-patient confidentiality relationship, a physician or psychologist may voluntarily report a patient to the department who, in the opinion of the physician or psychologist, has a medical or psychological condition which could significantly impair the person's ability to safely operate a motor vehicle. If a report is made, the physician or psychologist shall make the report in writing and include the name, address and date of birth of the patient. On receiving the report the department may require the person reported to be examined in the manner provided for in § 28-417. No action may be brought against a physician or psychologist for not making a report pursuant to this section. The physician or psychologist submitting the report in good faith is immune from civil or criminal liability that otherwise may result by reason of the physician's or psychologist's actions pursuant to this section. The physician's or psychologist's report is subject to subpoena in order to produce in any action except an action against the physician submitting the report.

C. In this section:

1. "Certified substance abuse counselor" means a person certified by the Arizona board of behavioral health in this state or certified in a contiguous state or is employed by the federal government and who practices in this state.
2. "Medical or psychological condition" means a condition which could affect a person's functional ability to safely operate a motor vehicle.
3. "Physician" means a medical doctor, optometrist, chiropractor, naturopath, doctor of osteopathy or doctor of homeopathy licensed to practice in this state or a state contiguous to this state or employed by the federal government and practicing in this state or their agents.
4. "Psychologist" means a person who is licensed to practice in this state or a state contiguous to this state or who is employed by the federal government and who practices in this state.

Amended by Laws 1989, Ch 261, § 3, Laws 1992, Ch 116, § 2, Laws 1992, Ch 300, § 12

Historical and Statutory Notes

The amendment of this section by Laws 1992, Ch 116, § 2 was repealed by Laws 1992, Ch 300, § 35, subsec. A.

§ 28-430. Employer certification

A. The department may establish a program designating employees of persons in control of the motor vehicle division and authorizing those persons to certify the applicant's driving experience in exercising ordinary and reasonable control in the operation of a vehicle requiring a class A, B or C driver's license.

B. In order to qualify under the employer certification program, an employer shall meet and maintain the minimum standards required by this section and any rule adopted to carry out this section.

C. If the department determines that the employer is qualified for the employer certification program, the department shall issue a certificate to the employer evidencing qualification and authorizing the employer to sign the department's prescribed certification form that the applicant is qualified by experience in behind the wheel driving in the class of vehicle for which licensing is sought.

D. In order for an applicant to use an employer certification, the applicant shall be or shall have been employed or on contract with the employer and the certification shall certify that the applicant is able to drive a vehicle requiring a class A, B or C driver's license.

E. A certification for an applicant must have been issued within thirty days of the date of application for licensing.

F. The department may reject an applicant's certification and administer a driving examination if the department has reason to question the applicant's ability to exercise ordinary and reasonable control in the operation of a motor vehicle.

G. If a political subdivision qualifies under the employer certification program established under this section, a political subdivision may enter into an Intergovernmental agreement with the qualifying political subdivision pursuant to title 11, chapter 7, article 3¹ to provide for certification of its drivers under the program.

H. The department may revoke the certification issued to an employer for one year if the department finds that the employer is not in compliance with the provisions of this section or any rule adopted to carry out the duties required by this section. If cause exists, the department may order a reexamination of a licensee who was certified by an employer whose certification was revoked.

I. An employer who was authorized to certify an employee under this section shall not be criminally or civilly liable for the certification unless the employer issued the certification in a grossly negligent manner.

Added by Laws 1989, Ch. 220, § 38, eff. Jan. 1, 1990

¹Section 11-951 et seq.

Historical and Statutory Notes

This section, as added by Laws 1987, Ch. 118, § 31 (see § 28-130 in the main volume) was repealed by Laws 1989, Ch. 220, § 37, subsec. B, effective January 1, 1990.

Another purported § 28-430, added as § 28-429 by Laws 1989, Ch. 118, § 31, eff. January 1, 1990,

renumbered as § 28-130, and relating to similar subject matter, was repealed by Laws 1989, Ch. 220, § 37, eff. January 1, 1990.

Laws 1989, Ch. 220, § 61 provides: "This act is effective from and after December 31, 1989."

§ 28-430.01. Third party testing

A. The department may establish a program designating third party testers limited to administering a driving examination to determine an applicant's actual demonstrated ability to perform a pretrip inspection and to exercise ordinary and reasonable control in the operation of a vehicle requiring a class A, B or C driver's license and limited to determining an applicant's full or partial eligibility for a class D or M license. The third party testers shall administer the examinations as prescribed by the department, and the third party testers shall meet the minimum standards and qualifications established by the department. The department may certify a third party tester to administer all tests required to obtain a class D or M license pursuant to this chapter. The department shall annually review and recertify third party testers to insure compliance with departmental rules and standards.

B. In order to qualify under the third party tester program, the tester shall meet and maintain the minimum standards required by this section and any rule adopted to carry out this section.

C. If the department determines that the contract agent is qualified for the contract agent program, the department shall issue a certificate to the contract agent evidencing qualification

tion and authorizing the tester to sign the department's prescribed certification form that the applicant has satisfactorily completed the prescribed course in pretrip inspections and behind the wheel driving in the class of vehicle for which licensing is sought.

D. The third party tester shall prominently display in the place of business of the third party tester the certificate issued by the department authorizing the third party tester to administer the testing.

E. Third party testers that are certified by the department and that conduct such testing are entitled to collect a fee reasonable and commensurate for the testing but not more than fifty dollars.

F. The department, during regular business hours, may make on-site inspections at locations the department deems appropriate to determine qualification of ongoing compliance by third party testers with the requirements prescribed under this section. If the inspection is conducted at a place located outside this state the third party tester shall reimburse the reasonable per diem and travel costs incurred by the department's inspectors. The department may revoke the certification issued to a third party tester for one year if the department finds that the third party tester is not in compliance with the provisions of this section or a rule adopted to carry out the duties required by this section. If cause exists, the department may order a reexamination of a licensee who was certified by a third party tester whose certification was revoked.

G. A certification for an applicant must have been issued within thirty days of the date of application for licensing.

H. The department may reject an applicant's certification and administer a driving examination if the department has reason to question the applicant's ability to exercise ordinary and reasonable control in the operation of a motor vehicle.

I. A third party tester authorized under this section to administer a driving examination shall not be criminally or civilly liable for the administration of the examination unless the third party tester administered the examination in a grossly negligent manner.

Added by Laws 1989, Ch. 220, § 38, eff. Jan. 1, 1990. Amended by Laws 1993, Ch. 178, § 17, eff. April 20, 1993.

Historical and Statutory Notes

Laws 1989, Ch. 220, § 61 provides:

"This act is effective from and after December 31, 1989."

The 1994 amendment, in subsec. A, in the first sentence, inserted "limited to determining an applicant's full or partial eligibility for a class E or M license, and inserted the third sentence relating to certification of testers.

Laws 1994, Ch. 178, § 34 provides:

"Requirements for enactment

"Pursuant to article 18, § 25, Constitution of Arizona, this act is effective only on the affirmative vote of at least two-thirds of the members of each house of the legislature and is effective immediately on the signature of the governor (and signed by the governor on April 20, 1994) or, if the governor vetoes this act, on the subsequent affirmative vote of at least three-fourths of the members of each house of the legislature."

ARTICLE 3. CANCELLATION, SUSPENSION OR REVOCATION OF LICENSES

§ 28-441. Authority of department to cancel license or permit

A. The department may cancel a driver's license or permit upon determining any of the following:

1. The licensee was not entitled to the issuance of the license or permit under the chapter.

2. The licensee failed to give the required or correct information in his application or committed any fraud in making the application.

3. A person who signed an application for a license or permit or who was issued a license or permit files a written request with the department for cancellation of the license or permit that includes all of the following information:

(a) The name of the licensee or permittee

10. "Farm vehicle" means a vehicle which is used for commercial farming or commercial stock raising and which meets all of the following requirements:

(a) Is controlled and operated by the farm vehicle owner, the owner's family member or an employee of the owner.

(b) Is used to transport agricultural products, machinery or supplies to or from a commercial farming or a commercial stock raising operation.

(c) Is not used in the operations of a common or contract motor carrier.

(d) Is used within one hundred fifty miles of the farm vehicle owner's commercial farming or commercial stock raising operation.

11. "Foreign" means outside the United States.

12. "Gross vehicle weight rating" means the weight which is assigned by the vehicle manufacturer to a vehicle and which represents the maximum recommended total weight including vehicle and load for the vehicle.

13. "License class" means, for the purpose of determining the appropriate class of driver's license required for the type of motor vehicle or vehicle combination a driver intends to or is operating, the class of driver's license prescribed in § 28-103.

14. "Nonresident commercial driver's license" means a commercial driver's license issued to an individual domiciled in a foreign country.

15. "Recreational vehicle" means a motor vehicle or vehicle combination that is in excess of twenty-six thousand pounds gross vehicle weight and that is designed and exclusively used for private pleasure use and includes vehicles commonly called motor homes, pickup trucks with campers, travel trailers, boat trailers and horse trailers used exclusively to transport personal possessions or persons for noncommercial purposes.

16. "Revocation" means that the driver's license and privilege to drive a motor vehicle on the public highways are terminated and shall not be renewed or restored, except that an application for a new license may be presented and acted upon by the department after the expiration of at least one year after the date of revocation.

17. "Suspension" means that the driver's license and privilege to drive a motor vehicle on the public highways are temporarily withdrawn but only during the period of the suspension and until application for reinstatement is made.

18. "Tank vehicle" means a commercial motor vehicle that is designed to transport a liquid or gaseous material within a tank that is either permanently or temporarily attached to the vehicle or chassis. Tank vehicle includes a cargo tank and a portable tank. Tank vehicle does not mean a portable tank having a rated capacity under one thousand gallons.

19. "Vehicle combination" means a motor vehicle and any vehicle in excess of ten thousand pounds gross vehicle weight which it tows, if the gross combined weight rating is more than twenty-six thousand pounds.

Amended by Laws 1989, Ch. 220, § 11, eff. Jan. 1, 1990; Laws 1991, Ch. 101, § 2; Laws 1993, Ch. 178, § 8, eff. April 20, 1993

¹Section 28-2101 et seq.

Historical and Statutory Notes

Laws 1989, Ch. 220, § 64 provides:

"This act is effective from and after December 31, 1989."

The 1989 amendment of this section by Ch. 220 explicitly amended the 1987 amendment of this section by Ch. 148.

Laws 1991, Ch. 101, § 33 provides:

"Requirements for enactment

"To article IX, § 22, Constitution of Arizona" act is effective only on the affirmative vote of at least two thirds of the members of each

house of the legislature and is effective immediately on the signature of the governor (act signed by the governor on April 20, 1991) or, if the governor vetoes this act, on the subsequent affirmative vote of at least three fourths of the members of each house of the legislature."

1993 Reviser's Note:

In the chapter version, in paragraph 4, subdivision (c) the second "and" was shown as "AND" but it is statutory law. Pursuant to authority § 41-130102, in the chapter version "and" is inserted as a correction of a manifest clerical error.

Cross References

Dealers and wreckers, procedure for licensing and issuing permits, see § 28-1301

Procedure for licensing and issuing permits, recreational vehicles, exhibitions, see § 28-1301
Windshield sticker, farm vehicles, see § 28-310

§ 28-102.01. Repealed by Laws 1989, Ch. 220, § 65, eff. April 1, 1992

Historical and Statutory Notes

Laws 1989, Ch. 220, § 64 provides:

"This act is effective from and after December 31, 1989."

Laws 1989, Ch. 220, § 66 provides:

"Sec. 65. Delayed repeal

"Section 28-102.01 and 28-10101, Arizona Revised Statutes, as added by this act, are repealed from and after March 31, 1992."

Laws 1991, Ch. 113, §§ 3 and 4 provided for temporary windshield stickers on farm vehicles and for the repeal of the provision authorizing such stickers effective April 1, 1992.

The repealed section, added by Laws 1989, Ch. 220, § 12, related to an additional definition of farm vehicles.

§ 28-103. Driver's license classes

1. Class A. A class A license is valid for operating a vehicle combination with a gross combined weight rating of twenty six thousand one or more pounds, if the gross vehicle weight rating of the vehicle being towed is in excess of ten thousand pounds, including all vehicles requiring a class B, C or D license, but not including a vehicle requiring a class M license or a vehicle or vehicle combination which requires a special endorsement unless the proper endorsement appears on the license.

2. Class B. A class B license is valid for operating a single motor vehicle with a gross vehicle weight rating of twenty six thousand one or more pounds, or any such vehicle towing a vehicle not in excess of ten thousand pounds gross vehicle weight rating, including all vehicles requiring a class C or D license, but not including vehicles requiring a class M license or vehicles which require a special endorsement unless the proper endorsement appears on the license.

3. Class C. A class C license is valid for operating a single motor vehicle with a gross vehicle weight rating of twenty six thousand pounds or less or any such vehicle towing a vehicle not in excess of a ten thousand pound gross vehicle weight rating if the gross combined weight rating is less than twenty six thousand one pounds and if the vehicle is required to be placarded for hazardous materials or is a bus or school bus and all vehicles requiring a class D license, but not vehicles requiring a class M license or vehicles which require a special endorsement unless the proper endorsement appears on the license.

4. Class D. A class D license is valid for operating a single motor vehicle with a gross vehicle weight rating of twenty six thousand pounds or less or any such vehicle towing a vehicle not in excess of a ten thousand pound gross vehicle weight rating, or any such vehicle towing a unit in excess of a ten thousand pound gross vehicle weight rating if the gross combined weight rating is less than twenty six thousand one pounds but not vehicles requiring a class M license or vehicles which require a special endorsement unless the proper endorsement appears on the license.

6. Class M. A class M license is valid for operating a motorcycle, motor driven cycle or pedal bicycle with helper motor. For the purposes of driver's licensing, this license classification may be embossed on a valid class A, B, C or D license.

Added by Laws 1989, Ch. 220, § 10, eff. Jan. 1, 1990

Historical and Statutory Notes

Laws 1989, Ch. 220, § 64 provides:

"This act is effective from and after December 31, 1989."

Another purported § 28-101, added by Laws 1987, Ch. 148, § 9, eff. January 1, 1990, relating to

the same subject matter, was repealed by Laws 1989, Ch. 220, § 43, eff. January 1, 1990.

Motor Vehicle Deputy Registrars

March 1994
94-05

Program Evaluation Division
Office of the Legislative Auditor
State of Minnesota

METHODS

Each year, Minnesota residents make about 5.6 million motor vehicle, driver's license and DNR transactions at deputy registrars and spend about \$18.3 million in administrative fees to support the deputy registrar system. Our research focused on two important indicators of how well the system is functioning: customer service and cost. Since deputy registrars collect over \$600 million per year in motor vehicle registration fees and excise taxes, we also considered the security of state funds when discussing policy options for the state.

To analyze customer service, we used several measures, including customer waiting time, geographic access, days and hours that a deputy registrar is open, and how often deputy registrars make errors. We made 205 visits to deputy registrars to measure customer waiting times during the summer and fall of 1993. We also interviewed deputy registrars and DPS field representatives who monitor deputy registrars. To analyze customer access, we mapped the location of deputy registrars in Minnesota and compared the number of registrars in Minnesota with the number of agents in other states, taking into account population and land area. We collected data on hours and error rates from the Department of Public Safety.

To analyze cost, we obtained financial data from a sample of 101 deputy registrars. We also collected financial data for the front counter and mail operations of the Department of Public Safety. We examined the cost per transaction for public and non-profit deputies, and the profitability of private deputies. To analyze the economies of scale, we examined how cost per transaction, profits, and transactions per employee varied by size of deputy.

We interviewed deputy registrars, officials from the Department of Public Safety, the Department of Natural Resources, and the Pollution Control Agency. Finally, to obtain perspective on how other states provide motor vehicle registration and driver's license services, we conducted telephone interviews with officials from the other 49 states and the District of Columbia.

COMPARISON BETWEEN MINNESOTA AND OTHER STATES

To examine how other states provide motor vehicle and driver's license services, we surveyed all states and the District of Columbia.¹¹ We conducted in-depth interviews with several states, including neighboring states and states that use private agents to provide tabs, titles, and driver's license renewals. Overall, we consider the information to be reliable, but it is likely that some data represent "best-guess" estimates of interviewees. In several instances, we were unable to obtain information about fees or specific number of public and private agents, because the state office had limited information. This usually occurred when

¹¹ In all analyses, we treat the District of Columbia as a state.

counties controlled the process (such as Florida or Texas) or when private agents set their own fees (such as Pennsylvania, California, and Maryland).

Registration and Renewal Systems

To provide motor vehicle and driver's license services, Minnesota uses a central state office and a system of county, municipal, and private agents. We asked officials in all states to describe their system for titling and registering motor vehicles and renewing drivers' licenses. We found that:

- States have developed a wide variety of systems to process motor vehicle transactions and driver's license renewals.

With the exception of Hawaii, all states have a central office that regulates motor vehicle registration and titles. In some states, the same state agency regulates drivers' licenses; in other states, a different state agency is responsible.

As shown in Table 1.2, nine states use state employees exclusively to process motor vehicle transactions. Another 17 states use a combination of state employees and private agents.¹² Twenty-five states delegate much of the motor vehicle function to local government, usually counties.¹³ Twelve of these states, including Minnesota, also use private agents in some capacity.

Twenty-nine states use private agents to provide some motor vehicle or driver's license services.

Altogether, we identified 29 states that use private agents to provide motor vehicle or driver's license services. The specific services performed by private agents, however, varies widely among states, and in several cases these services are provided on a limited basis. Private agents in nine states process motor vehicle titles and license plate tabs, and renew drivers' licenses.¹⁴ Agents in 13 states process two of these services, usually titles and tabs.¹⁵ Agents in seven other states have a single function: four do only titles, two do only tabs, and one does only driver's license renewal. For example, North Dakota has a single state office and 13 full-service private agents. Illinois has 102 full-service state offices and over 2,000 private agents that process registration renewals. Figure 1.7 shows states using private agents for none, one, or two or more of these functions.

In many states, including Minnesota, deputy registrars vary widely in size, and small deputies must often be part of another business to survive financially. States

¹² Several states told us that automobile dealers, leasing companies, and car rental agencies performed some motor vehicle functions. Most often, automobile dealers completed part of the title paperwork for new cars or a transfer on a used car. We did not collect information on the number of states in which dealers perform these functions.

¹³ Four of these states use multiple state and local government offices to register and title motor vehicles. Nevada and New York operate state and county offices; New Hampshire uses state and municipality offices. In Maryland, state offices, county treasurers, and private agents provide motor vehicle services.

¹⁴ Connecticut has two types of private agents. Leasing companies process vehicle titles and tabs for their own fleet; AAA processes driver's license renewals.

¹⁵ In eleven of these states, private agents process titles and tabs. In Ohio, private agents process motor vehicle registration renewals and driver licenses. In Connecticut, private agents process titles and driver's license renewals.

Table 1.2: Responsible Governmental Entity, Number of Public and Private Agents, and Type of Transactions Processed by Private Agents for Fifty States and the District of Columbia, 1993

State	Number & Type of Agents		Number of Agents		Private Agents Process		Driver's License Renewal
	State or Branch Offices	Other Public Offices	Public	Private ¹	Titles	Tasks	
Alabama	No	Counties	77	Car dealers	Car dealers		
Alaska	Yes	Counties	32	2	Yes	Yes	Yes
Arizona	Yes	Branches in 1 county	31	Car dealers	Car dealers do paperwork		
Arkansas	Yes	No	150				
California	Yes	No	172	Car rental AAA, Registration service #7	Car rental, AAA, Registration service	AAA, Registration service	
Colorado	No	Counties	107				
Connecticut	Yes	No	11	Leasing companies, AAA(5)	Leasing companies		AAA
Delaware	Yes	No	4				
Dist. of Columbia	Yes	No	2				
Florida	No	Counties	67	28	Yes	Yes	
Georgia	No	Counties	159				
Hawaii	No	Counties	13	Registration services	Yes	Yes	
Idaho	No	Counties	50				
Illinois	Yes	No	102	Licensed remitters 1008, Financial institutions 2248	Licensed remitters	Yes	
Indiana	Yes	No	168	4 banks	Yes	Yes	Yes
Iowa	No	Counties	103				
Kansas	No	Counties	115				
Kentucky	No	Counties	140				
Louisiana	Yes	No	83	Title service company, Car dealers	Yes		
Maine	Yes	Some municipalities	444				
Maryland	Yes	Some counties	32	60	Yes	Yes	
Massachusetts	Yes	No	32				
Michigan	Yes	A few police stations	185; Some sheriffs do DL renewal	Fleets, Car rental	Fleets, Car rental	Fleets, Car rental	
MINNESOTA	No	Some counties and cities	91	78	Yes	Yes	Yes, Selected agents
Mississippi	No	Counties	32	Application form at car dealers, financial	Application form at car dealers, financial		
Missouri	Yes	3 in city	14	165	Yes	Yes	Yes

Table 1.2: Responsible Governmental Entity, Number of Public and Private Agents, and Type of Transactions Processed by Private Agents for Fifty States and the District of Columbia, 1993, continued

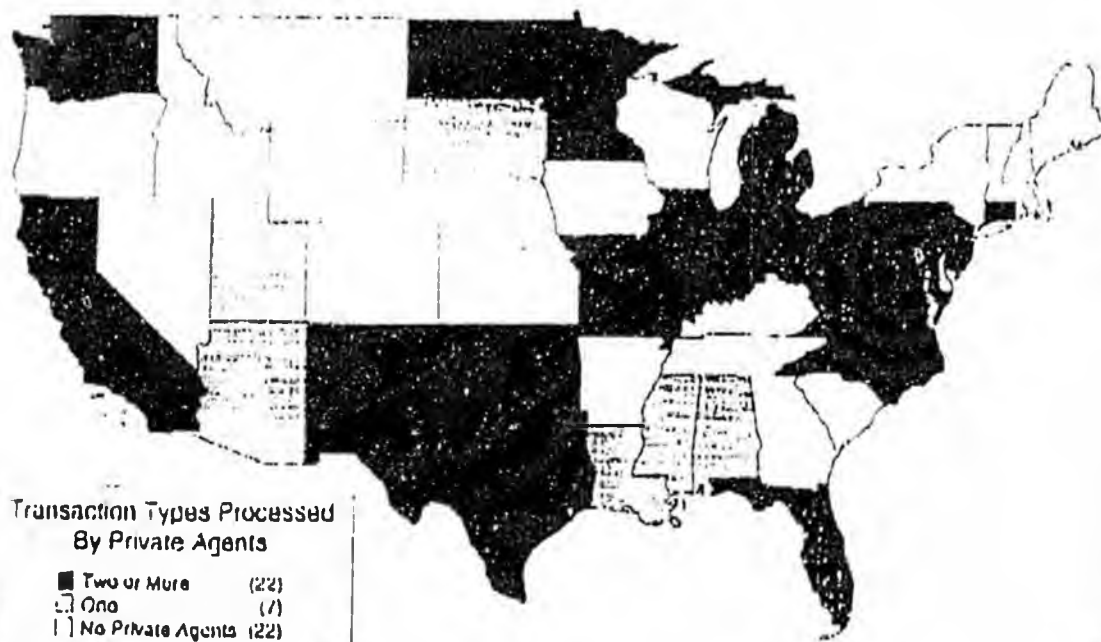
State	Number & Type of Agents		Number of Agents		Private Agents Process		Driver's License Renewal
	State or Branch Offices	Other Public Offices	Public	Private ¹	Titles	Tags	
Montana	Yes	No	57				
Nebraska	No	Counties	98				
Nevada	Yes	Some counties	27				
New Hampshire	Yes	Some municipalities	157				
New Jersey	Yes	1 county	28	22	Yes	Yes	Yes
New Mexico	Yes	Some municipalities	84	5	Yes	Yes	Yes
New York	Yes	Counties	101				
North Carolina ²	Yes	No	2	124	Yes	Yes	
North Dakota	No	No	1	13	Yes	Yes	Yes
Ohio	No	Counties	88	208		Yes	Yes
Oklahoma	No	No	2	294	Yes	Yes	Yes
Oregon	Yes	No	66				
Pennsylvania	No	No	1	187 Messenger Services, 100 AAA, 1950 Tag Agents	Car Dealers, AAA, Messenger Services	Tag Agents Messenger Services	Messenger Services
Rhode Island	Yes	No	9	AAA tags & plate cancellation		AAA tags & plate cancellation	
South Carolina	Yes	No	76				
South Dakota	No	Counties	66	6 agents go to private companies for CL renewal			Yes
Tennessee	No	Counties	95				
Texas	No	Counties	254	177 substations 350 deputized by counties	Yes	Yes	
Utah	Yes	Counties	27	10		AAA Drop-off	
Vermont	Yes	No	8				
Virginia	Yes	A few cities or counties	98	35	Yes	Yes	
Washington	No	Counties	39	147+	Yes	Yes	
West Virginia	Yes	No	3	License services	Yes	Yes	
Wisconsin	Yes	No	27				
Wyoming	No	Counties	23				

Source: OLA Phone Survey, AAA Motor Guide.

¹If number of private agents is not known, type of agent is specified.

²Additional title process driver's license renewals.

Figure 1.7: States Using Private Agents to Process Titles, Automobile Registration, Or Driver's License Renewals



Source: Office of the Legislative Auditor.

Note: Agents in Alaska and Hawaii process three types.

often use private agents to improve access to motor vehicle services. For example, Alaska mostly uses public agents, but uses private agents in remote areas of the state.

Officials from several states said the design of their system is based on tradition or tax policy. Longstanding patronage systems are used in Missouri, New Jersey, North Carolina, and North Dakota. Many states in which counties assess personal property taxes on motor vehicles delegate registration of motor vehicles to the counties.

State Regulation

In Minnesota, the state or county may appoint private individuals or corporations as deputy registrars based on geographic and economic criteria. Once appointed, they cannot be removed without cause. The state Department of Public Safety closely regulates each deputy.

Unlike Minnesota, some states appoint private agents under a formal contract.

States vary considerably in the way they regulate private agents. Many states regulate the number and location of private agents according to geographic or economic factors similar to those used in Minnesota, such as sparsity, population of the county, and projected financial impact on or distance to the nearest agent.

Unlike Minnesota, the agent is often appointed under a formal contract. In Ohio, private agents bid on a two-year contract.¹⁶ Selection of Ohio agents involves comparing their bids against a point system based on economic and demographic factors and applicant qualifications. About 20 percent of agents turn over each year, and they have an ongoing training program using a network of field representatives. Ohio also loans each agent a computer, incorporating an automated system for calculation, forms completion, and reporting.

Almost 300 private agents in Oklahoma work under a continuing contract, but they may be removed for any reason. Agents in the metropolitan areas must be three miles apart, and elsewhere the state limits the number of agents per town. Oklahoma has a \$30,000 cap on net agent fees based on IRS reimbursable expenses and agents are subject to multiple state audits.

Some states identify agents by their occupation or business. In a few states, only car dealers, car rental agencies, leasing companies, and fleets process their own titles and registration. In Illinois, over 2,000 financial institutions process tab renewals. Officials in Wisconsin told us that they are considering authorizing currency exchanges to issue tabs.¹⁷ Some states delegate part or all of the appointment function to counties, which regulate their own sub-agents.

We identified six states (California, Pennsylvania, Maryland, Illinois, Hawaii and West Virginia) who register and bond registration services that act as an agent for the customer. These agents may pick up the paperwork, help complete forms, deliver applications to a central or branch office, complete payment, and return the tab or plate to the customer, charging a fee for each level of service. In Pennsylvania, only the central state office issues tabs and titles, and 187 private agents assist citizens with registration or title applications.

We asked officials from other states whether the right to be an agent could be sold to another private party. We found that:

- Minnesota is the only state where the right to provide motor vehicle and driver's license services in a protected, restricted environment can be sold to a private agent.

Officials from other states told us that the right to provide motor vehicle and driver's license services could not be sold. In states where the agents are self-selected and operate in an open environment, the agents may incorporate and sell their business, but there is no exclusive right to provide these services. Officials from most states told us that they wanted a person designated as the agent, even

¹⁶ Three years in 1994.

¹⁷ Currency exchanges perform various functions, such as check cashing, and are most often found in urban areas.

when the true agent was a non-profit corporation such as AAA, a Chamber of Commerce, or a Rotary Club.

Officials from several other states said that they were concerned about staff continuity because the work requires considerable knowledge of the motor vehicle and driver's license renewal systems. Missouri requires new agents to attend, at their own cost, a one-week training program, and work at their site with field representatives for two weeks. New Jersey pays all site costs for political appointees, but they also specify staffing and salary levels and require agents to be on site 35 hours per week. Most importantly, the staff is not automatically replaced when a new agent is appointed.

Administrative Fees

In Minnesota, deputy registrars collect an administrative fee of \$3.50 for each motor vehicle title and tab transaction, and driver's license renewal. Fees for DNR transactions are less; \$3.25 for each boat title and \$.50 for each boat, snowmobile, and ATV registration.

We compared Minnesota's administrative fees with fees in other states for three types of transactions: motor vehicle registration renewals (tabs), motor vehicle titles, and driver's license renewals. We excluded from our analysis fees that were not comparable to Minnesota's fees. First, we excluded states that did not distinguish the administrative fee from the tax or user fee. We also excluded walk-in fees charged by four states because they were not designed to compensate agents for their administrative costs. For example, Alaska and Rhode Island have walk-in fees of \$10, but private agents must give this fee revenue back to the state.¹⁸

We excluded fees charged by registration services that are agents of the customer because they do not provide the same type of service as Minnesota's deputy registrars.¹⁹ Unlike Minnesota, these agents provide pick-up and delivery service, but do not process the transaction or issue tabs. Since they are not agents of the state, they are minimally regulated. Their fees may be higher than most administrative fees, but since their fees are unregulated, we could not obtain reliable data.

Finally, we excluded fees in a few states in which agents (such as AAA or grocery stores) provided tab renewal as a customer service at no additional cost. Altogether, our comparison group included 32 states that had administrative fees for tabs, 30 states for titles, and 13 states for drivers' licenses. For each type of transaction, we used the higher of the fees charged by public or private agents in a state. We found:

- Minnesota's administrative fees for motor vehicle titles, tabs, and driver's license renewal are higher than fees in most other states.

¹⁸ Wisconsin and Arkansas have walk-in fees of \$3 and \$2 respectively, but officials said that these fees are designed to encourage service by mail rather than cover the transaction cost.

¹⁹ California, Illinois, Pennsylvania, Maryland, Hawaii, and West Virginia have licensed but minimally regulated registration services.

The median administrative fee was \$2.00 for license plate tabs, \$2.50 for titles, and \$3.00 for driver's license renewals.

The median administrative fee was \$2.00 for tabs, \$2.50 for titles, and \$3.00 for driver's license renewal.²⁰ Fees ranged from \$.75 to \$5.25 for tabs, from \$.75 to \$5.50 for titles, and from \$1.00 to \$7.50 for drivers' licenses. Compared to Minnesota, three states had the same or higher fees for tabs, six states had higher fees for titles, and three states had higher fees for driver's license renewals.

For each category, the median fee for private agents was slightly higher than that for public agents. In many states, private agents charged the same fee as public agents, most often because fees were limited legislatively. Officials in several states with relatively low fees told us that they felt their fees were too low, restricting the ability of private agents to hire and retain adequate staff.

Use of Technology

Minnesota lags behind most other states in its use of technology. One area in which Minnesota is behind other states involves how it enters motor vehicle registration and title records into the state's data base. We found:

- Most other states upload information electronically from agents to the central database, while Minnesota duplicates data entry already performed by the deputy registrars.

Minnesota lags behind most states in use of computer technology.

Minnesota uses bar coding to scan information from unaltered bills for registration renewal. However, each year, DPS clerical staff manually enter into the state's database about 1.5 million title transactions and about 1 million registration renewals that cannot be electronically scanned. Most of this data entry duplicates work already performed by deputy registrars on their own computers. Many states upload this information electronically from agents to their central database. We believe that Minnesota could save substantial resources by electronically processing this information. In addition, motor vehicle records would be updated more quickly. The Department of Public Safety plans to test this approach for registration renewals in 1994 with the deputy registrar in Faribault. It plans to fully implement this approach in about two years.

Less than one-fourth of Minnesota's deputy registrars can retrieve information electronically from the state's motor vehicle data base. In most states, most public and private agents have computers that are connected to the central database. Most of these states either loan or lease computer equipment to agents or require anyone interested in being an agent to buy their own computers.

Agents in these states typically use computers to perform calculations, complete forms, and generate reports. States where private agents perform multiple motor vehicle functions for the public, such as Ohio and Oklahoma, are more likely to use computers extensively. Private agents with limited functions, such as financial institutions in Illinois, are not similarly automated. Many states are planning system upgrades to expand the use of computers. Officials in several states told us

²⁰ The median is the midpoint of the sample; half of the agents have higher fees and half have lower fees.

that they were planning to integrate motor vehicle and driver's license databases or currently have such a system in place.

System automation may increase agent productivity by streamlining access to state databases, calculating fees owed, and processing forms. We were also told that the need for centralized audits of agent paperwork is also reduced by the use of automation. We collected limited data on how other states review agent transactions for errors. Several states use a system similar to Minnesota's. In other states, officials told us that increased automation reduced their need to manually enter and review agent work. Officials in North Carolina told us that under their new system, error verification will be done by taking a random sample of all agents, although at a higher rate (10 percent) for new offices. They feel comfortable doing this, because the new computer system will perform all calculations and generate the forms. Database integration allows states to access information on drivers' licenses and vehicle registrations simultaneously, or link this information to other data.

Kiosk Technology

Some states are experimenting with kiosk technology for processing motor vehicle transactions. Kiosks are stand-alone units, similar to automated teller machines, and often use appealing graphics and touchscreen technology.

We were told that the location of kiosks and the extent and variety of information and services offered are important determinants of success. Virginia's unsuccessful pilot test was in part due to the cost of placing a kiosk in a high traffic shopping mall. The Social Security Administration has kiosks in several branch office lobbies, minimizing security concerns. California's InfoCalifornia project provides 24-hour access to information about government services from 15 kiosks in two counties. The program recently won a 1993 Innovations in State and Local Government Award from Harvard University. We were told that citizens will eventually be able to obtain tabs and renew drivers' licenses. Other states are also studying this technology, including Washington, Wisconsin, Alaska, and South Dakota.

Integrating Emissions Testing and Registration Renewal

Minnesota is one of several states that require automobile emissions tests, either statewide or in designated metropolitan areas, as a prerequisite to registration renewal. Residents of the Twin Cities metropolitan area must make two stops to renew their automobile registration. To allow one-stop registration renewal, some states have looked at providing renewals at the emission test sites. Oregon has run an award-winning pilot program in the city of Medford (population 67,000) for several years. No staff were added at the state-run emission test site and there was a 20 percent increase in emissions test waiting time. However, we were told by Oregon officials that customers are happier because they make only one stop. The paperwork for tabs must still be entered into the motor vehicle database at a local state-run motor vehicle office, since they do not as yet have an integrated system. The workload in that office has not decreased overall, although it is easier to

Some other states are experimenting with kiosk technology and integrating emission testing with registration renewal.

schedule. However, when the two systems are integrated, it is likely that workload in the motor vehicle office will decrease. Since they have had long waiting times previously, no staff will probably be released. They plan to expand to Portland when the entire system is automated and integrated. Washington, Wisconsin, Connecticut, and New Hampshire are also studying integrating emission testing and registration renewal.

Arizona introduced emission testing on a voluntary basis at several sites that processed registration renewals. When it fully implemented emission testing, it chose not to offer registration renewals at its permanent emission test stations. A state official told us that combining these two functions would increase transaction and waiting times.

New Jersey requires emissions tests statewide. Most of their motor vehicle offices, including private agents, are located near an inspection station. In addition, there are five full service facilities which combine motor vehicle agents (two of which are private), driver's license testing, and a state-run inspection station.

Wisconsin officials told us that their contract for emissions testing services is currently up for renewal. They have written the specifications for the new contract to include an option for the state to require the emissions contractor to issue tabs. Contractors are to provide specific "mini-proposals" for integrating tab renewal with emissions testing as part of their bid for the state contract.

Renewal by Mail and Phone

Minnesota and almost every other state allow residents to renew their vehicle registration by mail. Minnesota charges the same fee for mail service as it does for walk-in service and it processes about 9 percent of license plate tab renewals by mail. Comparable data from 18 other states indicate that:

- Other states process more registration renewals by mail than Minnesota.

States with non-mandatory mail renewal process an average of 53 percent of registration renewals by mail, about six times Minnesota's percentage. A few states, such as Connecticut and New York, require tab renewal by mail.

One reason that other states process more tabs by mail may be that most states do not charge an administrative fee for mail renewal. Some states (Alaska, Arkansas, Maine, Wisconsin, and Rhode Island) encourage mail renewal by charging a "walk-in" fee of up to \$10.00. Another reason may be that, unlike Minnesota, some states include a return envelope with their registration bill. In a few states with county systems, renewals may be done by mail directly to the county.

A few states, such as Wisconsin and Oklahoma, permit tab renewal by phone with payment by credit card and others, such as Massachusetts and Pennsylvania, are studying this option. Michigan and Indiana permit credit card payment for mail renewals. Some state officials said that they have not implemented credit card pay-

**On average,
other states
process about
half of
registration
renewals by
mail.**

ments because they were told that they cannot charge customers for using credit card services. Wisconsin officials told us that this was not an issue for them because they have a legislatively designated service fee and a similar fee may be charged for credit card transactions.

SUMMARY

States use a wide variety of systems to register and title motor vehicles and to renew drivers' licenses. To provide access to the public, states supplement the central state office with state branch offices, county or municipal offices, or private agents. Minnesota's system of public and private agents, regulated by a central state office, is fairly typical of the states using public and private agents. Like private agents in many other states, deputy registrars vary widely in size, and small deputies must often be part of another business to survive financially.

Minnesota's system for initially appointing private agents is similar to that used in several other states. However, Minnesota is unique in allowing the sale of a deputy registrar business sheltered by the state from competition.

Minnesota lags behind most other states in how it uses technology. Less than one-fourth of all deputy registrars have computer access to the state database, and much of the data entry performed by state employees duplicates work already performed by deputy registrars.

July 7, 1986
10 25-15

Car dealers privatize registration mailing

By ARLENA SAWYER

The state of Montana and the Montana Chevy Dealers Association have joined forces for what might be the first government direct-mail advertising campaign.

The dealers association won a bid to mail out 300,000 Montana motor vehicle registration renewal notices in the next year. As part of the agreement, the government mailing will include an ad message from the recipient's local Chevrolet dealer.

"We are quite excited about the sales potential of this privatized mailing," said Bill Cowen, president of the Chevrolet dealers group.

"It's a win-win situation," Mr. Cowen said. "We will be saving hundreds of thousands of dollars of taxpayers' money, and we will reach vehicle owners with our marketing message in a rather unique advertising medium."

The first 25,000 mailings were to have gone out Oct. 1, said Bob Henkel, executive director of the dealer group.

The contract is for one year with an option for two more. It allows the state or the association to cancel the contract by giving a 60-day notice.

Don Roberts, administrator of the Montana Department of Justice, Motor Vehicle Division, said including advertising with the registrations will save about \$200,000 annually.

The division decided to privatize the mailing in January after the Legislature suggested discontinuing it to cut costs, he said.

Private companies advertising in government documents is rare, but the practice is not unheard of.

Focus group studies conducted by the dealers' ad agency indicate that consumers like the idea of the dealer ads saving the state money, Mr. Henkel said.

— *Crain News Service*



STATE OF WASHINGTON
DEPARTMENT OF LICENSING
Olympia, Washington 98504-8001

November 22, 1994

Patricia Young
~~Division of Motor Vehicles~~
~~3150 E. Downing Rd.~~
~~Anchorage, Alaska~~

Dear Ms. Young:

Enclosed is a copy the Revised Code of Washington (RCW) 46.01.130 authorizing the director of the Department of Licensing to appoint county auditors as his/her agent to perform vehicle licensing duties. Washington state has thirty-nine counties. In addition, RCW 46.01.140(2), copy attached, authorizes the director to appoint subagents as requested by the county auditors. The director has appointed approximately one hundred fifty subagents.

In fiscal year 94 (July 1, 1993 thru June 30, 1994) Auditors and their subagents process 1,333,178 title applications out of a total of 1,967,780. The balance of 134,602 were processed by the department.

The department provides computer terminals to the auditors/subagents with data lines to mainframe computers located in Olympia, headquarters for the department. The agents/subagents review, collect/deposit fees, and process the title applications from through the terminals. The application data is transmitted over data lines to the mainframe. Twice a week the title data is down loaded to magnetic tape and shipped to Moore, Business Forms & Systems Division, Logan, Utah where the title documents are printed and mailed to the applicant.

If you need additional information or have any questions please call me on (206) 902-3773.

Sincerely,


Jack L. Lince
Contracts Manager

RCW 46.01.130 Powers of department and director—Personnel—Appointment of county auditors as agents.

The department of licensing shall have the general supervision and control of the issuing of vehicle licenses and vehicle license number plates and shall have the full power to do all things necessary and proper to carry out the provisions of the law relating to the licensing of vehicles: the director shall have the power to appoint and employ deputies, assistants and representatives, and such clerks as may be required from time to time, and to provide for their operation in different parts of the state, and the director shall have the power to appoint the county auditors of the several counties as his agents for the licensing of vehicles.

RCW 46.01.140 County auditors, others, as special deputies and subagents of director—Disposition of application fees.

(1) The county auditor, if appointed by the director of licensing shall carry out the provisions of this title relating to the licensing of vehicles and the issuance of vehicle license number plates under the direction and supervision of the director and may with the approval of the director appoint assistants as special deputies and recommend subagents to accept applications and collect fees for vehicle licenses and transfers and to deliver vehicle license number plates.

(2) A county auditor appointed by the director may request that the director appoint subagents within the county. Upon authorization of the director, the auditor shall advertise a request for proposals and use the process for soliciting vendors under RCW 39.04.190(2), except that the provision requiring the contract to be awarded to the lowest responsible bidder shall not apply. The auditor shall submit all proposals to the director, and shall recommend the appointment of one or more subagents who have applied through the request for proposal process. The director has final appointment authority.

(3)(a) A county auditor who is appointed as an agent by the department shall enter into a standard contract provided by the director, developed with the advice of the title and registration advisory committee.

(b) A subagent appointed under subsection (2) of this section shall enter into a standard contract with the county auditor, developed with the advice of the title and registration advisory committee. The director shall provide the standard contract to county auditors.

(c) The contracts provided for in (a) and (b) of this subsection must contain at a minimum provisions that:

(i) Describe the responsibilities, and where applicable, the liability, of each party relating to the service expectations and levels, equipment to be supplied by the department, and equipment maintenance;

(ii) Require the specific type of insurance or bonds so that the state is protected against any loss of collected motor vehicle tax revenues or loss of equipment;

(iii) Specify the amount of training that will be provided by the state, the county auditor, or subagents;

(iv) Describe allowable costs that may be charged to motor vehicle licensing activities as provided for in (d) of this subsection;

(v) Describe the causes and procedures for

termination of the contract, which may include mediation and binding arbitration.

(d) The department shall develop procedures that will standardize and prescribe allowable costs that may be assigned to motor vehicle licensing activities performed by county auditors.

(e) The contracts may include any provision that the director deems necessary to ensure acceptable service and the full collection of motor vehicle tax revenues.

(f) The director may waive any provisions of the contract deemed necessary in order to ensure that readily accessible service is provided to the citizens of the state.

(4)(a) At any time any application is made to the director, the county auditor, or other agent pursuant to any law dealing with licenses, registration, or the right to operate any vehicle upon the public highways of this state, excluding applicants already paying such fee under RCW 46.16.070 or 46.16.085, the applicant shall pay to the director, county auditor, or other agent a fee of two dollars for each application in addition to any other fees required by law.

(b) Counties that do not cover the expenses of motor vehicle licensing activities may submit to the department a request for cost-coverage moneys. The request must be submitted on a form developed by the department. The department shall develop procedures to verify whether a request is reasonable. Payment shall be made on requests found to be allowable from the licensing services account.

(c) Applicants for certificates of ownership, including applicants paying fees under RCW 46.16.070 or 46.16.085, shall pay to the director, county auditor, or other agent a fee of three dollars in addition to any other fees required by law.

(d) The fees under (a) and (c) of this subsection, if paid to the county auditor as agent of the director, or if paid to a subagent of the county auditor, shall be paid to the county treasurer in the same manner as other fees collected by the county auditor and credited to the county current expense fund. If the fee is paid to another agent of the director, the fee shall be used by the agent to defray his or her expenses in handling the application.

(5) A subagent shall collect a service fee of (a) five dollars and fifty cents for changes in a certificate of ownership, with or without registration renewal, or verification of record and preparation of an affidavit of lost title other than at the time of the title application or transfer and (b) two dollars and twenty-five cents for registration renewal only, issuing a transit permit, or any other service under this section.

(6) If the fee is collected by the state patrol as agent for the director, the fee so collected shall be certified to the state treasurer and deposited to the credit of the state patrol highway account. If the fee is collected by the department of transportation as agent for the director, the fee shall be certified to the state treasurer and deposited to the credit of the motor vehicle fund. All such fees collected by the director or branches of his office shall be certified to the state treasurer and deposited to the credit of the highway safety fund.

(7) Any county revenues that exceed the cost of providing motor vehicle licensing activities in a county, calculated in accordance with the procedures in subsection (3)(d) of this section, shall be extended as determined by the county legislative authority during the process established by law for adoption of county budgets.

(8) The director may adopt rules to implement this section.

NORTH
DAKOTA

CHAPTER 39-02
REGISTRAR

Section	Section
39-02-01. Registrar of motor vehicles — Appointment — Term — Removal — Oath — Bond.	suspension, or rescission of a motor vehicle registration or a certificate of title to a motor vehicle.
39-02-02. Salary and expenses of registrar.	39-02-04. Office of registrar open for licenses and information — Time.
39-02-03. Powers and duties of registrar and department.	39-02-05. Records of the department open to public inspection.
39-02-03.1. Registrar to provide notice and opportunity for hearing prior to cancellation, revocation,	39-02-06, 39-02-07. Repealed.

39-02-01. Registrar of motor vehicles — Appointment — Term — Removal — Oath — Bond. The governor shall appoint a suitable person as registrar of motor vehicles. The registrar shall serve for a term of two years and until his successor is appointed and qualified, but he may be removed at any time for cause. He shall qualify by taking the oath prescribed for civil officers and shall furnish a bond in the penal sum of twenty thousand dollars, which must conform to the provisions of law applicable to the bonds of state officers. If such bond is furnished by a surety other than the state bonding fund, it must be approved as to form and sufficiency by the attorney general.

Source: S.L. 1927, ch. 179, § 2, §1; 1931, ch. 186, § 7; 1933, ch. 160, § 2; R.C. 1943, § 39-0201; S.L. 1951, ch. 236, § 2; 1957 Supp., § 39-0201.

Cross-References.
General penalty for violation of title, see § 39-07-06.
Oath, see N.D. Const. 211; § 44-01-05.

39-02-02. Salary and expenses of registrar. The salary of the registrar for all services rendered in any capacity whatever must be within the amount appropriated for salaries by the legislative assembly. He must be allowed in addition thereto his necessary and actual expenses incurred in the discharge of his official duties.

Source: S.L. 1927, ch. 179, § 2, §1; 1931, ch. 186, § 7; 1933, ch. 160, § 2; R.C. 1943, § 39-0202; S.L. 1945, ch. 264, § 16; 1949, ch. 314, § 15; 1967 Supp., § 39-0202, S.L. 1981, ch. 535, § 12.

ND

39-02-03

MOTOR VEHICLES

39-02-03. Powers and duties of registrar and department. The registrar, subject to the approval of the governor, may adopt and enforce such administrative rules and regulations and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to his office and department. He shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of his office and department, and shall prepay all transportation charges thereon. In addition, the registrar shall provide for a uniform fee schedule for the various services provided by the branch offices. All branch office personnel must be bonded. The department and the officers thereof shall enforce the provisions of all laws pertaining to the registrar and the motor vehicle department.

Source: S.L. 1927, ch. 178, § 1; R.C. 1943, § 39-0203; S.L. 1951, ch. 236, § 1; 1957 Supp., § 39-0203; S.L. 1967, ch. 294, § 1; 1973, ch. 323, § 1. Cross-References. Communications advisory committee memorandum, see § 54-23.1-03.

39-02-03.1. Registrar to provide notice and opportunity for hearing prior to cancellation, revocation, suspension, or rescission of a motor vehicle registration or a certificate of title to a motor vehicle. Whenever, under the laws pertaining to the cancellation, revocation, suspension, or rescission of a registration of a motor vehicle or a certificate of title to a motor vehicle, a determination has been made to cancel, revoke, suspend, or rescind either the registration or certificate of title, or both, the registrar of motor vehicles shall provide the legal and registered owner with notice of such cancellation, revocation, suspension, or rescission and the opportunity for a hearing. Such notice must be sent by registered or certified mail, return receipt requested, not less than ten days prior to the effective date of the cancellation, revocation, suspension, or rescission.

Source: S.L. 1975, ch. 324, § 1.

39-02-04. Office of registrar open for licenses and information — Time. The office of the registrar must be open and accessible to all applicants for motor vehicle licenses and to all persons desiring information regarding the records of his office during all reasonable office hours.

Source: S.L. 1927, ch. 179, § 4; 1931, ch. 186, § 2; 1933, ch. 160, § 3; R.C. 1943, § 39-0204.

39-02-05. Records of the department open to public inspection. All registration and license records in the office of the department must be public records and must be open to inspection by the public during business hours. The registrar of motor vehicles shall charge a uniform fee, not to exceed one dollar, for each item of information furnished to any person concerning a specific motor vehicle. However, such charges may not be assessed to a person requesting information concerning a motor vehicle of which he is the owner, nor may such charges apply to law enforcement officials requesting motor vehicle information in their official capacity. All fees received under the provisions of this section must be credited to the motor vehicle registration fund.

Source: S.L. 1927, ch. 179, § 5; R.C. 1943, § 39-0205; S.L. 1959, ch. 289, § 2. Access to public records, violation an infraction, see § 44-04-18.

Cross-References. Abstracts of motorists' driving records, see § 39-16-03, 39-16-03.1. Collateral References. Right to inspect motor vehicle records, 84 A.L.R.2d 1261.

PREFACE TO THE AGREEMENT

The Department of Transportation branch offices are established to serve the public in all matters of vehicle registration.

The primary functions of the branch office are to:

1. Provide local service in the more complex registrations.
2. Provide local service for the licensing of all vehicles.
3. Reduce the workload of the Department of Transportation.

The criteria for establishing and maintaining a branch office is:

1. Adequate public need and interest.
2. Adequate office space and parking convenient for the public.
3. Adequate office staff to serve the public.
4. Office hours acceptable to the public.
5. Full compliance with the Americans with Disabilities Act (ADA).

The powers and duties of the Director and Department of Transportation are outlined in the North Dakota Century Code (Sections 24-02-01.2 and 39-02-03). The primary purpose of a branch office operation is to serve the public. With this in mind, additional offices may be opened when the need exists or it is determined to be in the public interest.

The Branch Office Agreement brings into being a private enterprise operation conducting state business. The general public should be made aware of the joint commitment of the private and governmental sectors merger to bring to the citizens of North Dakota a system of better service.

The Department of Transportation shall continue its effort to be a servant of the people and to improve and upgrade its services. The branch office must be a responsible partner in this effort to ensure its success.

Marshall W. Moore, Director
DEPARTMENT OF TRANSPORTATION

BRANCH OFFICE AGREEMENT

This Agreement is entered into by the North Dakota Department of Transportation, 608 East Boulevard Avenue, Bismarck, North Dakota 58505-0700, hereinafter referred to as NDDOT; and _____, whose address is _____, hereinafter referred to as the Manager.

Witnesseth:

I.
AUTHORITY

Pursuant to this Agreement, the Manager's authority to act on behalf of the Director, the Department of Transportation, and the state of North Dakota is expressly limited to the following enumerated responsibilities and duties:

- A. The Manager will process all applications with proper documentation for the initial registration of vehicles in the state and shall issue registration plates for such vehicles. No application or fees shall be accepted unless proper documentation is provided. Application for apportioned (prorate) registration shall be accepted only when authorized by NDDOT.
- B. The Manager shall process registration renewals and issue registration plates or renewal tabs for such renewals.
- C. The Manager shall issue temporary registration for vehicles on which such registration is sought.
- D. The Manager shall assess and collect the proper registration fees and taxes prescribed by law.
- E. The Manager shall oversee the day to day operations of the branch office.

II.
OFFICE MANAGEMENT AND PROCEDURES

- A. The Manager agrees to hire additional persons as necessary for the efficient operation of the branch office. The cost of such employment shall be the sole responsibility of the Manager. The Manager agrees to notify NDDOT of any changes in personnel that occur during the term of the Agreement.
- B. The Manager will become familiar with the regulations, procedures, and policies associated with vehicle registrations and assure that all employees will attend orientation/training programs as prescribed by NDDOT. NDDOT shall determine whether the cost of attending orientation/training shall be the responsibility of the Manager or NDDOT.

- C. The branch office shall be self-sustaining as to all costs and expenses in its operation.
- D. The Manager is authorized to charge the customer a service fee prior to issuing any registration or accepting any application. A schedule of maximum charges for these fees is in Addendum 1. A notice advising the public of the nature and amount of the service fee shall be conspicuously posted in the branch office. No service fee may be charged for the notarization or verification of forms unless deemed as extraneous to the application (see Addendum 1).
- E. The Manager may charge the customer for long distance telephone calls, letters written, and postage costs incurred on behalf of the customer. Any additional fees collected must be shown separately on the receipt.
- F. The Manager agrees to establish and maintain a separate bank account to be designated as the account of the _____ Motor Vehicle Branch Office. The following conditions govern the use and maintenance of the account.
 1. All monies received by the branch office shall be deposited into the account daily. Under no circumstances shall the Manager retain the daily monies in the office or any residence overnight, over holidays, or over the weekend.
 2. Checks may be drawn on the account only for the purpose of remitting daily monies due NDDOT and for the withdrawal of service fees earned by the branch office. The Manager agrees that the person closing the business at the end of the business day shall be authorized to sign checks and complete the daily bank deposit. Checks may not be presigned.
 3. The checkbook for the account shall be brought to a zero balance daily. The checks drawn must equal the amount of the corresponding deposit. In some instances, the checkbook may carry a negative balance in an amount equal to the non-sufficient fund checks for which reimbursement by NDDOT has not been made.
 4. No check may be drawn for the purpose of making any refund.
 5. A ledger shall be maintained, daily, indicating totals of deposits and withdrawals. The ledger shall be kept in such a manner as to clearly indicate that the total withdrawals for remittance to NDDOT and the total withdrawals for service fees due the branch office are equal to the amount of total deposits. A copy of the daily report, properly completed, shall be furnished daily to the Director.
 6. A copy of the bank statement, daily ledger, and bank reconciliation form must be submitted to NDDOT within seven (7) working days of receipt of the bank statement from the bank.

7. A copy of all receipts used must be submitted daily to NDDOT. However, NDDOT may allow these receipts to be submitted weekly upon request by the Manager.
8. All checks drawn on the account of the _____ Motor Vehicle Branch Office and subsequently voided, shall be duly noted in the checkbook register and on the bank reconciliation form, and the voided checks shall be retained by the Manager.
9. All non-sufficient fund (NSF) checks must be returned to NDDOT for collection. NDDOT will issue a reimbursement check to the branch office for the amount of the NSF check. If the NSF check is uncollectible, that portion of the check representing the branch office service fee must be remitted to NDDOT by the branch office.
- G. All checks must be stamped "For Deposit Only" at the time received.
- H. The Manager agrees that all working papers, title applications, registration applications, renewal applications, license plates, tabs and any other material, documents, or papers that are utilized in fulfilling the duties of Manager shall be the property of the state of North Dakota.
- I. All applications for title or registration must be submitted daily to NDDOT except that the Manager is authorized to place applications in an overnight bank depository. Applications for title or registration may not be kept overnight in the branch office without prior approval by NDDOT. NDDOT may authorize overnight retention of applications for title or registration if satisfied the Manager has a secure facility for retention of documents at the branch office.
- J. If the Manager is not able to get satisfactory customer response on a rejected application after forty-five (45) days, the application must be returned to the NDDOT for further action. The manager must pay a \$5.00 fee for any rejected application returned to the department for further action. NDDOT reserves the right to waive the \$5 fee.
- K. All receipts must be accounted for and retained for audit use. After each official audit by the State Auditor's Office, the Manager may dispose of audited receipts as they deem appropriate for their own business purposes.
- L. A record must be kept of all tabs or plates missing from the manufacturer or issued in error.
- M. All expired validation decals must be returned monthly to NDDOT.
- N. Any unusual occurrence in the branch office (fire, burglary, accounting discrepancy, etc.) must be immediately reported to NDDOT.
- O. General information available to the Manager that relates to motor vehicle registration shall be furnished without charge.

- P. The Manager agrees to maintain reasonable office hours for the general public. The Manager also agrees to notify NDDOT of any changes in office hours or closings of the branch office on days when NDDOT is open to the public. The Manager shall be responsible for any costs incurred to advertise the closure of the branch office.
- Q. The Manager agrees to be closed to the public during those holidays when the department is closed, unless authorized by NDDOT to be open.
- R. The Manager agrees that at least one (1) full-time worker at the branch office will be a notary public.
- S. Employees of the branch office are recognized by the public as representing the state of North Dakota in matters concerning motor vehicle registration. The Manager shall establish policies necessary to appropriately handle general public contacts and inquiries.
- T. The Manager agrees that this contract is for the operation of a branch office only in the city specified.
- U. The Manager agrees that all equipment supplied to the branch office by NDDOT remains the property of NDDOT. The Manager also agrees that any costs associated with relocating this equipment will be the responsibility of the Manager unless the relocation is directed by NDDOT.
- V. The Manager agrees to ensure that information relating to specific vehicle registration data is not provided to the general public except as directed by NDDOT.
- W. The Manager agrees that the cost of replacing equipment supplied to the branch office by NDDOT will be the responsibility of the Manager if equipment must be repaired or replaced as a result of damage caused by negligence on the part of the Manager or employees.

III. INSURANCE COVERAGE AND BONDING

- A. The Manager is responsible for protecting public monies and is liable for the loss of public monies as a result of embezzlement, theft, or misappropriation by the Manager or any person employed by the Manager. The Manager shall furnish a surety bond, valid for the period of the Agreement, in the amount of . The surety bond must be executed by the Manager as principal, executed by a surety company licensed and qualified to do business within the state of North Dakota, and under which NDDOT is the obligee.
- B. NDDOT will arrange for robbery insurance coverage against loss of public monies. However, the robbery insurance coverage will not include the service fees collected by the Manager or any other monies not expressly due to NDDOT.

- F. This agreement shall be subject to termination, by either party, upon thirty (30) days written notice to the other party. Additionally, NDDOT reserves the right to terminate this Agreement immediately and to assume the duties of the Manager whenever the public interest is jeopardized.
- G. CIVIL RIGHTS - DISCRIMINATION. Under NDCC, section 14-02.4-01 it is the policy of the state of North Dakota to prohibit discrimination on the basis of race, color, religion, sex, national origin, age, the presence of any mental or physical disability, or status with regard to marriage or public assistance; to prevent and eliminate discrimination in employment relations, public accommodations, housing, and state and local government services.
- H. HOLD HARMLESS. The manager shall save and hold harmless the state of North Dakota and NDDOT, its officers, agents, employees, and members, from all claims, suits, or actions of whatsoever nature resulting from or arising out of this Agreement.
- I. MERGER. This agreement constitutes the entire agreement between the parties. No waiver consent, modification or change of terms of this agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification, or change, if made, shall be effective only in the specified therein regarding representations, oral or written, not specified herein regarding this agreement. The manager, by the signature of its authorized representative, hereby acknowledges that the manager has read this agreement, understands it, and agrees to be bound by its terms and conditions.
- J. AMENDMENTS. The terms of this agreement shall not be waived, altered, modified, supplemented, or amended, in any manner whatsoever, except by written instrument signed by the parties.
- K. ASSIGNMENTS. The manager shall not assign nor transfer the manager's interest in this agreement without the express written consent of NDDOT.
- L. SUCCESSORS IN INTEREST. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and assigns.
- M. WAIVERS. The failure of NDDOT to enforce any provisions of this agreement shall not constitute a waiver by NDDOT of that or any other provision.
- N. NOTICE. All notices, certificates, or other communications shall be sufficiently given when delivered or mailed, postage prepaid, to the parties at their respective places of business as set forth in the Agreement.

This Agreement becomes effective when all parties have signed and shall terminate on _____, 19____.

IN WITNESS WHEREOF:

Dated this _____ day of _____, 19____.

WITNESS

MANAGER

Dated this _____ day of _____, 19____.

WITNESS

NORTH DAKOTA DEPARTMENT OF
TRANSPORTATION

Director

Recommended for approval by:

Addendum #1.

MAXIMUM SERVICE FEE SCHEDULE

Pursuant to Section II (D) of the Branch Office Agreement, the following maximum service fee schedule is hereby established.

APPLICATION FOR LICENSE ONLY	MAXIMUM
A. Renewal Card	\$2.00
B. Form SFN-2872 (MVD-100)	3.00
C. Computer Generated Form	3.00
NEW AND FOREIGN TITLE AND LICENSE APPLICATION	4.00
TITLE TRANSFER APPLICATION	3.00
TITLE TRANSFER AND LICENSE APPLICATION	4.00
APPLICATION FOR DUPLICATE PLATES AND/OR TABS	3.00
APPLICATION FOR DUPLICATE TITLE	3.00
APPLICATION FOR DUPLICATE REGISTRATION CARD	3.00
APPLICATION FOR WEIGHT INCREASE	3.00

Marshall W. Moore, Director
DEPARTMENT OF TRANSPORTATION

MICHIGAN DEPARTMENT OF STATE

RICHARD H. AUSTIN SECRETARY OF STATE



OFFICE OF TRAFFIC SAFETY
THIRD PARTY TESTING
MUTUAL BUILDING
208 N. CAPITOL AVENUE
LANSING, MI 48918-2222
(517) 373-7620
FAX (517) 335-0125

November 29, 1994

Ms. Patricia Young
Legislative Research
130 Seward Street Ste 218
Juneau, Alaska 99801

Dear Ms. Young:

RE: Statute 312F - CDL Third Party Contract

In response to your recent request for information pertaining to the statutory provision for Third Party testing, I have enclosed the following information:

- 1) A copy of the 1993 Supplement to the 1992 Edition of the Michigan Vehicle Code
- 2) Copies of the Agreement and Requirements documents between the Michigan Department of State and a Commercial Driver License Third Party Tester.

Please keep in mind that the language in the contract is presently being proposed to replace the current contract.

If we can be of further assistance, please feel free to call.

Sincerely,

A handwritten signature in cursive script that reads "Bill Charron".

Bill Charron, Director
Third Party Testing Program

BC:df

1993 SUPPLEMENT TO THE 1992 EDITION MICHIGAN VEHICLE CODE

Includes Related Laws Concerning
Ownership and Use of Vehicles

(Public Acts enacted through December 31, 1992)

Compiled Under the Supervision
of the
Secretary of State



Price for Supplement only:
\$7.00 (includes postage)
5.00 (pick up price)

Orders by mail should be directed to:

Michigan Department of State
Purchasing and Contracts Section
Lansing, MI 48918-1444
Telephone: (517) 373-2570

Funds collected are used to pay the cost associated with preparing, printing, and distributing this publication.

257.312f Vehicle group designation or indorsement on operator's or chauffeur's license; age; tests; waiver; conditions prohibiting issuance of vehicle group designation; determining applicability of subsection (4); definitions.

Sec. 312f. (1) Except as otherwise provided in this section, a person shall be not less than 18 years of age before he or she is issued a vehicle group designation or indorsement, other than a motorcycle indorsement, on an operator's or chauffeur's license and, as provided in this section, the person shall pass knowledge and driving skills tests that comply with minimum federal standards prescribed in 49 C.F.R. part 383. A person operating a vehicle to be used for farming purposes only may obtain a group A, a group B, or an F vehicle group designation if he or she is not less than 16 years of age. Each written examination given an applicant for a vehicle group designation or indorsement on an operator's or chauffeur's license shall include subjects designed to cover the type or general class of vehicle to be operated. A person shall pass an examination that includes a driving test designed to test competency of the applicant for an original vehicle group designation and passenger indorsement on an operator's or chauffeur's license to drive that type or general class of vehicle upon the highways of this state with safety to that person and other persons and property. The secretary of state shall waive the driving skills test for a person operating a vehicle that is used under the conditions described in section 312e(4)(a) to (d) unless the vehicle has a gross vehicle weight rating of 26,001 pounds or more on the power unit and is to be used to carry hazardous materials on which a placard is required under 49 C.F.R. parts 100 to 199. The driving test may be waived if the applicant has a valid license, indorsement, or vehicle group designation to operate that type or group of vehicle in another state, except that the driving test for a vehicle group designation or passenger vehicle indorsement may not be waived unless the applicant has a valid license with the appropriate vehicle group designation or passenger vehicle indorsement in another state issued in compliance with the commercial motor vehicle safety act of 1986, title XII of Public Law 99-570, 100 Stat. 3207-170.

(2) The secretary of state shall waive the knowledge test and the driving skills test and issue a 1-year seasonal restricted vehicle group designation for an otherwise qualified person who desires to operate a group B or a group C vehicle for a farm related service industry under the following conditions:

(a) An applicant shall possess a good driving record. However, an applicant who has not held an operator's or chauffeur's license for at least 1 year is not eligible for a waiver. An applicant who has between 1 and 2 years of driving experience shall possess a good driving record for his or her entire driving history. An applicant who has more than 2 years of driving experience shall possess a good driving record for the 2 years immediately preceding application for a waiver.

(b) The seasons for which the seasonal restricted vehicle group designation is issued shall be from April 2 to June 30 and from September 2 to November 30 only of a 12-month period or, at the option of the applicant, for not more than 180 days from the date of issuance in a 12-month period subsequent to 1992. A seasonal restricted vehicle group designation under this subsection shall be issued, suspended, revoked, canceled, or renewed in accordance with this act. The good driving record shall be confirmed before each season and 180-day period.

(c) The commercial motor vehicle for which the seasonal restricted vehicle group designation is issued shall be operated only on routes within 150 miles from the place of business to the farm or farms being served.

(d) The commercial motor vehicle for which the seasonal restricted vehicle group designation is issued shall not transport a quantity of hazardous materials on which a placard is required except for the following:

- (i) Diesel motor fuel in quantities of 1,000 gallons or less.
- (ii) Liquid fertilizers in quantities of 3,000 gallons or less.
- (iii) Solid fertilizers that are not transported with any organic substance.

(e) The commercial motor vehicle for which a seasonal restricted vehicle group designation is issued shall not include a bus or school bus.

(3) The secretary of state may enter into an agreement with another public or private person or agency to conduct a skills test required under this section, section 312e, or 49 C.F.R. part 383.

(4) The secretary of state shall not issue a vehicle group designation to an applicant for an original vehicle group designation to whom 1 or more of the following apply:

(a) The applicant has had his or her license suspended or revoked for a reason other than as provided in section 321a, 515, or 801c in the 36 months immediately preceding application, except that a vehicle group designation may be issued if the suspension or revocation was due to a temporary medical condition or failure to appear at a reexamination as provided in section 320.

(b) The applicant was convicted of or incurred a bond forfeiture in relation to a 6-point violation as provided in section 320a in the 24 months immediately preceding application, or a violation of section 625(3) or former section 625b, or a local ordinance substantially corresponding to section 625(3) or former section 625b in the 24 months immediately preceding application, if the violation occurred while the applicant was operating a type of vehicle that is operated under a vehicle group designation.

(c) The applicant is listed on the national driver register, the commercial driver license information system, or the driving records of the state in which the applicant was previously licensed as being disqualified from operating a commercial motor vehicle or as having a license suspended, revoked, canceled, or denied.

FARM TEST WAIVER

Seasonal CDC

FARM REST

Third Party TEST

AGREEMENT
between the
MICHIGAN DEPARTMENT OF STATE
and a
COMMERCIAL DRIVER LICENSE THIRD PARTY TESTER

1 THIS AGREEMENT is made and entered into this _____ day of _____,
2 19____,

3 BY AND BETWEEN the MICHIGAN DEPARTMENT OF STATE (hereinafter the Department)

4 AND _____
5 (hereinafter the Third Party Tester)

6 LOCATED AT [THIRD PARTY TESTER ADDRESS]

7 _____
8 _____
9 _____
10 _____
11

12 This agreement authorizes of the named Third Party Tester to administer Commercial
13 Driver License skills tests on behalf of the Department.

14 NOW, THEREFORE, the Department and the Third Party Tester, for good and valuable

1 consideration and pursuant to the terms and conditions set forth herein, mutually agree
2 as follows:

3 I. TERM OF AGREEMENT: RENEWALS

4 This agreement is effective on the date of execution of this agreement, and shall
5 replace any comparable agreement previously executed between the parties. This
6 document shall expire on December 31, but may be renewed for additional annual
7 periods extending from January 1 through December 31 of subsequent years, provided
8 that any such renewal is set forth in writing and that the renewal is signed by
9 a duly authorized representative of each party. Executing such a renewal shall
10 be automatically incorporated herein by reference.

11 II. THE DEPARTMENT AGREES TO:

12 A. Testing

13 Permit the Third Party Tester to administer commercial driver license skills
14 tests pursuant to the terms of this agreement, and all of the provisions set
15 forth in the Third Party Requirements Document and applicable provisions of
16 state and federal Law.

17 B. Administration and Enforcement

18 Administer and enforce the provisions of the Commercial Driver License Third
19 Party Testing program.

20 C. On-Site Inspections

21 Conduct an on-site inspection of Third Party Tester facilities, and an audit

1 of its books, and records annually.

2 D. Performance Evaluation Audit

3 Conduct a performance evaluation audit of the skills tests administered by
4 the Third Party Tester annually.

5 E. Reports

6 Prepare a written report of the results of each inspection and audit, and
7 provide a copy of the report to the Third Party Tester.

8 III. THE THIRD PARTY TESTER AGREES TO:

9 A. Legal Compliance

10 Comply with all applicable statutes and administrative rules of the State of
11 Michigan, with all applicable federal laws, including regulations of the
12 Federal Highway Administration (FHWA), with all applicable local ordinances
13 and with all of the provisions set forth in the Third Party Testing
14 Requirements Document.

15 IV. RELATIONSHIP OF THE DEPARTMENT AND THIRD PARTY TESTER

16 The relationship of the Department and the Third Party Tester is that of an
17 independent contractual one, and nothing contained herein shall be construed to
18 constitute the parties as partners, joint venturers, or agents of one another.

1 V. COMMUNICATIONS

2 The Third Party Tester designates the following individual at the following
3 address to be its representative to receive the written notices and communications
4 which are desired or required under this agreement:

Telephone: ()

5 The Department designates the following individual at the following address to be
6 its representative to receive the written notices and communications which are
7 desired or required under this agreement:

William Charron, Director Third Party Testing Division Office of Traffic Safety Michigan Department of State Mutual Building - Third Floor 208 North Capitol Avenue Lansing, MI 48918-2222 Telephone: (517) 373-0568 FAX (517) 335-0125

1 Any mailed notice shall be deemed given when duly mailed at a United State post
2 office or official U.S. mail depository.

3 VI. TERMINATION AND CANCELLATION

4 A. Termination

5 Either party to this agreement may terminate this agreement for any reason
6 by providing sixty (60) days' written notice of termination to the other
7 party.

8 B. Cancellation

9 The Department reserves the right to cancel this agreement immediately upon
10 determining that the Third Party Tester, or a third party examiner employed
11 by the Third Party Tester, has done one or more of the following:

- 12 1. Has failed to comply with or satisfy any of the provisions of this
13 agreement or the Department's instructions relating to this agreement,
14 including the Third Party Tester Requirements attached hereto and made
15 a part of this agreement.
- 16 2. Has falsified any record or information relating to the third party
17 testing program.
- 18 3. Has committed an act or omission which compromises the integrity of the
19 third party testing program.

1 4. Employs a third party examiner who does not have a valid driver
2 license, whose driver license has been suspended or revoked, whose
3 examiner card has been canceled, or whose application for a driver
4 license has been denied.

5 Cancellation of this agreement shall be effected by furnishing the Third
6 Party Tester with written notice of cancellation, which shall be effective
7 as of the date of the notice of cancellation. The notice shall include a
8 short and plain statement of the facts necessitating the cancellation.

9 VII. AMENDMENTS

10 A. Necessary Amendments

11 The Third Party Tester agrees to accept any amendment to any provision of
12 this agreement, if the amendment is set forth in writing, is necessitated by
13 a change in state or federal law, and is requested by the Department. The
14 Third Party Tester shall execute such an amendment upon request.

15 B. Other Amendments

16 Except as otherwise provided in Section IX A above, this agreement may be
17 amended only by the mutual consent of the parties which is expressed in
18 writing and is signed by a duly authorized representative of each party. No
19 verbal representation, interpretation, or commitment by any officer, agent,
20 representative, or employee of either party, either before or after the

1 execution of this agreement, shall affect or modify any of the provisions in
2 this agreement. This agreement constitutes the entire understanding of the
3 parties to it and supersedes any and all prior or contemplated agreements,
4 representations or negotiations, whether written or oral.

5 VIII. NON-ASSIGNABILITY

6 This agreement and the Third Party Tester's certification are not assignable
7 by the Third Party Tester, either in whole or in part.

8 IX. WAIVERS AND UNENFORCEABILITY

9 A waiver by either party of any provision of this agreement shall not act as
10 a waiver of any other provision of this agreement. If any provision of this
11 agreement is for any reason declared invalid, illegal or unenforceable, that
12 declaration shall not affect the remainder of the provisions of this
13 agreement.

14 X. APPLICABLE LAW

15 Any dispute between the parties hereto as to the application, meaning, or
16 interpretation of any part of this agreement shall be resolved in the State

1 of Michigan by application of Michigan law.

2 IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date
3 written above.

4 (THIRD PARTY TESTER OFFICIAL)

5 SIGNATURE: _____

6 NAME: _____

7 TITLE: _____

8 (MICHIGAN DEPARTMENT OF STATE OFFICIAL)

9 SIGNATURE: _____

10 NAME: BILL CHARRON

11

12 TITLE: DIRECTOR, THIRD PARTY TESTING DIVISION

MICHIGAN DEPARTMENT OF STATE
Office of Traffic Safety

THIRD PARTY TESTING
REQUIREMENTS DOCUMENT

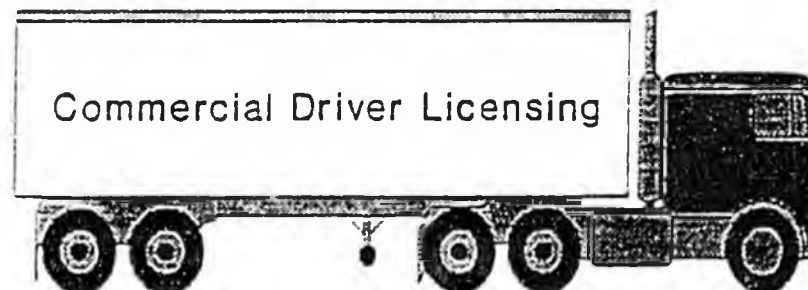


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MICHIGAN DEPARTMENT OF STATE
Commercial Driver License Program

Third Party Testing Requirements

1 I. PURPOSE

2 The purpose of this document is to explain to persons other than employees of the
3 Michigan Department of State the requirements for conducting Commercial Driver
4 License skills tests as provided for under Michigan law Section 257.312f (3) and
5 Title 49 Code of Federal Regulations (FMCSR) Part 383.75.

6 Authority to administer skills tests is granted only to third party testers who
7 both utilize third party examiners deemed qualified by the Department and enter
8 into an agreement with the Department. As a secondary matter, this document will
9 be incorporated by reference into each agreement.

10 II. GOALS

11 A. The goals of the third party testing program are to insure that commercial
12 driver applicants:

13 1. Have reasonable access to CDL skills testing in terms of time and
14 drive distance.

1 2. Receive CDL skills testing from examiners qualified by the Department
2 who are self employed individuals, employed by or employed under the
3 direction and control of third party tester organizations approved by
4 the Office.

5 3. Are administered valid and reliable CDL skills tests.

6 4. Demonstrate the required skills in accordance with FMCSR Part 383.113
7 and Michigan Vehicle Code Section 257.312f(1) in a representative
8 vehicle for a given vehicle group contained in Part 383.91 (a).

9 III. DEFINITIONS

10 ~~The following~~ Words and terms, when used in this document, shall have the
11 following meanings:

12 A. Department -- The Michigan Department of State.

13 B. CDL -- Commercial Driver License.

14 C. FHWA -- Federal Highway Administration.

15 D. FMCSR -- The Federal Motor Carrier Safety Regulations promulgated by the
16 U.S. Department of Transportation.

17 E. Approved Testing Program -- The skills tests which are required by the

1 Department and are administered by third party testers.

2 F. Certificate -- That document which is issued to a third party tester in
3 order to verify that the tester is authorized to administer an approved
4 testing program on behalf of the Department.

5 G. Third Party Tester -- A government entity, an association, an educational
6 institution or a business entity engaged in the use of commercial motor
7 vehicles and certified by the Department to administer an approved testing
8 program for CDL applicants in accordance with the requirements described
9 herein.

10 H. Office -- The Office of Traffic Safety, Third Party Testing, Michigan
11 Department of State.

12 I. Director -- The Director of the Office of Traffic Safety, Third Party
13 Testing Division, Michigan Department of State.

14 J. Examiner Identification Card -- A card issued by the Department to indicate
15 that a person has been approved by the Department as a qualified examiner,
16 and evidencing authority to conduct the skills tests required for a CDL.

17 K. Third Party Examiner -- A self employed individual, employee or person
18 employed under the direction or control of a third party tester who has been
19 issued an examiner identification card authorizing him or her to conduct CDL
20 skills testing.

1 IV. GENERAL PROVISIONS

2 A. Administration and Enforcement

3 The Department, through the Office, shall administer and enforce the State
4 of Michigan's third party tester program.

5 B. Employment of Department Employees

6 No third party tester participating in the third party tester program shall
7 engage the services of any employee of the Department as an examiner, agent
8 or employee.

9 V. REQUIREMENTS FOR THIRD PARTY TESTERS

10 A. In order to obtain and maintain a third party tester certification, a third
11 party tester must meet all of the following conditions:-

12 1. Make application to and enter into an agreement with the Department, as
13 described in Section VII B of this document.

14 2. Maintain a place of business which includes at least one permanent,
15 regularly occupied structure situated within the State of Michigan.

16 3. Have a permanent street mailing address.

17 4. Ensure that its place of business is safe from excessive vehicle
18 traffic and congestion.

- 2 5. Meet all requirements of state and federal law and local ordinances.
- 3 6. Ensure that all CDL testing activities will be conducted in an
4 environment free of alcohol, drugs, controlled substances and smoking.
- 5 7. Employ, direct or control at least one (1) qualified third party
6 examiner approved by the department.
- 7 8. Shall provide the Office with written results of having conducted a
8 background criminal record check to determine whether each examiner was
9 convicted of any of the following offenses:
 - 10 a. Criminal assault in any degree.
 - 11 b. Assault with intent to commit criminal sexual conduct.
 - 12 c. An attempt to commit criminal conduct in any degree.
 - 13 d. Felonious assault, abuse, cruelty, torture, or indecent exposure.
- 14 9. Designate an individual who will be responsible for its third party
15 testing operation and inform the Department of that designation.
- 16 10. Allow FHWA, its representatives, and/or the Department to conduct
17 random examinations, inspections and audits of its operating facilities
18 and records as they relate to its third party testing program, without
19 prior notice.
- 20 11. Allow the Department to conduct annual on-site inspections,

1 evaluations, and audits of its operations, facilities and records.

2 12. Maintain at each approved third party testing location, for at
3 least 4 years, all records of every CDL skills test administered by the
4 third party tester pursuant to these requirements on the forms provided
5 by the office.

6 13. Transmit to the department by the 15th of each month the records
7 described in section V A (10) for the previous month's testing.

8 14. Maintain at each approved third party testing "primary location" a
9 record of each third party examiner in the employ or under the
10 direction or control of the third party tester. Each record shall
11 include all of the following:

12 a. ~~A valid "examiner identification card"~~ (An employee record
13 including name, residential address and social security number) and
14 a copy of the valid "examiner identification card" indicating the
15 examiner has met all Department qualifications.

16 b. A copy of the third party examiner's current driving record, which
17 must be updated semi-annually.

18 c. Evidence that the third party examiner is employed under the
19 direction or control of the third party tester.

- 1 15. Retain all third party examiner records for at least four (4) years.
- 2 16. Ensure that skills tests are conducted in accordance with all legal
3 requirements and in accordance with test specifications and procedures
4 prescribed by the Department. This includes but is not limited to:
- 5 a. Willingness to conduct at least one test per week.
- 6 b. Ensure that not more than five (5) tests are scheduled or
7 conducted by any examiner within a twenty-four period.
- 8 c. Ensure that CDL applicants who fail to successfully complete CDL
9 skills testing are not tested more than once in a 24 hour period
10 unless the original test failure was due to vehicle or document
11 deficiencies.
- 12 d. Ensure that skills tests are not conducted after daylight hours.
- 13 e. Ensure that skills tests are not conducted during severe weather
14 such as heavy rain, snow, ice or during any hazardous conditions
15 which would make driving of a commercial vehicle unsafe.
- 16 17. ~~Provide~~ Issue written certification, on a form provided by the office,
17 to each driver-applicant who passes the CDL skills tests administered
18 by the third party tester.

1 18. Prominently display, at the testing site, the third party tester's
2 certificate and a copy of the examiner identification card of each
3 third party examiner employed by, or under the direction or control of,
4 the third party tester at that location.

5 19. Require each third party examiner whether a self employed individual or
6 employed by, or employed under the direction or control of, the third
7 party tester to attend all advanced training courses, workshops,
8 seminars, and other instructional meetings, as required by the
9 department. Failure of any examiner to attend scheduled training and
10 instructional session will result in cancellation of their
11 certification.

12 20. Require each third party examiner who is a self employed individual,
13 employed by, or employed under the direction or control of, the third
14 party tester to submit to annual testing and/or audit, as required by
15 the department. Failure of any examiner to submit to annual testing
16 and/or audit will result in cancellation of their certification.

17 21. Provide information and reports to the office, upon request concerning
18 any civil, criminal or skills testing administration complaint against
19 the tester and/or their examiner.

20 3. In addition to the requirements listed above, a third party tester must meet
21 one (1) or more of the following conditions:

- 1 1. Be a state agency or political subdivision which employs at least
2 twenty-five (25) persons having a valid Michigan operator's or
3 chauffeur's license with a vehicle group designation.

- 4 2. Be a recognized labor organization which represents at least twenty-
5 five (25) professional commercial motor vehicle drivers having a valid
6 Michigan operator's or chauffeur's license with a vehicle group
7 designation.

- 8 3. Be an individual, firm, partnership, association, corporation or other
9 legal entity:
 - 10 a. Which represents at least twenty-five (25) professional commercial
11 motor vehicle drivers having a valid Michigan operator's or
12 chauffeur's license with a vehicle group designation, and

 - 13 b. Which has been in continuous operation in Michigan for the
14 previous two (2) years, and

 - 15 c. If subject to the federal motor carrier safety regulations,
16 maintains a current U.S. Department of Transportation Safety
17 Rating of "Satisfactory".

- 18 4. Be a recognized industry association of trucking companies and/or bus
19 companies in Michigan.

1 5. Be a commercial driver training school which has been continuously
2 licensed by the Department during the preceding two (2) years and which
3 utilizes a curriculum certified by the Professional Truck Driver
4 Institute of America or its equivalent.

5 6. Be a public university, college, community college or junior college.

6 7. Be a state agency, political subdivision, individual, firm, partnership
7 or corporation which has been in the business of providing commercial
8 driver safety services during the preceding two (2) years and which has
9 a written contract to provide third party testing services to the
10 employees of one or more public or private companies, state agencies or
11 political subdivisions employing, in the aggregate, at least twenty-
12 five (25) persons having a valid Michigan operator's or chauffeur's
13 license with a vehicle group designation.

14 VI. REQUIREMENTS FOR THIRD PARTY EXAMINERS

15 A. A third party examiner may conduct skills tests on behalf of no more than
16 one third party tester. Third party testers must apply for "examiner
17 identification cards" on behalf of each person seeking to become a third
18 party examiner in their employ. If a third party examiner leaves the employ
19 of a third party tester, he/she must be approved for a new examiner
20 identification card in order to conduct tests on behalf of another third
21 party tester.

1 3. To qualify and maintain qualification as a third party examiner, an
2 applicant must meet all of the following conditions:

3 1. File and maintain with the office through an approved third party
4 tester an examiner application on behalf of the applicant and the
5 approval has not been suspended, canceled or ~~revoked~~ terminated.

6 2. Be a self employed individual, a payroll employee or be employed under
7 the direction or control, of the third party tester who filed his or
8 her third party examiner application.

9 3. Hold a valid commercial driver license with the appropriate ~~classified~~
10 ~~endorsement, or~~ CDL group designation and endorsements required for
11 operation of the commercial motor vehicle used in the skills tests
12 conducted by the examiner.

13 4. Have successfully completed a CDL examiner training workshop conducted
14 by the Department, or an equivalent course as determined by the
15 Department.

16 5. Attend all advanced training courses, workshops, seminars, and other
17 instructional meetings as required by the Department. Failure to
18 attend scheduled training and instructional sessions will result in
19 cancellation of their certification.

1 6. The applicant's driving record does not indicate he or she may be
2 incompetent to operate a motor vehicle safely, as determined by the
3 office.

4 7. The applicants criminal record, in the judgement of the Office, does
5 not indicate that issuance of an examiner identification card would
6 compromise the integrity of the CDL testing program.

7 8. The applicant has not had a conviction, civil infraction determination,
8 or administrative adjudication for any of the following violations
9 under Michigan law or a local ordinance substantially corresponding to
10 Michigan law or a law or local ordinance of another state substantially
11 corresponding to law, during the three year period preceding
12 application:

13 a. Operating a vehicle under the influence of intoxicating liquor or
14 a controlled substance, or both.

15 b. Operating a vehicle while visibly impaired by intoxicating liquor
16 or a controlled substance, or both.

17 c. Operating a vehicle while having an unlawful blood alcohol level.

18 d. Refusal to submit to a chemical test for blood alcohol level.

19 e. Manslaughter by vehicle.

1 f. Felonious driving.

2 g. A felony in which a motor vehicle was used.

3 h. Reckless driving.

4 i. Fleeing and eluding a police or conservation officer.

5 j. Unlawful driving away of a motor vehicle.

6 k. Negligent homicide by operation of any vehicle.

7 l. Failure to stop and identify self after a personal injury or
8 property damage accident.

9 m. No proof of insurance.

10 9. During the three (3) year period preceding application:

11 a. The applicant's driver license has not been suspended, revoked,
12 denied, canceled or disqualified, or subject to any driver
13 improvement action ordered by the Department or a court.

14 b. The applicant has not been convicted or determined responsible for
15 any traffic violation in relation to more than one (1) motor
16 vehicle accident.

1 c. The applicant has not accumulated more than five (5) points on his
2 or her driving record, of which no more than four (4) points have
3 been accumulated within the one (1) year period preceding
4 application.

5 d. The applicant has not been convicted or determined responsible for
6 more than one (1) serious traffic violation, as defined in section
7 319b of the Michigan Vehicle Code, in any vehicle.

or FMCSR 383.51

8 10. Have at least three (3) years of experience as a commercial motor
9 vehicle operator or, equivalent experience as determined by the office.

10 11. Conducts CDL skills tests on behalf of the third party tester, in
11 accordance with all legal requirements and in accordance with test
12 specifications and procedures prescribed by the Department.

13 12. Submits to auditing and testing as required by the office.

14 VII. CERTIFICATES AND IDENTIFICATION CARDS

15 A. General Requirements:

16 1. A certificate will be issued to qualified persons or entities
17 evidencing the third party tester's entry into an agreement to operate
18 an approved testing program to give driving tests to applicants for a
19 CDL.

- 1 2. An "examiner identification card" will be issued with respect to
2 qualified employees of the third party tester.

- 3 3. A copy of the examiner's identification card must be displayed in the
4 appropriate office of the third party tester.

- 5 4. The certificate issued by the Department to operate a third party
6 testing program must be prominently displayed in the place of business
7 of the third party tester.

- 8 5. The examiner must surrender the identification card to the Department
9 when the examiner leaves the employ of the third party tester, when the
10 examiner is no longer assigned third party examiner duties by the third
11 party tester, or when the card has been canceled.

- 12 6. Agreement to administer third party testing programs, certificates to
13 operate third party testing programs, and examiner's identification
14 cards are nonassignable.

- 15 7. Each agreement and certificate and/or identification card shall be
16 effective on the date of issuance and shall expire on December 31 of
17 each year.

- 18 8. All renewal application forms must be filed to the Department not less
19 than thirty (30) days prior to the time the certification, cards and
20 agreement documents expire. The Department is not responsible for the

1 timely issuance of any renewal certificate or renewal agreement when
2 the application is not received within the necessary time frame.

3 B. Application for third party tester certification.

4 1. An application for third party tester certification shall be filed with
5 the Office on a-forms prescribed by the Office.

6 2. An applicant for a third party tester certificate shall enter into a
7 third party tester agreement, the form and content of which shall be
8 prescribed by the Department.

9 C. Application for Third Party Examiner Identification Card.

10 The third party tester who employs, controls or directs an examiner shall
11 file with the office an application for an examiner identification card on
12 behalf of the examiner on a form prescribed by the office.

13 VIII. SELECTION OF TESTER/EXAMINERS BY THE DEPARTMENT

14 A. Applications are to be submitted on forms provided by the Office.

15 B. The Third Party Tester application will be reviewed for selection in the
16 departmental CDL third party tester program. Specific considerations
17 include:

- 1 1. The need, as determined by the Office, for additional CDL skills
2 testing in their area.

- 3 2. The potential to provide CDL skills testing to the general public, at
4 more than one location, including after normal business hours and on
5 the weekend.

- 6 3. Ability to provide CDL skills testing for all types and classes of CDL
7 vehicles including all passenger vehicles.

- 8 4. Providing class A commercial vehicles for rent for purposes of taking
9 the CDL skills tests.

- 10 5. Adequate space and facilities for CDL vehicle inspection and basic MHA.
11 control skills testing activities. Must provide written authorization
12 to use facilities and grounds not owned or leased by the tester.

- 13 6. Area driving test routes which provide exercises and maneuvers which
14 meet CDL skills testing requirements.

- 15 7. Potential to administer one test per week or a minimum of 52 CDL skills
16 tests each year.

- 17 8. Record of satisfactory participation in the Michigan CDL Third Party
18 Testing program.

1 C. The office will review the application submitted on behalf of the third
2 party examiner including the individual's driving record. If satisfactory,
3 the Office ~~will~~ may schedule a pre-approval on site inspection of the
4 tester site and facilities. If satisfactory, the prospective examiner may
5 be scheduled for third party examiner training. Training may be waived if
6 the examiner is seeking another identification card only because he/she has
7 changed third party tester employers.

3 IX. CERTIFICATION BY THE DEPARTMENT

9 A. Upon selection, a third party tester must execute a written agreement
10 prescribed by the Department to administer skills tests. Upon return of the
11 agreement to the Department, the third party tester will be issued a
12 certificate by the Department evidencing the tester's authority to
13 administer a third party testing program for the classes and types of
14 vehicles listed.

15 B. Upon selection and successful completion of training, an examiner
16 identification card will be issued evidencing a third party examiner's
17 authority to conduct skills tests for the classes and types of vehicles
18 listed. A copy of this card must be prominently displayed at the approved
19 testing facility.

20 C. Certificates, agreements and identification cards will remain valid until
21 December 31 of the year in which they were issued or until canceled by the
22 Department or voluntarily relinquished by the third party tester or

1 examiner. Agreements and certification may be extended for additional
2 periods (renewal) with the mutual written consent of both the Office and
3 third party tester, using forms provided by the Office and signed by duly
4 authorized representatives of both parties.

5 X. ~~PERFORMANCE EVALUATION - AUDITS AND ON-SITE INSPECTIONS~~

6 ON-SITE INSPECTIONS AND AUDITS

7 A. Each applicant for a third party tester certificate shall permit the FHWA or
8 the Department to conduct pre-approval inspections and audit its operations,
9 facilities and records as they relate to its third party testing program,
10 for the purpose of determining whether the applicant is qualified to be
11 certified into the program.

12 B. A third party tester who has been certified and has executed an agreement
13 shall permit the Department or FHWA to inspect and audit its third party
14 testing program to determine whether it continues in compliance with all
15 legal requirements.

16 C. The Department and FHWA may perform its inspections and audits with or
17 without prior notice to the third party tester.

18 D. Inspections and audits will include, at a minimum, an examination of:

19 1. Records relating to the third party testing program.

- 1 2. Evidence of compliance with the FMCSRs.
- 2 3. Skills testing procedures, practices and operations.
- 3 4. Vehicles used for testing.
- 4 5. Qualifications of third party examiners.
- 5 6. Effectiveness of the skills tests program by either testing a sample of
6 drivers who have been issued certificates evidencing that they have
7 passed the skills tests administered by the third party tester or by
8 having Department employees or designees take the skills tests from a
9 third party examiner.
- 10 7. Any other aspect of the third party tester's operation that the
11 Department determines is necessary to verify that the third party
12 tester meets all applicable requirements.
- 13 E. The Office will prepare a written report of the inspection and audit. A
14 copy of the report will be provided to the third party tester.

15 XI. PROFESSIONAL CONDUCT

- 16 A. An examiner, employee or agent of the third party tester may not assist any
17 CDL applicant for the purpose of completing a license application or taking
18 a knowledge or skills test or other driver examination.

1 B. An examiner, employee or agent of the third party tester may not solicit any
2 individual on premises rented, leased or owned by the Department for the
3 purpose of enrolling that individual in any third party testing program.

4 C. Third party testers, through their employees or agents (examiners) are to
5 provide CDL skills testing services in a professional manner:

6 1. Without discrimination as to race, color, religion, national origin,
7 ancestry, handicap, partisan considerations, age or sex. Sexual
8 harassment is a form of discrimination which is expressly prohibited.

9 2. In an environment free of smoking.

10 3. Whose examiners shall not consume or possess intoxicating beverages,
11 regardless of alcohol content as identified and prohibited under FMCSR
12 Part 392.5, within 4 hours prior to or during CDL skills testing
13 activities.

14 4. Whose examiners shall not consume or possess any drugs or other
15 controlled substances as identified and prohibited in FMCSR Part 392.4
16 during CDL skills testing activities.

17 XII. ADVERTISING

18 A. No advertising shall indicate in any way that the third party tester can
19 issue or guarantee the issuance of a CDL or imply that the third party

1 tester can in any way influence the Department in the issuance of a CDL or
2 imply that preferential or advantageous treatment from the Department can be
3 obtained.

- 4 8. Third party testers that are in fact certified by the Department may in
5 their advertising state they are "certified," but shall not indicate that
6 the tester is approved, sanctioned or in any other way endorsed by the
7 Department and shall not use any other name besides the name on its
8 application for certification, nor shall the tester use "state" in any part
9 of its name.

10 XIII. INSURANCE REQUIREMENTS

- 11 A. Each third party tester must maintain security which meets the requirements
12 of sections 3101 and 3102 of Act No. 218 of the Public Acts of 1956, as
13 amended; MCL 500.3101 and 500.3102, on motor vehicles owned or registered by
14 the third party tester while used to administer skills tests in this state.
- 15 B. Each third party tester must maintain bodily injury and property damage
16 liability insurance coverage on motor vehicles owned or registered by the
17 third party tester while used to administer skills tests in this state, and
18 the amount of insurance coverage shall not be less than \$1,000,000.00 for
19 bodily injury to or death of one or more persons in any one accident and not
20 less than \$100,000.00 for injury to or destruction of property of others in
21 any one accident.

1 C. A third party tester must maintain insurance coverage which does not exclude
2 from coverage any person while taking skills tests administered by the third
3 party tester, any person suffering bodily injury or sustained property
4 damage as a result of skills tests administered by the third party tester,
5 or any person employed by the third party tester to administer skills tests.

6 D. As evidence of required insurance coverage, the third party tester must file
7 with the Department either a certificate of insurance issued by an insurance
8 company licensed to do business in this state or a certificate of self-
9 insurance issued by a group motor vehicle self-insurance pool formed under
10 1951 PA 35, as amended, stating that there is in effect a contract of which
11 certificate shall stipulate that the insurance shall not be canceled except
12 upon thirty (30) days' prior written notice to the Department or a
13 certificate of self insurance in excess of \$20,000,000.00 issued by the
14 Department. A certificate of insurance or self-insurance shall include the
15 make, model, year and vehicle identification number of every vehicle which
16 will be used by the third party tester to administer skills tests.

17 E. A third party tester must not use a motor vehicle owned or registered by the
18 third party tester to administer skills tests unless evidence of insurance
19 coverage for the vehicle has been filed with the Department.

20 F. The third party tester must not use motor vehicles to administer skills
21 tests unless the owner or registrant of the vehicle produces a certificate
22 of insurance for the vehicle issued by an insurance company which states
23 that security which meets the requirements of sections 3101 and 3102 of Act

1 No. 218 of the Public Acts of 1956, as amended; MCL 500.3101 and 500.3102,
2 is in force, or unless the owner or registrant produces a certificate of
3 self-insurance issued by the Department.

4 G. The Department will reserve the right to cancel the agreement with the third
5 party tester upon determining that the third party tester has failed to file
6 a certificate of insurance or self-insurance or has failed to maintain
7 insurance coverage.

8 H. The third party tester must, also, agree to indemnify and hold harmless the
9 State of Michigan, the Department, and all of its officers, employees, and
10 agents from and against any and all rights, causes of action, claims,
11 demands, suits, liabilities, arising out of, based upon, occasioned by or
12 attributable to any act or omission of the Third Party Tester or the Third
13 Party Tester's agents, examiners or other employees in the performance of
14 the agreement.

15 XIV. NOTIFICATION REQUIREMENTS

16 A. Third party testers must:

17 1. Notify the Office in writing within thirty (30) days prior to any
18 change in the tester's name or address.

19 2. Notify the Office in writing within ten (10) days of any of the
20 following:

1 a. Any change in the employment of any person authorized by the
2 Department to be a third party examiner for the tester.

3 b. Notice received by the tester with respect to any conviction,
4 civil infraction determination, or administrative adjudication, of
5 any of the tester's third party examiners for violation of a law
6 or local ordinance of any state relating to motor vehicle traffic
7 control (other than a parking violation).

8 c. Notice received by the tester with respect to any suspension,
9 revocation, cancellation, disqualification, or driver improvement
10 action ordered by a court or the Department, imposed upon the
11 driver license or vehicle group designation or privilege to
12 operate any vehicle of any third party examiner in the tester's
13 employ.

14 d. Any notice of complaint regarding criminal and/or civil actions,
15 or skills test administration received by the tester regarding any
16 of the testers third party examiner.

17 e. The tester ceases business operations in Michigan.

18 B. Third party examiners must notify the Office and his or her Third Party
19 tester as follows:

20 1. Before the end of the next business day after the examiner receives

1 notice of any suspension, revocation, cancellation or disqualification
2 of his or her driver license or vehicle group designation or privilege
3 to operate any motor vehicle, or any driver improvement action ordered
4 by a court or the Department.

5 2. Within ten (10) days after being convicted or found responsible for
6 violation of a law or local ordinance of any state relating to motor
7 vehicle traffic control (other than a parking violation).

8 3. Before the end of the next business day after the examiner receives
9 notice of any complaint regarding criminal or civil actions or skills
10 test administration.

11 XV. TEST ADMINISTRATION

12 A. Skills tests shall be conducted strictly in accordance with the provisions
13 of law and the test specifications and procedures prescribed in the CDL
14 Third Party Examiner's Manual provided by the Office.

15 B. CDL Skills tests shall be conducted:

16 1. In a vehicle which is representative of the class and type of vehicle
17 for which the CDL applicant seeks to be licensed and for which the
18 third party examiner is qualified to test. The vehicle shall not
19 contain explosives or other hazardous material. Prior to testing, the
20 examiner shall inspect the vehicle to verify that it is empty and meets

1 all motor carrier safety regulations and is otherwise safe to operate.

2 2. Using Department approved content, forms and scoring procedures.

3 3. On Michigan roads and highways.

4 XVI. TERMINATION OF THIRD PARTY TESTING PROGRAM AND CERTIFICATES

5 A. The Department ~~deny~~ will not select any application for a third party tester
6 agreement/certificate or examiner's identification card, if the applicant or
7 examiner does not qualify for the certificate or card under the requirements
8 of the third party tester program. A misstatement or misrepresentation of
9 a material fact will be grounds for ~~denying non selection an agreement, a~~
10 ~~certificate or a card.~~

11 B. Any third party tester may relinquish its certificate and agreement upon
12 sixty (60) days' notice to the Department.

13 C. The Department reserves the right to change or cancel the third party
14 testing program as described in these requirements.

15 D. The Department may cancel or suspend the certificate of and agreement with
16 a third party tester or examiner after determining that the tester or
17 examiner has done one or more of the following:

1. Has failed to comply with or satisfy any of the provisions of the agreement or the Department's instructions relating to the agreement.
2. Has falsified any record or information relating to the third party testing program.
3. Has committed any act or omission which, in the judgement of the Office, compromises the integrity of the third party program.
4. Continues to employ a third party examiner who does not have a valid driver license, whose driver license has been suspended or revoked, whose examiner card has been canceled, or whose application for a driver license has been denied.

E. If the Department determines that grounds for cancellation exist and that they relate to a failure to comply with or satisfy any of the requirements for a certificate or a card or for a third party tester agreement, the Department may postpone cancellation and allow the third party tester thirty (30) days to correct the deficiency.

M E M O R A N D U M

To: Representative Al Vezey

From: Patricia A. Young *pyoung*

Date: January 31, 1995

Subject: Privatization of Motor Vehicle Services (95.032)

Enclosed are materials that you requested from Washington's Department of Licensing. The materials include a copy of the standard contract used between the County Auditors and the Department of Licensing, a copy of the policy and procedures manual, and a copy of the Vehicle/Vessel Field System (VFS) Overview. The VFS is the computer network used to tie the operations together.

I hope this information is helpful.

FROM THE DESK OF ..

PATRICIA A. YOUNG
LEGISLATIVE ANALYST
LEGISLATIVE RESEARCH AGENCY
130 SEWARD STREET, SUITE 218
UNTAU, ALASKA 99801

907/465-3991
Fax: 907/465-1351



STATE OF WASHINGTON
DEPARTMENT OF LICENSING

Olympia, Washington 98504-8001

P.O. Box 2957, Olympia, Washington, 98507-2957

December 19, 1994

Patricia Young
Legislative Research Agency
130 Seward Street, Suite 218
Juneau, Alaska 99801

Dear Ms. Young:

In response to our telephone conversation on December 12, 1994, enclosed reference material pertains to the network for vehicle/vessel licensing. The Director of Licensing appoints the thirty-nine County Auditors to perform licensing activities. The county auditors may select private entities to perform the licensing activities for the auditor. Approximately one hundred fifty of these subagents have been appointed.

Enclosed is a copy of the standard contract executed between the County Auditors and the Department of Licensing. A similar standard contract is being drafted for execution between the county auditors and their subagents. The idea is to have all of the auditors working from the same document and all of the subagents, regardless of the appointing authority, work from the same document. The standard contract with the auditors make them responsible to the department for the performance of county employees as well as their subagents. The standard contract with the subagent make the subagent responsible to the auditor.

The standard contracts make liberal use, by reference, of adopted policies and procedures. The enclosed copy has some red markings. I apologized for that, but it's the only copy available at the moment. The policies and procedures are in the process of amendments which are coordinated with the auditors and subagents before adoption.

Ms. Patricia Young
December 19, 1994
Page Two

With this configuration, the citizens of the state are served by approximately one-hundred ninety offices located throughout the state. Each of the offices can perform all transactions related to licensing of vehicles and vessels. All of the offices carry their own inventory (plates, tabs & forms) collect and deposit funds, have direct line access to vehicle and vessel records, and can update any record on proper application.

Enclosed is an overview of the Vehicle/Vessel Field System which is the computer network used to tie all of this together. All of the computer software, hardware including on-site PCs and modems, and data lines are owned and maintained by the department. The computer program has checks and balances to safeguard and provide accountability of funds and inventory items. The program has prompts to assist the operator to process the application and to prevent the process if the appropriate documentation is not available. It also calculates the funds to be collected and accounts for state revenue.

This is a very simplistic overview of our vehicle/vessel licensing process. If you have any questions or need additional information, please call me on (206) 902-3773.

Sincerely,


Jack L. Lince
Contracts Manager

at: agent contract
Pol. Proc.
Overview of VFS

VEHICLE/VESSEL FIELD SYSTEM (VFS) OVERVIEW

The Vehicle/Vessel/Parking Ticket/Disabled Person Databases are located on the host, which is currently a Unisys mainframe. It is used during the business day for on-line inquiry.

The VFS programs for processing title/registration transactions and the associated tables are resident on each of the regional Hewlett Packard minis.

The VFS programs which allow for maintenance of certain fees, use tax rates and excise information are resident on the HQ regional. The VFS Headquarters inventory functions also reside there.

INVENTORY -

Accountable items are entered into the system at the HQ level. System assigned numbers are assigned to a regional machine. Physical inventory items are assigned to an County level VFS office. Upon receipt of the physical inventory, the office enters them on the system as received at the county level. The County level office repeats the process by assigning inventory to a VFS level office. Each VFS office, after acknowledging them as received on the system, may then assign the accountable items to either central or workstation inventory. Each morning and evening when opening or closing a workstation, a screen appears which must be completed indicating what the starting numbers are. The system compares it to the previous day's ending inventory and reports any discrepancies. Inventory is now ready to be issued to the customer.

When the customer's transaction is finalized and the system determines that accountable inventory is to be issued, the system displays the item to be issued. If the item is missing, the operator may override the item with the next one available and later adjust the missing item out of the system. Each month inventory reports are printed indicating the accountable items shipped, received, overridden and adjusted for every level. Reorder levels are also maintained on the system.

There are also background reports printed for the Audit Unit to detect potential abuse of the system.

MONEY -

At the start of day the operator is required to enter the amount of starting cash. For each transaction, the system determines the amount due. The operator is required to enter the amount paid and whether check or cash or a combination. Checks may not exceed the amount due. At the end of the day, the operator is required to enter the amount and types of cash, as well as the number of checks. A report is printed of any discrepancies. For each transaction, the system determines how much money goes into each of the funding codes. This information is held for 30 days, so if there is a DHC, the money is backed out of the same accounts. When an office has a DHC, they are allowed instant credit and a letter is sent to the customer. But within 14 days if the DHC has not been restituted, a report is printed at HQ alerting the DHC desk that the check will be coming in the mail with a copy of the letter to the customer. Cancellation letters are generated and sent, warning the customer that the DHC will be sent to a collection agency. The system automatically updates the records when the check is sent to the collection agency.

At the end of the day, a report is printed indicating how much money was collected by the office, how much goes to the county, how much is retained by the office and how much will be electronically withdrawn from the office account.

The HQ regional gathers all the transactions at the end of the day statewide and produces an Automatic Clearing House (ACH) tape. The net result is the electronic withdrawal of money owed the state from the office accounts and automatic distribution to the State Treasurer. Any office which does not have a sufficient amount of money in the account is immediately reported and investigated for potential fraud or system problems.

TRANSACTIONS -

As each transaction is begun in each office, it is assigned a transaction number. This provides tracking of accountable inventory issued and money collected for the transaction.

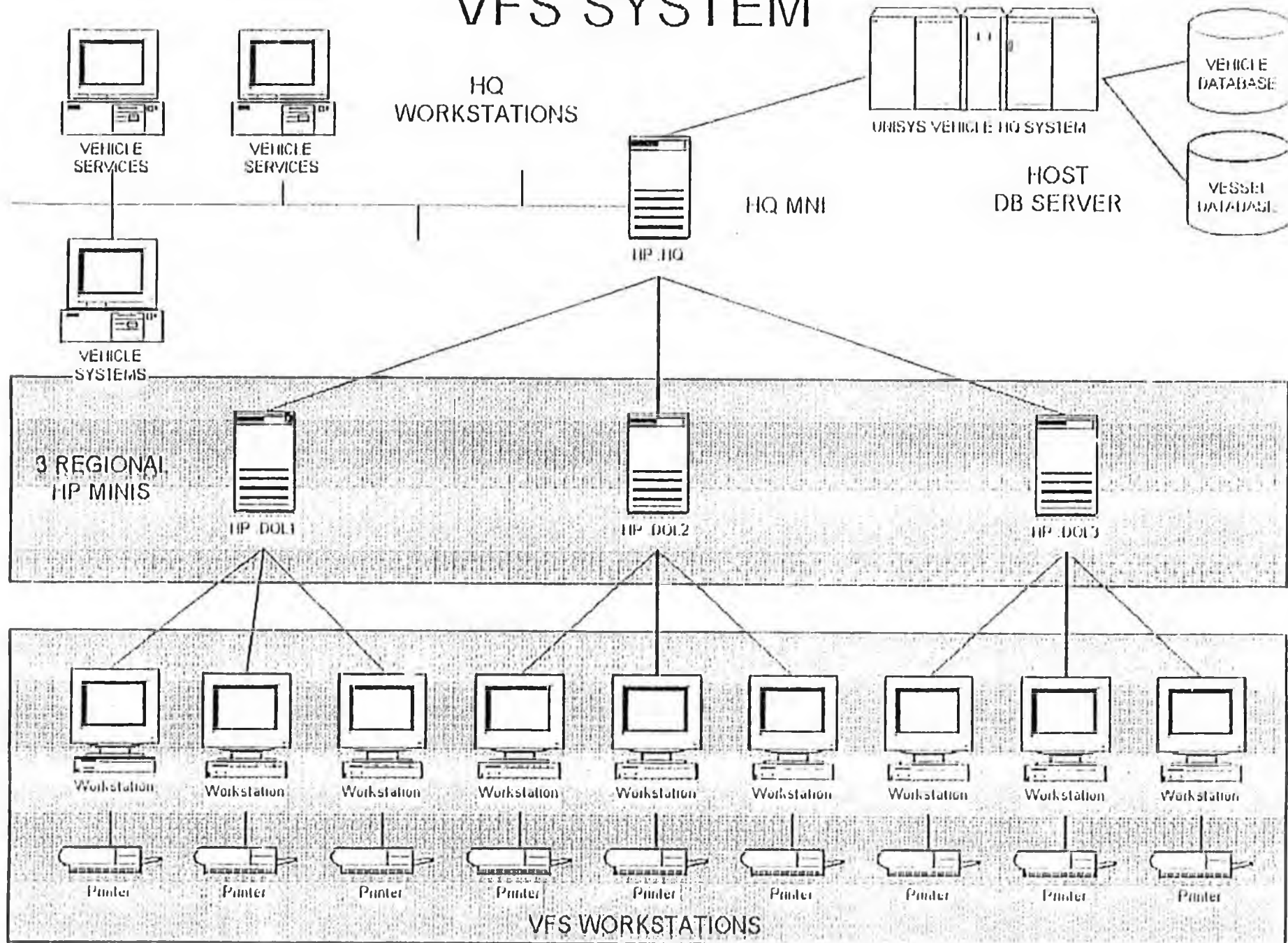
At the end of the day, a report is printed in each office showing the title and non-title work finalized by that office. Title work is attached to a copy of the report and sent to HQ. The system automatically assigns each title transaction a title number. The HQ regional produces the update tapes by which the vehicle/vessel records are updated with title and non-title transactions on the Unisys within 48 hours. A report is printed for HQ staff

indicating how many applications are to be received from each office and workstation.

The title transactions are automatically updated with a pending status. When the verification unit receives the work from the offices and determines whether the documentation submitted is sufficient to issue a title or not, the work is released using one of the HQ regional processes. Thus the VFS title tape is created and sent to an outside vendor who prints and mails the titles, while a copy of the released title data is attached to the supporting documentation and microfilmed.

VFS also has a Paperless Title system for participating financial institutions and Super Service Titles for those dealers who require issuance of a title document while they wait.

VFS SYSTEM



AGREEMENT BETWEEN
STATE OF WASHINGTON
DEPARTMENT OF LICENSING
AND
1 -

Agreement No. 2 -

Agent No. 3 -

Date: March 14, 1994

THIS AGREEMENT, entered into by and between the DEPARTMENT OF LICENSING, hereinafter called "DOL", and the County of 4 - , acting through its county auditor, hereinafter called the "Agent". This agreement supersedes any previous agreement, known or unknown, made between DOL and Agent.

This agreement is made under the provisions of the Revised Code of Washington (RCW) 46.01.130, RCW 46.01.140, RCW 38.02.040 and chapter 39 34 RCW.

DOL has the general responsibility for issuance of vehicle and vessel certificates of ownership and registration, vehicle license number plates and vessel decals, and for the collection of vehicle and vessel licensing fees, excise taxes and other fees and taxes.

1.0 APPOINTMENT

The Director of DOL hereby appoints the County Auditor of 5 - as an Agent of DOL for the purpose of licensing and titling vehicles and vessels and collecting vehicle and vessel fees and excise taxes, in addition to the additional functions outlined in this agreement, for the duration of this agreement.

4 - County accepts the appointment as Agent for DOL and shall perform the duties set forth in this agreement.

2.0 SCOPE OF SERVICES

2.1 The Agent shall perform all necessary functions relating to the licensing of vehicles and vessels, issuance of vehicle license number plates and vessel decals and other similar services under the direction and supervision of the Director of DOL. The Agent shall collect all appropriate fees, excise taxes and other taxes. The services shall be provided to the citizens of the State of Washington and to foreign jurisdictions upon receipt of applications for requests for service.

2.2 Agent may perform the services itself, may establish branch offices, and with approval of DOL, appoint special deputies to perform the services. The Agent may request DOL to appoint subagents within the county as provided in RCW 46.01.140 to perform the services.

3.0 CONSIDERATION

The Agent shall charge, collect and retain the fees as authorized by RCW 46.01.140. The Agent, in licensing vehicles and vessels, may process the collection of license fees and taxes by using the Vehicle Field System provided by DOL pursuant to this agreement, and may retain the appropriate collection fees when authorized by statute or rule.

4.0 ALLOWABLE EXPENSE CONSIDERATION

4.1 In addition to fees collected and retained as provided in section 3.0 of this agreement, DOL shall reimburse Agent for the excess of Agent's allowable expenses after deduction of the retained fees for performance of this agreement, as provided in RCW 46.01.140(4)(b). Payment to the Agent shall be made only from, and shall be subject to, funds being available in the Licensing Services account in the Motor Vehicle Fund.

4.2 Agent may submit to DOL Program Manager, annual invoice vouchers showing the prior twelve months total fees collected by the Agent, the fees retained by the Agent, itemized allowable expenses incurred in the same prior applicable twelve month period, and the excess amount of allowable expenses after deduction of the fees retained by the Agent. DOL shall provide payment of the excess amount no later than thirty business days after approval of the invoiced amount. To accommodate the end of an accounting period, an invoice may use estimated fees and expenses in lieu of actual fees collected and retained and allowable expenses for the last one month period of the applicable prior twelve month period. Any differences in the estimated amounts and the actual amounts shall be debited or credited in the subsequent annual invoice. Invoices reflecting a July 1 through June 30 fiscal year shall be presented to DOL no later than June 1.

4.3 DOL will pay reasonable direct expenditures incurred which exceed the Agent's fees retained for performing vehicle and vessel licensing activities under this agreement. Only the following costs shall be considered direct expenditures for the purposes of this section:

4.3.1 Salaries, payroll taxes and employee benefits paid to Agent's employees directly assigned to licensing activities under this agreement:

- 4.3.2 Telephone service charges directly related to this agreement:
- 4.3.3 Premium for insurance and bonding expressly required by this agreement:
- 4.3.4 Postage and other purchased office supplies necessary to the performance of this agreement:
- 4.3.5 Auxiliary equipment purchased by the Agent, with approval of DOL, which enhances Agent performance of this agreement.

Direct expenditures shall not include any direct costs incurred which are not related to vehicle and vessel licensing activities under this agreement.

5.0 PERIOD OF OBLIGATION

This agreement shall commence on the date of the signing and complete execution of this agreement and shall continue through the second succeeding December 31 or under mutual consent until a new contract is executed or until termination as provided in section 17.

This agreement is void upon formal action of the state legislature or county governing body enacting statutory prohibition or failure to provide funding for performance of the duties provided herein.

6.0 ADMINISTRATION OF AGREEMENT

6.1 DOL MANAGER

The Title and Registration Services Unit Administrator is appointed the Program Manager of this agreement and shall monitor the performance of the Agent under this agreement, approve billings submitted by the Agent, accept any reports provided by the Agent, and reconcile allowable costs. The Program Manager shall provide and facilitate assistance and guidance to the Agent as necessary. DOL shall provide the Agent with the DOL Program Manager's name, address and telephone number and any subsequent changes made.

6.2 AGENT ADMINISTRATOR

The Agent shall appoint a Program Administrator for this agreement and shall notify DOL of the Program Administrator responsible for Agent's performance of this agreement. The Agent shall provide DOL with the Program Administrator's name, address, telephone number and any subsequent changes made.

6.3 NOTICES

All notices concerning this agreement shall be sent to the parties at the addresses state below:

DOL - Administrator, Title and Registration Services, Department of Licensing, PO Box 2957, Olympia, Washington 98507-2957.

Agent - Current County Auditor. 5 - , 6 - .

7.0 ORDER OF PRECEDENCE

In the event of conflicting provisions within this agreement, the conflict will be resolved by giving precedence in the following order:

- 7.1 Applicable federal and state statutes and codes, including RCW titles 46, 32, and 88.
- 7.2 This agreement, including all amendments and exhibits.
- 7.3 Washington Administrative Codes, including WAC chapters 308-56A, -57, -93, and -96A.
- 7.4 The Department of Licensing Policies/Procedures, the Vehicle Services Division Policies/Procedures, the Vehicle Field System Automated Operating Guide, and the Vehicle Field System Operating Guide.

8.0 SERVICE QUALITY

- 8.1 Agent shall perform all licensing functions in a concise, courteous, accurate, and professional manner. Agent is responsible for processing all licensing functions to achieve a level of one hundred percent accuracy. If Agent's accuracy level falls below ninety-five percent (95%) accuracy, based upon the number of transactions processed by the Agent within a continuous six (6) month period, this agreement may be terminated by DOL, and Agent shall be responsible for all of DOL's costs due to Agent's errors.

Agent is responsible for requiring its employees special deputies and subagents to perform at the same level and quality of service as provided in this section.

- 8.2 DOL shall monitor Agent, Agent's branch offices, special deputies and subagents to determine the service quality of each entity. Monitoring may consist of, but is not limited to, evaluation of comments from the public, periodic reports, observed practices of the entity, compliance with DOL

Policies/Procedures, and compliance audits, as provided in DOL Policy/Procedure VEH. 3.

- 8.3 When service quality is deficient or when DOL and Agent agree that service is to be modified, DOL and Agent agree to make good faith effort to amend the service by mutual agreement.

9.0 REVENUE ACCOUNTABILITY

- 9.1 Agent shall collect and account for vehicle and vessel license fees, taxes and other fees, as provided in DOL Vehicle Services Division Policy/Procedure VEH.7 and .10, as now or hereafter amended.
- 9.2 Agent shall endorse each negotiable instrument received in payment of services performed pursuant to this contract, with a statement "for deposit only" or for "deposit to account of" or similar restrictive wording, immediately upon receipt of such payment.
- 9.3 In the event of theft, burglary, or destruction of revenue collected by Agent or Agent's subagent, Agent shall immediately contact all persons who issued a negotiable instrument which was stolen or destroyed and request replacement payment in the amount previously rendered. All costs related to the recovery of the amount stolen or destroyed is the responsibility of Agent.
- 9.4 In the event of theft, burglary, destruction of revenue collected by Agent or Agent's subagent, or for any other reason Agent or Agent's subagent has insufficient funds to process the daily Automated Clearinghouse Tape (ACH) withdrawal, agent shall make restitution to DOL within forty-eight (48) hours of receiving DOL notification of the insufficient fund condition.

10.0 INSURANCE AND BONDING

- 10.1 The Agent shall procure an endorsement to insurance it may carry, or shall procure a separate policy of insurance to indemnify DOL against all loss, damage, destruction, including, but not limited to: wind, water, fire, and environmental conditions, and theft of any or all of the following DOL properties:
- a. The replacement cost of supplies provided by DOL to Agent in section 12.2 of this contract. The minimum amount of insurance coverage required or procured shall be calculated on reorder levels provided in Vehicle Services Division Policy/Procedure VEH.11, as now or hereafter amended:

- b. The cost of equipment provided by DOL to Agent in section 12.3 of this contract. The amount of insurance coverage shall provide for installation and replacement costs for the same or equivalent equipment, less depreciation of the equipment lost or damaged.
- 10.1.1 In lieu of an endorsement to insurance or a separate policy of insurance, the Agent may provide a certificate of self-insurance. Any certificate of self-insurance shall include an endorsement by the Bureau of Risk Management, Department of General Administration, attesting to the adequacy of the self-insurance for the purposes of this agreement.
- 10.1.2 DOL shall be named as an additional insured and loss payee as to the loss, damage, destruction, or theft of the supplies and equipment. DOL may disapprove any such insurance by providing reasons of inadequacies in the endorsement, policy, or self-insurance.
- 10.1.3 Any insurance endorsement or policy shall be written by an insurer authorized to transact business in the State of Washington and shall require the insurer to provide DOL thirty (30) days written notice of any cancellation or alteration of the endorsement or policy affecting the insurance coverage.
- 10.2 Agent shall procure a primary commercial blanket bond or its equivalent, satisfactory to DOL, in a minimum amount of fifty thousand dollars (\$50,000.00) with a deductible provision of no greater than two thousand dollars (\$2,000.00). The bond shall be written by an insurer authorized to transact surety business in the State of Washington and shall require the insurer to provide DOL thirty (30) days written notice of any cancellation or alteration of the bond.
 - 10.2.1 The bond shall provide fidelity coverage for any fraudulent or dishonest acts committed by Agent, one or more of the employees of Agent, special deputies appointed by Agent, and Agent's subagents and subagents' employees.
- 10.3 Agent shall apply for and obtain from the Department of Labor and Industry a certificate of Industrial Insurance, as provided in Title 51 RCW. Agent shall keep evidence of continuing Industrial Insurance coverage on file with DOL.

11.0 EDUCATION AND TRAINING

DOL and Agent shall share the responsibilities for education and training of Agents and subagent personnel in the operations and functions relating to the licensing of

vehicles and vessels. Training and education will be provided in the following categories:

- a. Basic education, training, and qualifying new operators.
- b. Continuing Education and Training.
- c. Standards training to improve accuracy and performance.

11.1 DEFINITIONS

Terms used in this section have the following meanings:

- 11.1.1 "PRC" means the Problem Response Center maintained by DOL. This telephone available information unit offers ongoing problem resolution on the Vehicle Field System for Agents and subagents.
- 11.1.2 "CBT" means the Computer Based Training software used to educate and train individuals on the basics of computer use.
- 11.1.3 "Education Mode" means the software program which emulates the full business operation of the Vehicle Field System. This mode is used as practice to train individuals on the system without creating "real" vehicle or vessel records.
- 11.1.4 "Production Mode" means the full business mode available to each licensing office to do "live" business transactions which update the database. This mode is used by individuals after they have been trained in Education Mode.

11.2 BASIC EDUCATION AND TRAINING

- 11.2.1 DOL and Agent agree that present Agent and subagent personnel are fully trained on the operation and functions of the Vehicle Field System (VFS) and the necessary functions relating to the licensing of vehicles and vessels and the issuance of vehicle license number plates and vessel decals.
- 11.2.2 The Agent is responsible for and shall educate, train, and qualify for Production Mode operation, all Agent and subagent's personnel hired subsequent to the execution of this agreement. Agent shall ensure that all licensing personnel assigned the responsibility of processing title and license registration applications and performing other licensing functions, receive adequate education and training to enable the person

to complete normal title and license functions and to properly disburse the materials and operate the equipment provided.

11.2.3 DOL will provide Agent the following materials to assist Agent in conducting education and training of licensing personnel:

- VFS Operating Guides
- VFS User Manuals with casebook
- Electronic mailbox capabilities
- Computer Based Training (CBT) programs
- Other training aids and assistance when available
- Qualification standards

11.3 CONTINUING EDUCATION AND TRAINING

11.3.1 DOL shall provide continuing education and training to Agent and subagent's licensing personnel regarding new and amended laws, rules, and procedures. DOL will develop training materials, schedule training meetings, and conduct classes as necessary to maintain competency in the Agent and subagent's licensing staffs.

11.3.2 Agent shall ensure the attendance of Agent and subagent's licensing personnel at training classes as required by DOL.

11.4 STANDARDS TRAINING

11.4.1 DOL shall monitor Agent and Agent's subagents performance of all vehicle and vessel licensing functions for courteous, accurate, and professional conduct. DOL will advise Agent when the Agent's or subagent's performance does not meet the standards set in this contract. DOL and Agent shall coordinate their efforts to improve the standards in a timely and cost effective manner.

11.4.2 Agent shall provide training to improve standards in processing license applications and other functions performed by Agent and subagent's licensing personnel.

11.4.3 Agent shall conduct periodic education and training classes to improve the performance and accuracy of Agent and subagent's licensing personnel.

11.4.4 Agent shall ensure the attendance of Agent and subagent's licensing personnel at training classes as required by DOL or Agent, to maintain competency in the licensing functions and to improve knowledge and functionality of the individuals.

11.4.5 DOL shall maintain a problem response center (PRC) to assist Agent and subagent's by providing instant assistance with daily problems that materialize during business hours. Agent and subagents may contact the PRC during normal business hours and receive assistance in processing particular applications and equipment problems.

12.0 SUPPLIES AND EQUIPMENT

DOL shall provide supplies, equipment, and perform equipment maintenance under the terms and conditions set forth below. Supplies and equipment furnished by DOL shall be used solely for the performance of this agreement unless authorized by DOL. DOL will provide the Agent access from the Agent's location to DOL's central vehicle and vessel information file for the purpose of inquiry and to update those files as to licensing, registration, and titling transactions performed by Agent. Agent shall make changes directly to information stored in DOL's vehicle and vessel information files only as may be authorized by DOL, pursuant to this agreement.

12.1 DEFINITIONS

Terms used in this section have the following meanings:

- 12.1.1 "Supplies" means, but is not limited to: paper products, expendable items used on computer equipment provided by DOL, license plates, year and month tabs, vessel decals, veteran emblems, and disabled person placards, all of which are further defined in the Title and Registration Services Operating Manual. "Supplies" does not include general office items such as pens and pencils, writing paper, and envelopes, unless such items have unique uses in the performance of this agreement.
- 12.1.2 "Equipment" means, but is not limited to: monitors, modems, printers, software, mini-computers, mainframe computers, wiring back-bones and peripheral items, all of which are more fully identified in the Vehicle Field Services Automated Operating Guide and are necessary for functional operation of the Vehicle Field System (VFS) operation system. "Equipment" does not include document scanning units, mail sorting units, office furniture, or other equipment purchased by the Agent for its own use.
- 12.1.3 "Accountable item" means an inventory item of supplies provided by DOL which are exchanged by the Agents or their subagents to customers for a fee. Accountable items include, but are not limited to: vehicle license plates, license plate tabs, vessel decals, veteran emblems, various permits, and forms for which a fee is collected.

- 12.1.4 "Vehicle Field System Automated Operating Guide" means the DOL document which identifies and illustrates the functional operation of each piece of equipment used in the VFS. The document may be amended or revised at the discretion of DOL when equipment is changed, added, or deleted from the system.
- 12.1.5 "Vehicle Field System (VFS)" means the automated computer system and corresponding policies and procedures used when processing vehicle and vessel title and licensing transactions and for the collection and accounting of state revenues pursuant to this agreement.

12.2 SUPPLIES

- 12.2.1 DOL will issue to the Agent, in a timely and cost efficient manner, supplies needed by the Agent to properly perform duties under this agreement. Supplies provided will be inventoried and controlled, as provided in Vehicle Services Division Policy/Procedure VEH.11, as now or hereafter amended.
- 12.2.2 All supplies required to be furnished by DOL, pursuant to this agreement, shall be shipped directly by DOL to the destination address provided by Agent. The destination address shall be a facility under the direct control of Agent.
- 12.2.3 Agent will protect supplies from damage by environmental events, including, but not limited to; water, wind, fire, and extreme temperature variations. Agent shall provide basic care of supplies to protect them against all damage, destruction, and theft of any or all of the supplies. All accountable items shall be stored when not in use during the business day, within locked cabinets, storage rooms, or some other secured environment, all of which provide a double lock or a secured holding area when supplies are not being used.
- 12.2.4 All supplies furnished by DOL under this agreement shall remain the property of DOL and DOL shall retain full title and all rights associated with ownership. The supplies shall not become fixtures. The Agent shall not encumber or permit an encumbrance upon the state's title to the supplies, or the supplies themselves, in any manner.
- 12.2.5 Risk of, and responsibility for, loss or damage to the supplies during transportation or removal by DOL or its representatives shall be upon DOL. Risk of, and responsibility for, loss or damage while supplies are in the care and custody of Agent or its representatives shall be upon Agent.

12.3 EQUIPMENT

- 12.3.1 DOL will select and provide to Agent, without cost to Agent, the equipment and communications lines, identified in the Vehicle Field System Automated Operating Guide, necessary to DOL's vehicle and vessel records files. The equipment shall be installed by, or at the direct supervision of, DOL or its authorized contractor or agent without cost to the Agent. DOL or its authorized contractor or agent will test the equipment initially to ensure that it is functional at the time of installation.
- 12.3.2 DOL will install the equipment at locations mutually agreed to in writing by DOL and Agent, and using criteria developed by DOL as set forth in DOL Vehicle Services Division Policy/Procedures as now or hereafter amended. Agent shall not cause or permit any relocation or disconnection of the equipment once installed, without the prior written approval of DOL. Any request for relocation of equipment must be accompanied by a detailed floor plan of the new location. All relocations shall be carried out by DOL, or its authorized contractor or agent.
- 12.3.3 Agent will provide necessary electrical power outlets, telephone lines, and access terminals identified by DOL as being required to facilitate the installation or relocation of equipment provided by DOL.
- 12.3.4 Agent shall reimburse DOL for all of DOL's costs incurred by DOL or its authorized contractor or agents, for relocation or disconnection of equipment. Costs shall include, but may not be limited to; relocation or installation of communication lines, additional parts and equipment, and direct and indirect labor and travel expenses, as provided in chapter 43.03 RCW. DOL shall furnish an itemized invoice of all costs incurred upon completion of the relocation or disconnection. Agent shall remit payment in full to DOL within thirty (30) days from the date on the invoice or at such other time as agreed to in writing.
- 12.3.5 The number of VFS workstations allocated to Agent shall be mutually agreed upon by DOL and Agent, using criteria developed by DOL, as set forth in DOL Vehicle Services Division Policy/Procedure VEH.9 as now or hereafter amended. DOL and Agent will regularly monitor the validity of VFS workstation allocation criteria and statewide workstation allocations. Consideration for any adjustment in the numbers of workstations allocated under this agreement will be made primarily for providing sufficient automated equipment to maintain customer service while improving the efficiency and cost-effectiveness of statewide vehicle and vessel licensing activities.

- 12.3.6 Agent shall use the equipment for the purposes of carrying out its responsibilities under this agreement and as an agent of DOL, appointed pursuant to RCW 46.01.140, and as an agent of Washington State Department of Revenue, appointed pursuant to title 82 RCW, and for no other purposes without specific written authorization from DOL. Agent shall operate the equipment in accordance with the provisions of Vehicle Field System Automated Operating Guide, as now or hereafter amended.
- 12.3.7 Agent shall use reasonable care to protect the equipment from damage by environmental events, including, but not limited to: water, wind, fire, and extreme temperature variations. Agent shall provide basic care of equipment to protect it against damage, destruction, and theft of any and all of the equipment. All equipment shall be located in a secured environment when not in use.
- 12.3.8 The equipment furnished by DOL under this agreement shall be located upon the premises of Agent where it is installed. Agent shall make the equipment accessible only to authorized personnel of the Agent, DOL, and DOL contractors or representatives. Agent shall take all necessary steps to ensure the equipment is used only for the purposes provided under this agreement and only by authorized personnel of the Agent and DOL.
- 12.3.9 Agent shall not connect or permit to be connected any additional equipment to the communications line, or modify, add parts, or remove parts from the equipment without the expressed written consent of DOL.
- 12.3.10 All equipment furnished by DOL under this agreement shall remain the property of DOL and DOL shall retain full title and all rights associated with ownership. The equipment shall not become fixtures. Agent shall not encumber, or permit an encumbrance upon, the state's title to the equipment, or the equipment itself, in any manner.
- 12.3.11 Risk of, and responsibility for, loss or damage to the equipment during transportation, installation, maintenance, or removal by DOL or its representatives, shall be upon DOL. Risk of, and responsibility for loss or damage caused by ordinary wear and tear or by DOL or its authorized representatives, shall be upon DOL.

12.4 MAINTENANCE OF EQUIPMENT

- 12.4.1 DOL is responsible to provide all maintenance and repair and

replacement for equipment provided by DOL under this agreement. It is DOL's exclusive right to determine the amount and extent of repair or maintenance required and for the replacement of equipment when deemed advisable by DOL or its representatives.

- 12.4.2 DOL is responsible for basic care of the equipment as set forth in the Vehicle Field System Automated Operating Guide.
- 12.4.3 DOL shall provide maintenance services as soon as reasonably possible following notification to DOL by Agent of a malfunction of the equipment.
- 12.4.4 DOL shall have sole discretion to determine the need for maintenance or engineering support, and to determine the appropriate solution to any malfunction of the equipment or communications line. DOL shall not be responsible to the Agent for any down time during the normal operating hours of the communications line.
- 12.4.5 Agent shall notify DOL as soon as possible of any malfunction of the equipment or of communications line problems by telephone to the Liaison/Problem Response Center (PRC), telephone number 1-300-336-4681. Agent shall provide full, free, and safe access to the equipment by DOL representatives, and other persons authorized by DOL as necessary to perform maintenance, between the hours of 3:00 a.m. and 5:00 p.m. and on any weekday which is not a state holiday.
- 12.4.6 Cost of repair, replacement, and maintenance of the equipment provided by DOL pursuant to this agreement is the responsibility of DOL. Agent shall reimburse DOL for any and all costs incurred for the repair, replacement, and maintenance of the equipment when the repair, replacement, or maintenance is required due to the failure of Agent to provide basic care of the equipment, as provided under this agreement or when the equipment is damaged or otherwise malfunctions through misuse, fault, or neglect of Agent.

13.0 SITE PREPARATION

Agent shall provide all office furniture and make any and all modifications to the site wherein the equipment is installed and provided by DOL pursuant to section 12.3. Agent shall provide a site floor plan setting forth the positioning of the furniture, electrical service, customer service areas, and any other requirements requested by DOL prior to DOL's approval of an original or relocation site. Agent is responsible for all site remodeling, procurement of furniture required to accommodate equipment and obtaining the necessary approvals of building owners and local building code authorities.

Agent shall provide dedicated electrical service of 15 amp isolated circuits required for each workstation of equipment provided by DOL. An isolated circuit means there will be no other electrical appliance connected to that circuit except the workstation worth of equipment provided by DOL. No more than ten (10) equipment items will be allowed on an isolated circuit. If the number of actual outlets on an individual isolated circuit are limited, a six (6) outlet 15 amp power strip with surge protector may be used.

Agent is responsible for procuring and installing wiring/cabling if the wiring/cabling is routed through a wall or floor, inside a wall or through a ceiling, inside a cable pole or a covered floor cable, or is over fifteen (15) feet in length. Agent is responsible for pre-drilling a 2-1/2 inch diameter hole for installation of wiring/cabling through counter tops or wall of cabinets. If wiring/cabling has to be routed across the floor, Agent is responsible for assuring that such floor wiring/cabling is under a table or desk and does not cross nor impede walkways in conformity with local building and safety codes and OSHA and WISHA rules administered by the Washington State Department of Labor and Industries.

14.0 CONFIDENTIALITY OF INFORMATION

14.1 Agent shall adhere to any applicable current or future statutory or administrative rules including, but not limited to, chapter 2.17 RCW, RCW 46.12.370, RCW 46.12.380, and chapter 308-10 WAC and DOL Policy/ Procedure ADM. 7, as now or hereafter amended, regulating disclosure, the right of privacy, and confidentiality relating to all information and data to which Agent has access under this agreement.

14.2 Agent shall not use or furnish to any person, corporation, partnership, association, or organization of any kind for any commercial purpose by itself or by any other entity, any of the individual owner name or address information, or part thereof, provided by DOL under this agreement for the purpose of making any unsolicited business contact with the individuals named therein. The term unsolicited business contact means a contact that is intended to result in, or promote the sale of, any goods or services to a person named in the disclosed information, including the Agent or the Agent's subagent. This subsection shall not prevent Agent from requesting additional specific exceptions from this section from DOL, subject to prior written approval, and any conditions imposed by DOL. No exceptions shall be valid unless approved in writing by the Director of DOL and accompanied by a statement of conditions, if any, imposed on such approval, prior to the intended use of the information which is the subject of the exception.

15.0 DOL PROCEDURE MODIFICATION

DOL may modify the DOL Policy, Procedures, Vehicle Field System Operating Guide, and Vehicle Field System Automated Operating Guide, incorporated herein by reference as required to incorporate statutory amendments or to improve quality of service to the public. DOL will solicit the advice of the Title and Registration Advisory Committee (TRAC), Washington Association of Vehicle Subagents (WAVS), and Washington Association of County Officials (WACO), prior to adoption of modifications.

16.0 AUDIT

DOL or DOL's designee may conduct audits and inspections, during normal business hours, of Agent's licensing transactions, revenue collections and deposits, records, inventories, equipment, and performance, all of which pertain to the vehicle and vessel licensing activities of this agreement. DOL will prepare an audit report, and Agent will take immediate action to address all discrepancies, as provided in DOL Policy/Procedure VEH.3, as now or hereafter amended.

17.0 TERMINATION OF AGENT OR SUBAGENTS

17.1 This agreement, or appointment of Agent or Agent's subagent, may be terminated or revoked by DOL for Agent or Agent's subagent's failure to comply with non-material provisions of this contract or other agreement. Agent or Agent's subagent may cure such default after being given written notice thereof and a reasonable opportunity, which in no event shall be more than thirty days, to cure such default. If such default cannot reasonably be cured within thirty days, additional time may be granted if Agent or Agent's subagent has initiated substantial and continuing action to cure the default within the thirty days. Agent or Agent's subagent's continued failure to comply, which in no event needs to be more than three such failures within a twelve month period, with this agreement or other agreement for which notice and opportunity to cure has been given as provided in this subsection, DOL may terminate or revoke this agreement without giving prior notice or opportunity to cure.

17.2 This agreement, and appointment of Agent or Agent's subagent, may be immediately terminated or revoked without giving prior notice or opportunity to cure a default for failing to comply with any material provisions of this agreement which include, but are not limited to: any fraud, theft, or illegal act, for breach of any provisions of this agreement, attachments to, or DOL departmental policies and procedures contained in this agreement, or for abandoning the business.

17.3 Notice of termination shall be conclusively deemed to have been delivered to, and received by, the other party as of midnight of the third day following the date of its posting in the United State mail, addressed as provided in section 6.3 of this agreement, in the absence of actual delivery to and receipt by the party by mail or other means at an earlier date and/or time.

17.4 Agent or Agent's subagent or both shall immediately return all equipment and supplies provided by DOL upon termination of this agreement or revocation of the Agent's or Agent's subagent's appointment.

18.0 PAYMENT IN THE EVENT OF TERMINATION

In the event this agreement is terminated, each party shall be responsible for the actual cost they have incurred during their performance under this agreement, and neither party shall be obligated to the other party for such costs. All fees and taxes collected by Agent and payable to the State of Washington shall be due and payable to DOL as provided in this agreement.

19.0 REMEDY OF TERMINATION

The remedy of termination of this agreement, to release DOL from the obligations of this agreement, and afforded to DOL under the various provisions of this agreement shall not be deemed to be an exclusive remedy, but rather shall be in addition to all other remedies which may be available to DOL. Termination of this agreement shall release DOL from any and all obligations whatever under this agreement, but shall not bar DOL from pursuing any remedies which it would otherwise have against Agent.

20.0 INDEPENDENT STATUS

DOL and DOL employees and DOL authorized representatives shall perform all duties pursuant to this agreement as an independent agency from Agent and not in any manner as officers, agents or employees of Agent. All references in this agreement to DOL shall include its employees and authorized representatives. Agent shall not withhold or pay any taxes or insurance or deductions of any kind in connection with reimbursement of DOL under this agreement.

Agent and Agent's employees and Agent's subagents shall perform all duties pursuant to this agreement as an independent agency from DOL and not in any manner as officers or employees of DOL. All references in this agreement to Agent shall include its employees and subagents. DOL shall not withhold or pay any taxes or insurance or deductions of any kind in connection with reimbursement of Agent under this agreement.

21.0 NONDISCRIMINATION

- 21.1 During the terms of this agreement, the parties agree to comply with the following nondiscrimination requirements as well as applicable federal, state, and local laws and regulations governing nondiscrimination. No party shall exclude a person from participation in, deny the benefits of, or discriminate against, individuals in connection with any function related to this agreement, or to be performed in connection therewith because of race, color, creed, religion, sex, marital status, national origin, age, or disability.
- 21.2 Agent will conduct a self-evaluation and complete a reasonable accommodation transition plan to comply with The Americans with Disabilities Act of 1990 (ADA) within six (6) months of execution of this agreement. A written copy of the plan shall be forwarded to the DOL Program Manager. Agent shall attend any training sessions on ADA offered to Agent by DOL. Agent shall immediately notify DOL of any allegations, claims, disputes, or challenges made against Agent under the ADA and shall cooperate with DOL in random compliance reviews with ADA.
- 21.3 In the event of the Agent's noncompliance or refusal to comply with the nondiscrimination section of this agreement, this agreement may be rescinded, canceled, or terminated, in whole or in part, for breach under section 17, and the Agent's appointment may be withdrawn and declared ineligible for further agreements with DOL.

22.0 LIMITATION ON LIABILITY AND RESPONSIBILITY

- 22.1 The parties agree that in no event shall the State of Washington, DOL, the Director of DOL, DOL employees, or any authorized representatives of DOL, be liable to Agent for any damages, costs, lost production, or any other loss of any kind for failure of DOL's equipment, hardware, or software to perform for any reason, or for the loss or consequential damage which is the result of acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of fire, failure of communications or computer equipment, facilities or software power failure, nuclear accidents, or other disasters.
- 22.2 The parties agree that in no event shall the County of 4-, the Agent, and the Agent's employees, be liable to DOL for any damages, costs, lost production, or any other loss of any kind for failure of DOL's equipment, hardware, or software to perform for any reason, or for the loss or consequential damage which is the result of acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of fire, failure of communications or computer equipment, facilities or software power failure, nuclear accidents, or other disasters.

22.3 The parties agree that in no event shall the State of Washington, DOL, the Director of DOL, and DOL employees, or any authorized representatives of DOL be liable for any claim of any nature against Agent by any party arising from any failure in the service furnished by Agent under this agreement, for any errors, mistakes, omissions, or acts on the part of Agent or Agent's subagents which result in the failure to properly release vehicles and vessel title interests.

22.4 The parties agree that in no event shall the County of _____, the Agent, and the Agent's employees, be liable for any claim of any nature against DOL by any party arising from any failure in the service furnished by DOL under this agreement, for any errors, mistakes, omissions, or acts on the part of DOL or its authorized representatives, which result in the failure to properly release vehicle and vessel title interests.

23.0 WAIVER

DOL may waive any of the provisions of this agreement deemed necessary in order to ensure that readily accessible service is provided to the citizens of this state.

24.0 SAVINGS CLAUSE

It is the belief of all parties that all provisions of this agreement are lawful. If any section of this agreement should be found to be contrary to existing law, by court decisions or opinion of the Washington State Attorney General, the remainder of the agreement shall not be affected thereby, and the parties shall enter into immediate negotiations for the purpose of arriving at a mutually satisfactory replacement of such section. The provisions of the agreement shall be subject to any formal actions of the legislature of the State of Washington. In the event of conflicts between the formal actions of the legislature and provisions of the agreement, the former shall prevail.

25.0 CONTROLLING LAW VENUE

This Agreement shall be governed by the laws of the State of Washington. Venue of any lawsuit filed by any party against the other party arising in whole or in part of this agreement shall be in the superior court for Thurston County, Olympia, Washington.

26.0 ALL WRITING CONTAINED HEREIN

This Agreement contains all the terms and conditions agreed upon by the parties. No other understanding, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

27.0 ENTIRE AGREEMENT

This Agreement may not be modified or amended without the written consent of both parties. The Agent shall comply with all applicable laws, ordinances, codes, regulations, and policies of local, state, and federal governments.

IN WITNESS WHEREOF, DOL and Agent have executed this agreement as of the date and year last written below. The parties signing hereby affirm that they have the authority to bind their respective parties to the terms of this Agreement.

DEPARTMENT OF LICENSING

1 -

Contract Officer Signature

Agent Signature

Title

Title

Date

Date

APPROVED AS TO FORM ONLY:

APPROVED AS TO FORM ONLY:

Assistant Attorney General

County Prosecuting Attorney

Date

Date

Sent to You By
Legislative Research Agency

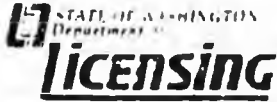
AUDITOR/SUBAGENT VEHICLE/VESSEL POLICY/PROCEDURES

*The Department of Licensing
has a policy of providing equal
access to its services. If you
need special accommodation,
please call (206) 753-3554 or
TDD (206) 664-3885.*

June 1994



 STATE OF WASHINGTON
Department of
LICENSING



DIVISION
POLICY/PROCEDURE

POLICY NUMBER
VEH.2A

Personalized Plates

Vehicle Services

12/18/21

Mary Riordan

RCW REFERENCES

- RCW 46.12.160
- RCW 46.16.560
- RCW 46.16.565
- RCW 46.16.570
- RCW 46.16.580
- Supersedes: VEH.2

POLICY:

Personalized license plates shall not duplicate or conflict with existing or projected vehicle license plate series or other numbering systems for records kept by the department. The department may refuse to issue any combination of letters or numbers that may carry connotations offensive to good taste or decency, or which could be misleading or a duplicate of license plates provided for in Chapter 46.16 RCW.

WAC 308-96A-066 PERSONALIZED LICENSE PLATES--DENIED OR CANCELED.

(1) An application for a personalized license plate may be denied, at the discretion of the department, when the department considers the combination of letters and numbers to be offensive to good taste or decency, which may be misleading; vulgar in nature, a racial ethnic, lifestyle or gender slur, related to illegal activities or substances, blasphemous, or contrary to the department's mission to promote highway safety.

(2) A personalized license plate may be canceled at the discretion of the department if after being issued the department determines the combination of letters and numbers to be offensive to good taste or decency by being profane, sexually suggestive, alcohol or drug related, racist, derogatory, or slanderous, or which could be misleading or a duplicate of license plates provided in chapter 46.16 RCW.

(a) When a personalized license plate is canceled, the vehicle owner will be refunded the amount of the fee paid pursuant to RCW 46.16.585 and 46.16.606 for such license plate; or

(b) Instead of a refund, the owner may apply for and be issued another configured personalized license plate without payment of an additional personalized license plate fee.

[Statutory Authority: RCW 46.01.110 and 46.16.580. 93-11-069, filed 6/30/93, effective 7/30/93.]

5. Letters or other written correspondence received by the department which expresses an opinion of the writer that the message is offensive, indecent, or misleading;
6. Any other reference material the department deems appropriate.

PROCEDURE:

A. APPROVAL OF PLATE MESSAGE

Responsibility

Action

Agents, Subagents

Inquire on the vehicle data base for the availability of a specific plate message as a courtesy to the public.

Request the applicant to mail or hand carry the application to the Department of Licensing, Olympia, Washington or to the King County Licensing Office, Seattle, Washington.

King County, DOL

Review and evaluate applications for personalized plates for:

1. Existing or planned plate configurations,
2. Availability by checking the vehicle data base,
3. Acceptable message connotations.

Approve plate message.

Establish data base vehicle record.

Issue plate pursuant to existing procedures.

B. DISAPPROVAL OF PLATE MESSAGE

Responsibility

Action

King County, DOL

All questionable applications are to be reviewed and discussed by the DOL

personalized plate staff, and their recommendation approved/disapproved by the supervisor.

Refer to the Title and Registration Services Administrator and Assistant Director of Vehicle Services for a decision in situations when no consensus can be reached.

Convey in person or by first class U.S. mail as appropriate if a plate is disapproved.

C. CANCELLATION OF AN EXISTING PLATE MESSAGE

<u>Responsibility</u>	<u>Action</u>
Agents, Subagents	Refer all complaints to the Department of Licensing, personalized plate unit.
DOL Personalized Plate Unit	Review and evaluate using the above guidelines for approval/disapproval of plate messages. Prepare a cancellation notice for the Assistant Director, Vehicle Services, signature whenever an existing plate is considered for cancellation based upon further review. Send cancellation notice and supporting documents to the Personalized Plate Review Team appointed by the Director.
Review Team	Review proposed cancellation package and forward their decision to the Assistant Director.
Assistant Director, Vehicle Services	Sign the cancellation notice and return it to the Personalized Plate Unit.
DOL Personalized Plate Unit	Respond to the complainant and retain a copy of correspondence on file.

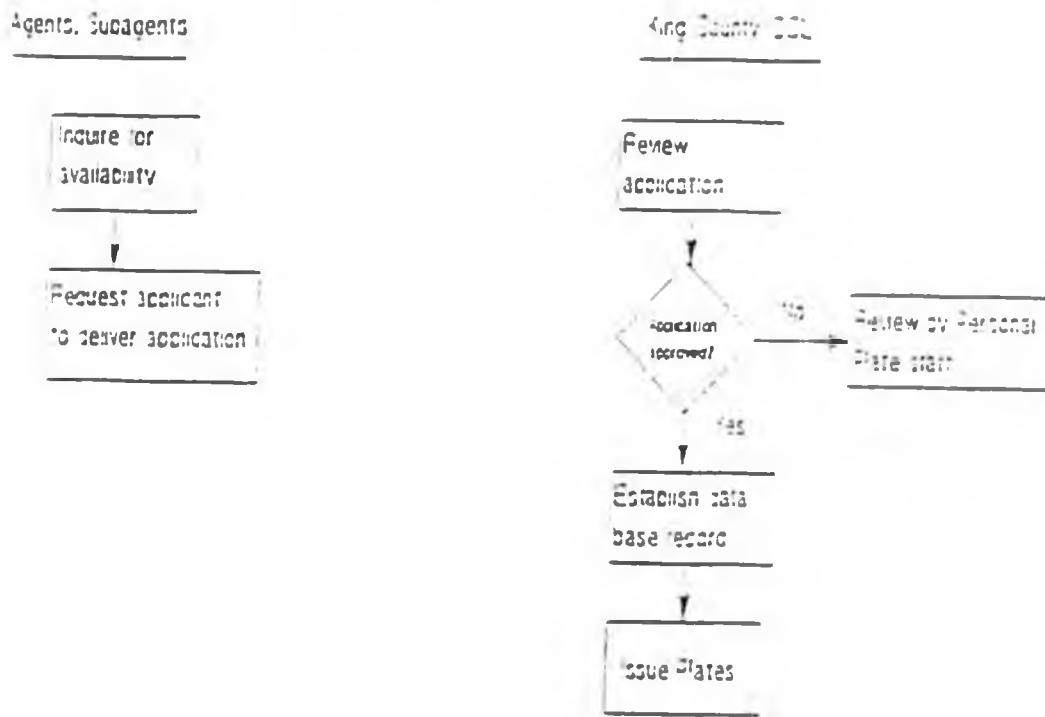
When approved for cancellation:

1. Assign regular plates to the vehicle.
2. Cancel the personalized plate by changing the vehicle data base record to show the regular plate assigned.
3. Send the cancellation notice, new vehicle registration and regular plates to the last known address of the vehicle registered owner using certified U.S. mail.

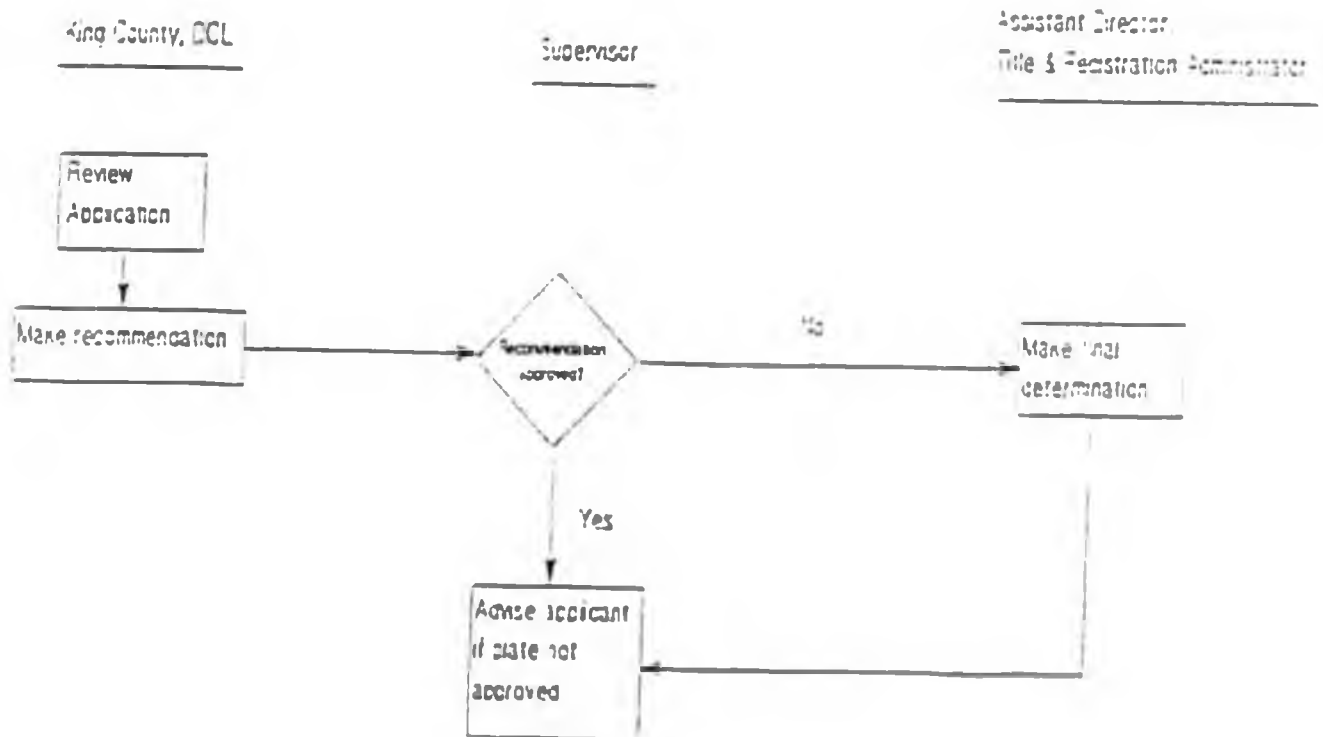
NOTE: The cancellation notice shall offer the applicant a choice of another personalized plate or a refund of the unused portion of the plate fee.

Personalized Plates

A. Approval of Plate Message

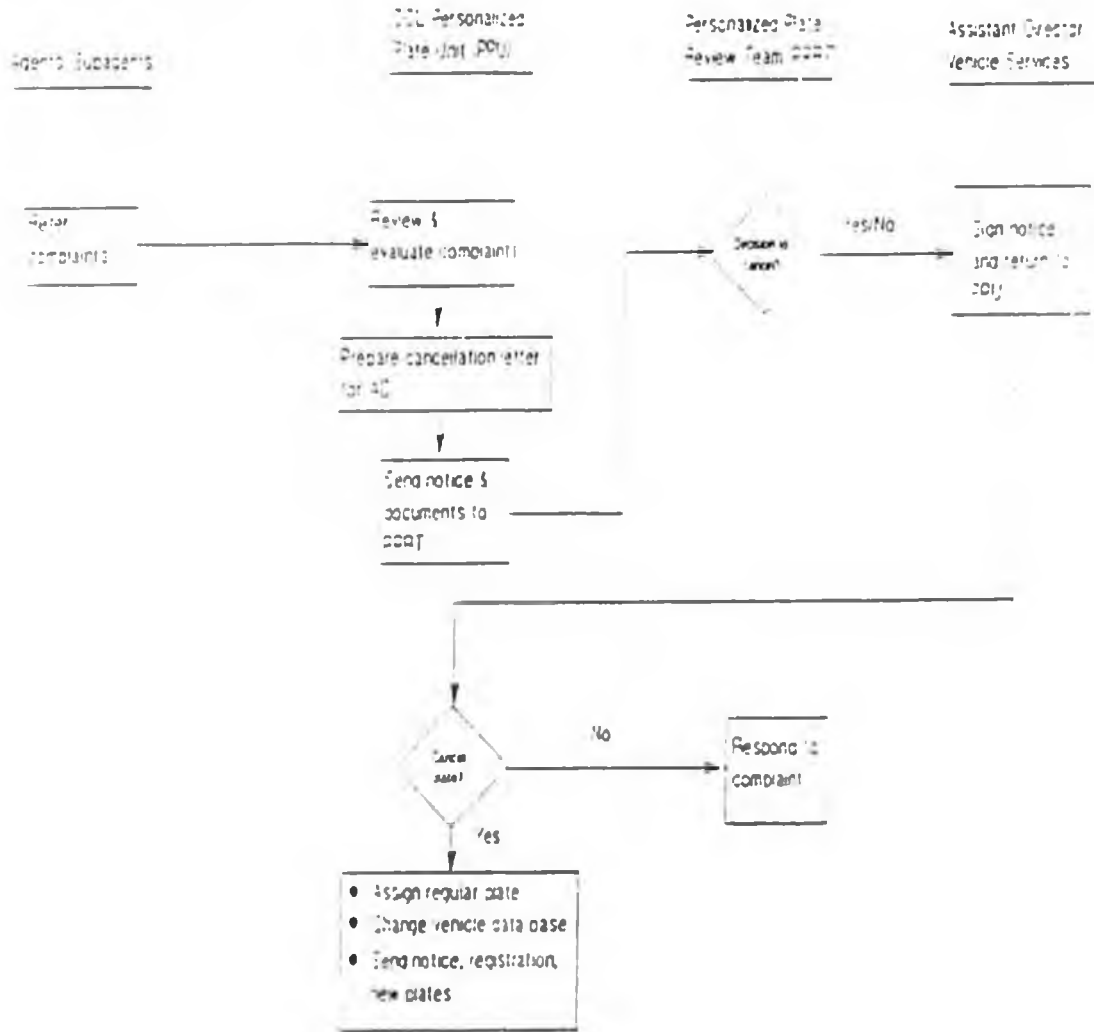


B. Disapproval of Plate Message



Personalized Plates

C. Cancellation of an Existing Plate Message





DIVISION
POLICY/PROCEDURE

APPLICABLE PROCEDURE NUMBER
VEH.3A

Standards of Operations for Agents, Subagents, and DOL Office	
Vehicle Services	REFERENCES RCW 46.01.140 VEH.3A
10/25/90	
<i>Robert S. Anderson</i>	
<i>Mary Jaulk</i>	

POLICY:

The Department of Licensing and its Agents and Subagents will adhere to prescribed standards of operation for vehicle and vessel title and registration functions.

PROCEDURE:

A. CONTRACTS

Responsibility

Action

Subagents

Enter into a formal contract with the agency defining the terms and conditions of operation including, but not limited to:

1. Agreement to comply with all statutes and department procedures regarding licensing of motor vehicles and vessels.
2. Minimum hours of operation.
3. Record keeping and reporting requirements.
4. Authorized subagent fees.
5. Bond and insurance requirements.

6. Termination rights and timelines.
7. Agreement to comply with equal opportunity and human rights laws.
8. Non-transferable, non-exclusive clause.
9. Hold harmless clause for agent and DOL.
10. Contract effective dates.
11. Assurance of accessibility to records for auditing during normal business hours.

Enter into a formal contract with the Department of Licensing (DOL) and agent regarding automation equipment.

B. BONDS AND INSURANCE

Responsibility

Agent, Subagent

Action

Maintain proof of bond and insurance coverage.

Obtain a bond bound to the County Auditor or agent and the State of Washington in the amount of \$1,000 to cover plates, tabs, etc., plus \$5,000 or three times the projected daily revenue to be received by the subagency, whichever is greater.

NOTE: The agent may opt to provide equivalent blanket bond coverage for any or all of its subagents.

CALCULATIONS: Use May, September or October historical data (or projection if new subagency).

Multiply the one month's receipts and divide by the number of work days in that month.

Obtain burglary, robbery, fire, casualty, vandalism, and malicious mischief insurance coverage in the amount of \$1,000 to cover plates, tabs, etc., that may be possessed plus \$5,000 or twice the daily revenue receipts, whichever is greater, to cover the replacement cost of state property possessed, including the loss of money or securities. Automation equipment shall be insured as specified in the CAAP contract.

NOTE: The named insured for each type of coverage shall be the County Auditor and the Director, Department of Licensing.

1. At the discretion of the Administrator, Title and Registration Services, coverage above the minimum amount may be required for an agent or subagent.
2. At the discretion of the agent, coverage above the minimum amount may be required for a subagent.

C. BANK ACCOUNTS

Responsibility

Agent, Subagent
DOL Office

Action

Establish a bank account in accordance with DOL Directive VEH.7: Bank Accounts for Agents and Subagents and DOL Office.

D. BUSINESS SITE

Responsibility

Agent, Subagent

Action

- . Provide a business site that is convenient and easily accessible to the public.
- . Provide service and arrange facilities in a manner which provides and identifies access to the handicapped.
- . Provide adequate parking for the license customers being served.
- . Provide sufficient customer waiting area to accommodate anticipated volume of business.
- . Provide adequate work space for employees, workstations and required inventory items.
- . Provide security for money and inventory at all times. Keep money, inventory and validation stamp inaccessible to the public.
 1. During working hours, keep the work area containing money, inventory and validation stamp under constant supervision. Lock excess inventory in a secure place.
 2. During non-working hours, keep all money, inventory and validation stamp in a locked room or cabinet accessible only to authorized personnel.
- . Provide secure area for automated equipment.
- . Restrict access to automated equipment to authorized personnel

(licensing employees and DOL authorized personnel).

E. PUBLIC NOTICE

Responsibility

Action

Agent, Subagent

Post a sign visible to the public identifying the business site as a vehicle/vessel license agency or subagency. When not prohibited by law or ordinance, this sign should be located so that it can be read by persons driving by the location.

Post business days and hours of operation in such a manner that they can be readily seen when the business is closed.

NOTE: All business hours must be approved by the agent and a copy furnished to Liaison.

Subagent

Post subagent service charges in such a manner that they can easily be read by a customer prior to the customer receiving service.

Do not impose service charges in excess of those allowed in Appendix A.

Post the Certificate of Appointment where it can be seen by customers.

Post changes in business days or location 30 days prior to change.

F. SERVICE TO THE PUBLIC

Responsibility

Agent, Subagent
DOL Office

Action

Provide courteous, accurate, efficient and timely service for all customers.

Provide all services authorized by DOL.

Make every reasonable effort to assist applicants in solving titling and licensing problems.

Provide assistance and instruction to local vehicle and vessel dealers in completing title and license registration applications.

Serve the public during approved working days and hours.

Represent the Department of Revenue in collecting use tax and granting tax waivers. Follow instructions from the Department of Revenue and DOL regarding such matters, making every reasonable effort to collect the proper amount of tax in a courteous and efficient manner.

Cooperate with the Washington State Patrol, Department of Ecology and other governmental units to ensure that required documents are submitted; provide instructions on how to obtain required inspections and/or other items when requested.

If limited service is available due to computer downtime, post notice that can readily be seen by customers that only limited service is available.

Combine computer transactions to minimize customer service fees.

Liaison, Problem Response
Center (PRC)

Notify agents of scheduled computer
downtime so that appropriate backup
procedures can be instituted with
minimum disruption to service.

G. PERSONNEL TRAINING

Responsibility

Action

Liaison, Field Operations

Provide operating manuals, memos,
charts and other materials as needed
to enable license clerks to effectively
complete applications and provide
efficient service. Provide training
for agents, subagents and DOL
offices regarding new or changed
laws, rules or procedures.

Provide training to correct
deficiencies found by department
monitoring of applications and
reports, Liaison field visits and
audits.

Agent, Subagent
DOL Office

Ensure that all persons assigned the
responsibility of accepting title and
license registration applications have
received training that enables them
to complete normal title and license
applications with materials and
equipment provided. The training
must also enable them to handle
complex situations and complete
unusual or difficult applications with
minimal assistance. The agent has
primary responsibility for the
training of agent and subagent
personnel.

All License Personnel

Attend training classes as required
by the subagent, agent or Liaison.
Actively seek to improve knowledge
and competence by studying
materials and equipment provided by
the agent or the department.

materials and equipment provided by the agent or the department.

H. STANDARD OF WORK

Responsibility

Agent, Subagent,
DOL Office

Action

Complete all applications for title, license, permit or other services in accordance with the Operating Guide and/or other instructions provided by DOL.

Certify signatures in accordance with instructions in the Operating Guide. Require identification of all persons before certifying their signatures.

Make every reasonable effort to correct errors and resolve problems, including those deficiencies and discrepancies noted by the department.

Follow data entry guidelines provided by DOL. Verify accuracy of data before submitting work to DOL.

NOTE: Agent will provide subagents with all required forms, instructions and training to ensure full service.

I. COMPLIANCE

Responsibility

Agent, Subagent

Action

Coordinate with Liaison (subagent also notify agent) on anticipated changes in hours, location, address, personnel or any other matter that might affect service to the public.

Maintain and adhere to all current instructions and fee schedules.

I. QUALITY ASSURANCE

<u>Responsibility</u>	<u>Action</u>
Compliance Audit	Perform periodic audits of agents and subagents and DOL offices according to the Compliance Audit Procedures Manual.
Liaison	Perform periodic monitoring of all agent, subagent, and DOL offices to determine compliance with DOL procedures.
Agent, Subagent DOL Office	Provide access to all records as requested by Compliance Audit or Liaison. Cooperate with, and provide any needed assistance to DOL representatives.
Compliance Audit	Prepare an audit report which describes the results of the audit. For any negative findings (problems or discrepancies), the report must give specific instruction for corrective action to be taken by the agent/subagent and specify when the corrective action is to be completed.
	Provide copies of the audit reports to the agent, subagent, DOL office, Vehicle Services, Assistant Director, Liaison Supervisor, the assigned Liaison Officer, and the State Auditor.
	Send the subagent audit report to the agent for distribution to the subagent.
Agent	Send copy of subagent audit report to subagent.
Agent, Subagent DOL Office	Review audit reports from Compliance Audit and seek assistance from Liaison as appropriate. Resolve items requiring

corrective action, prepare and send written audit response to Compliance Audit within time frames specified in audit report transmittal.

Liaison

Review audit reports received from Compliance Audit, and if warranted, take the following steps to resolve problems indicated:

1. Monitor procedures to identify the source of the problem.
2. Instruct persons in correct procedures.
3. Monitor activity to ensure that correct procedures are being followed.
4. Send a written report of results achieved to the Assistant Administrator, Field Operations, and a copy to Compliance Audit within ninety days of the audit report that pointed out the problem.

Agent/Administrator

Take action as appropriate when a report of missing or misused state funds is received. Refer the matter to the County Prosecutor when the situation warrants.

APPENDIX A

SUBAGENT SERVICE CHARGES

EXAMPLES OF MAXIMUM ALLOWABLE SUBAGENT SERVICE CHARGES

Title without license	\$2.00
Title with license	\$4.00
Prebill and no bill	\$2.00
Registration with renewal and/or license	\$2.00
Registration without renewal and/or license	\$2.00

Charges not authorized by the department include, but are not limited to:

1. Charges for notary fees when certificate of signature without notary seal is allowed by WAC.
2. Charges for completing DOL forms which are to be used as supporting documents for title or license applications, regardless of whether or not the transaction is completed at the office.
3. Charges for long distance telephone calls for record verifications.



DIVISION
POLICY/PROCEDURE

VEH.4B

Processing of Dishonored Checks, Cancellations and Revalidation of Vehicle and Vessel Registrations (VFS)

Vehicle Services

RCW 46.01.230
RCW 46.12.160
RCW 46.16.270
RCW 62A.3.515
ADM.5B Dishonored Check
Handling Fee
VEH.10C
Supersedes: 20-01-5B, VEH.4A
dated 5/5/89

4/26/91
Chull Anderson
Mary Reuland

POLICY:

The Department of Licensing will adhere to established methods for cancellation of a vehicle or vessel title and/or registration and license plates or registration number which have been purchased with a dishonored check that has failed collection attempts and if the check meets the following criteria:

1. It is submitted prior to the date the vehicle or vessel was listed on a wrecker report; or
2. It is submitted to the department and the ownership has not changed on the vehicle or vessel report.

This policy will not apply when the check is written by a Washington dealer for fees previously collected from a customer. This policy will apply when the check is written by a non-Washington dealer for fees collected from a customer, as the department has no jurisdiction over non-Washington dealers.



DIVISION
POLICY/PROCEDURE

VEH.6B

Transmitting Documents to DOL by Agents, Subagents and DOL Office (VFS)
and Transmitting Documents to Agents by Subagents

Vehicle Services

VEH.10C

Supersedes: 20-01-12A.

VEH.6A dated 6-26-89

4/26/91
Robert Anderson

Mary Lunsford

POLICY:

The Department of Licensing and its agents and subagents will follow standardized procedures when transmitting documents.

PROCEDURE:

Responsibility

Action

Agents, Subagents
and DOL Office(s)

Produce shipping list through end
of day functions.

Arrange documents in groups and
sequence of shipping list, starting
with 1-50. Within each group,
arrange documents by workstation.
Shipping list groups are:

1. vehicle title work;
2. vessel title work;
3. unresolved DHC Report (if
activity);
4. backed-out transaction
documents.

Subagents

Send to agent:

1. auditor's copy of all
vehicle title applications

without supporting documents:

2. auditor's copy of all vehicle non-title applications with supporting documents attached;
3. auditor's copy of all vessel title applications without supporting documents;
4. auditor's copy of all vessel non-title applications with supporting documents attached;
5. Department of Ecology emission exemption forms. Do not forward these to the Department of Licensing;
6. Federal Heavy Duty Vehicle Use Tax proof of payment forms. These are to be banded separately. Do not forward to Department of Licensing.

Agents/Subagents

Send to department::

1. department copy of all vehicle title applications with supporting documents;
2. department's copy of all vessel title applications with supporting documents attached;
3. DHC Report with supporting documentation. if there is activity;
4. Backed-out transaction documents including customer copies. These are kept in the

agents/subagents offices for 18 months. Do not send to the Department.

Auditors

Send emission exemption forms to Department of Ecology. (Address on Dept. of Ecology form)

Agents, Subagents and DOL Office(s)

Send application documents and the original copy of the shipping documents to DOL by close of next business day. Retain a copy of the shipping list by transmittal date for 18 months.

Subagents

Send auditor copy of documents and shipping list to agent by close of next business day.

Agents

Retain auditor copies of applications and supporting documents for 18 months.

Transmitting Documents

Agents, Subagents DOL Office(s)

Produce shipping list

↓
Arrange documents
through

↓
Retain copy of shipping
list for 18 months

Subagents

1. Send to Agent:
Auditor's copy of
Vehicle Title App
Vehicle non-title App
Vessel title App
Vessel non-title App
2. Emission exemption
forms
3. Federal Heavy Duty
Vehicle Use Tax
proof of payment

Agents

Agent/Subagents

Send to Department
Department copy of
Vehicle Title Apps
Vessel Title Apps
DOL apps
Backlog transaction
documents

Retain auditor
copies for 18
months

Bank Accounts for Agents, Subagents and DOL Offices (VFS)

Vehicle Services	RCW 46.01.230
	RCW 46.01.140
	ADM.5B: Dishonored Check Handling Fee
	VEH.3A: Standards of Operations
	VEH.3A: Appointment Termination of Agents and Subagents
	VEH.10C: Handling of Dishonored Checks
	Supersedes: 10-01-13, VEH.7 dated 7/6/88

POLICY:

The Department of Licensing and its agents and subagents will follow standardized procedures and guidelines used in establishing and maintaining bank accounts and bank account records of fees collected in association with issuance of vehicle and vessel registrations, licenses and titles.

PROCEDURE:

A. ESTABLISHING THE BANK ACCOUNT

Responsibility

Action

Agents, Subagents,
DOL Office

Establish an agency checking account, with banks that will accept electronic transfers, automated clearinghouse (ACH tapes), identified as in the following examples:

Department of Licensing, Agency
Account King Co. Auto License
Dept., Agent

Department of Licensing, Agency
Account Auburn Auto License
Agency, Subagent

Subagents

Sign signature card authorizing the withdrawal of DOL funds. The department controller must be authorized to withdraw funds from the agency account without the agents' signature.

Agents, Subagents,
DOL Office

Sign signature card authorizing the appropriate agent to withdraw funds without subagents' signature.

Attempt to negotiate a no-fee, no-interest account with the bank.

Obtain pre-numbered checks from the bank.

Notify DOL one month in advance of any change in bank accounts so that testing of the system may be accomplished and Federal Reserve System approval can be obtained.

NOTE: Agents and subagents are responsible for all fees and banking charges incurred in operating the bank account. These charges are not transferable to DOL, nor will DOL compensate agents and subagents for such charges.

B. PREPARING DEPOSITS

Responsibility

Agents, Subagents
DOL Office

Action

Ensure that the total bank deposits equal the total money received for each business day as shown on the workstation summary.

Prepare deposit slips in duplicate. Give the original to bank; retain the duplicate.

Ensure that no other money is deposited into the agency account or intermingled with DOL funds.

Deposit cash and checks into the local bank no later than the close of the banking day on the day following collection.

Obtain a receipt from the bank for each day's deposit.

C. WRITING CHECKS

Responsibility

Agents and Subagents

Action

Write checks on this account to withdraw authorized agent filing fees or subagent fees in the name of the subagency only.

Ensure that no other checks or withdrawals except authorized ACH withdrawals are made from this account. Refunds are not to be drawn from this account. (Refunds will be made by the department.)

D. MAINTAINING THE CHECKING ACCOUNT RECORDS

Responsibility

Agents, Subagents,
and DOL Office

Action

Maintain the following information concerning all checking account transactions for DOL inspection:

1. Indicate date of each transaction in check register.
2. Indicate name of each payee in check register.
3. Indicate amount and date of each check written and deposit made in the check register.

4. Indicate adjustments, such as deposit errors or dishonored checks, by date and reference to support documentation.
5. Post ACH tape withdrawals made by DOL.
6. Maintain up-to-date running balance in the check register.

NOTE: Must carry a zero or positive balance. A negative balance is not acceptable. Agents and subagents can prevent a negative balance by keeping two or three days of their fees on deposit to cover potential dishonored checks.

Reconcile the bank account each month after receipt of the bank statement.

1. List all deposits which do not appear in the bank statement.
2. List all written checks and DOL withdrawals not shown as cleared on bank statement.
3. Note and resolve any differences between bank statement and checking account. Attach and retain the written reconciliation with the checking account and bank records.
4. Retain reconciliation record for six (6) years.

Reference Bank Reconciliation (Appendix A) for sample form of checking account reconciliation with bank statement.

Maintain the checking account and bank records where they are readily available for audit when requested by department.

Retain the checking account records and bank statements for six (6) years.

E. CHANGES TO BANK ACCOUNTS

Responsibility

Agent/Subagent

Action

Notify Revenue Accounting concerning any changes affecting electronic transfer of funds 30 days in advance.

Notify DOL one month in advance of any change in bank accounts so that testing of the system may be accomplished and Federal Reserve System approval can be obtained.

Obtain new signature cards, if needed, and obtain Controller's signature.

Field Operations

Retain a copy of new signature card in agent/subagent file.

APPENDIX A
BANK RECONCILIATION

(Sample Form)

Date

Balance Per Bank Statement \$100,000

Add Outstanding Deposits:

<u>Date</u>	<u>Amount</u>
9/29	25,500
9/30	29,200

Total Outstanding Deposits \$ 54,700

Total Outstanding Deposits and Bank Statement Balance \$154,700

Deduct Outstanding Checks and DOL ACH Tape Withdrawals:

<u>Date</u>	<u>Check/Voucher Number</u>	<u>Amount</u>
9/27	1453	101
9/29	1454	4,569
9/30	1455	92

Total Outstanding Checks \$ (4,762)

Date

Adjusted Balance \$149,938

Book Balance \$150,014

Difference \$ 76

Explanation of Difference:

Check Printing:	(22)
Monthly Service Charge:	<u>(54)</u>
	(76)

Bank Accounts for Agents, Subagents and DOL Officers (VFS)

A. Establishing the Bank Account

Agent, Subagents,
DOL Office

Subagent

Establish agent
checking account

▼

Sign signature
card

Sign
signature
card

▼

Obtain check
numbered
checks

▼

Notify DOL one month in
advance of any changes
in bank account

B. Preparing Deposits

Agents, Subagents
DOL Office

Ensure deposit is made
workday or business

▼

Prepare deposit
slips in duplicate

▼

Do not intermingle
funds

▼

Deposit by close of
business day or
following day

▼

Obtain
Receipt

Bank Accounts for Agents, Subagents and DOL Officers (VFS)

C. Writing Checks

Agent, Subagents.

Write checks in name
of subagent only



Ensure only authorized withdrawals
are made from account

D. Maintaining the Checking Account Records

Agents, Subagents
DOL Office

Maintain proper
information



Reconcile bank account
each month



Keep records
available for audit



Retain records for
six years

E. Changes to Bank Accounts

Agents, Subagents

Field Operations

Notify Revenue Accounting DC
30 days in advance of electronic
transfer changes



Notify DOL one month in advance
of any changes to bank account



Obtain new signature card
if needed

Keep copy of new signature card
in agent/subagent file

Appointment and Termination of Agents and Subagents

Vehicle Services	
Effective Date	10/25/90
Applicant	Robert Anderson
Applicant	Mary Jauk

REFERENCES
RCW 46.01.140
RCW 46.01.130
VEH.3: Standards of Operations
for Agents, Subagents and DOL
Offices

POLICY:

The Department will adhere to establish standards when appointing and terminating its Agents and Subagents.

PROCEDURE:

A. APPOINTMENT OF AGENTS AND SUBAGENTS

<u>Responsibility</u>	<u>Action</u>
Director	Appoint Agents and Subagents. NOTE: RCW 46.01.130 authorizes the Director to appoint representatives in different parts of the state and to appoint County Auditors as Agents.
Director, Agent	Enter into an agreement outlining operating procedures and equipment requirements.
Agent	Select subagent for appointment by Director.

B. NEW SUBAGENTS

Responsibility

Action

NOTE: A new Subagent is one which will not be in the same general area, nor serve the same clientele as a previous Subagent. Some replacement Subagents, as specified in Section C, will be processed as new Subagents.

Agent

Submit written request for establishing a Subagent to Department of Licensing (DOL) prior to soliciting applications.

Include data which reasonably projects the volume of business for the proposed agency. Provide data which meets the following criteria:

1. Distance / Population / Volume

Monthly Volume	Distance to Nearest Licensing Office
Over 1500 transactions....	Fewer than 5 miles
1001-1500 transactions.....	5 miles or more
501-1000 transactions.....	10 miles or more
301-500 transactions.....	15 miles or more (15-25 daily average)
201-300 transactions.....	25 miles or more (10-15 daily average)
200 or fewer transactions...	40 miles or more (fewer than 10 daily)

Base support for projections on the following considerations:

- a. Distance: Mileage by surfaced road to nearest surrounding licensing offices in respective of county lines;
- b. Population: Voter populations or census data by area, or vehicle data by area; and

c. Volume: Transactions of neighboring offices.

2. ELECTRONIC BANKING

Provide for electronic transfer of funds from Subagent's bank account.

3. STAFFING

Provide Agent and Subagent sufficient staff to deliver high quality customer service.

4. TRAINING

Provide training on a continuing basis.

Assistant Director,
Vehicle Services

Acknowledge Auditor request by letter outlining DOL review procedure. Forward request and copy of letter from Agent to Assistant Administrator, Field Operations within ten days.

Assistant Administrator,
Field Operations

Evaluate the request and write a System Service Request (SSR) requesting technical and budget impacts. Include expected volume and number of workstations proposed. Send signed SSR to Information Services.

Prepare separate report to include:

1. Ability to meet criteria.
2. Expected impact on other offices.
3. Number of workstations proposed:
and
4. Recommendation.

Forward report to Assistant Director, Vehicle Services within two weeks.

Information Services

Evaluate the SSR and prepare a report to include:

1. Technical feasibility,
2. Budget impact,
3. Schedule estimate; and
4. Recommendation.

Forward report to Assistant Director, Vehicle Services within two weeks.

Assistant Administrator,
Field Operations

Schedule meetings with Subagency Review Team to review all subagency requests on a statewide basis. Prepare summary of requests.

Subagency Review Team*

Review Subagency requests, Field Operations' and Information Services' reports. Make recommendation to Director based on:

1. Ability to meet and/or exceed criteria;
2. Availability of equipment;
3. Impacts on County Auditor Automation Project (CAAP) network;
4. Need for Subagency; and
5. Budgetary and other considerations.

* Deputy Director; Assistant Director, Vehicle Services; Administrator, Title and Registration Services; Vehicle Systems Manager; Assistant Administrator, Field Operations; two representatives of Liaison Committee not from a county under review; Washington Association of County Officials (WACO) representative; Subagent representatives.

Director

Approve (confirm) or disapprove (deny) Agent's request.

NOTE: Approval may be dependent upon Agent/Subagent agreeing to pay costs of automation, including one-time setup costs and monthly on-going costs.

Assistant Director,
Vehicle Services

Prepare decision letter to the Agent within two weeks. When automation costs are not included in the Department's budget, the Agent/Subagent will be required to pay these costs. The letter of approval is to contain, in detail, the specific costs that must be paid by the Agent/Subagent.

Agent

If approved, advertise in a newspaper of general circulation to solicit applications for new Subagency. Advertisement should include:

1. An Affirmative Action Statement to the effect: "The Department of Licensing is an Equal Opportunity Employer, and encourages women, minorities, aged and handicapped to apply for subagency";
2. A description of the area to be served;
3. Time frame during which applications will be accepted;
4. A statement of where and when application forms and additional information will be available; and
5. Automation costs as specified in approval letter.

Accept and review applications. Interview applicants and inspect proposed locations. Review DOL procedures with the applicant and obtain assurance that, if appointed, the applicant will comply.

Assistant Administrator, Field Operations	Send a signed, recommended application to the Assistant Administrator, Field Operations.
	Include a map of the area showing distance to the nearest licensing office. Also include evidence of compliance with the Department's Affirmative Action policy, i.e. newspaper clipping of announcements.
	Evaluate application and whenever possible, interview applicant.
	Forward a Certificate of Appointment with the application and recommendation for approval or disapproval, to the Assistant Director, Vehicle Services within two weeks of receipt of application.
Assistant Director, Vehicle Services	Forward the certificate with the application and recommendation to the Director.
Director	Approve or disapprove appointment and return signed documents to the Assistant Administrator, Field Operations.
Assistant Administrator, Field Operations	Send Certificate and copy of signed application to the Agent and request copies of the following:
	<ol style="list-style-type: none"> 1. Bond and insurance; 2. Contract between Agent and Subagent; 3. Bank account information for forwarding to Fiscal to set up for Automated Clearing House (ACH) withdrawals, and copy of signature card(s); 4. Information required by Information Services to setup office under CAAP as follows:

- a. all employee names.
 - b. agency number.
 - c. operator privilege (Clerk, Cashier or Independent) for each employee.
 - d. access class for each employee.
 - e. supervisor name and an alternate for Electronic Mailbox system.
 - f. office environment;
5. Office hours; and
 6. Effective date of opening.

Send SSR to Information Services requesting establishment of office and installation of equipment.

File copies of all documentation for new Subagent in Field Operations' Agent/Subagent file.

Notify Contracts Officer-Titles. Obtain information for Exhibit "A" from Information Services and provide copy to Contracts Officer-Titles.

Information Services

Arrange for the acquisition and installation of automated equipment.

Contracts Officer-Titles

Prepare CAAP Contract and have it signed by all parties prior to equipment installation. Distribute copies to Agent, Subagent, Department Contracts Officer, and Fiscal Office. Retain copy in Field Operations' Agent/Subagent file.

Agent

Provide training of Subagent staff on equipment and procedures.

Fiscal Office

Prepare billing as appropriate. Collect and account for payment(s).

C. REPLACEMENT SUBAGENTS

Responsibility

Action

NOTE: A replacement Subagent is one that will be in the same general locality, and serve the same clientele as a previous Subagent.

If the previous Subagent has been "out of business" for more than two months, or was not meeting the established minimum transaction criteria, when considering proximity to other licensing offices, any replacement will be considered a "new" Subagent, and all procedures in Section B must be followed.

In some cases, a replacement subagent may be approved prior to the discontinuance of service by current subagent.

Agent

Request replacement of a Subagency to Vehicle Services prior to soliciting a specific applicant.

Provide historical volume data for subagency being replaced and distance relationship between this subagency and others in the surrounding area.

Assistant Director,
Vehicle Services

Provide copies of request to Assistant Administrator, Field Operations, and Vehicle Systems Manager.

Assistant Administrator,
Field Operations

Review request and make recommendation to Assistant Director, Vehicle Services.

Vehicle Systems Manager

Review request and make recommendation to Assistant Director, Vehicle Services.

Assistant Director,
Vehicle Services

Evaluate request and recommendations, and obtain Director's approval or disapproval. Notify Agent, Assistant Administrator, Field Operations, and Vehicle Systems Manager of decision.

Agent

If approved, advertise in a newspaper of general circulation to solicit applications for a replacement Subagency. Advertisements should include:

1. An Affirmative Action Statement to the effect, "The Department of Licensing is an Equal Opportunity Employer, and encourages women, minorities, aged and handicapped to apply for subagency":
2. A description of the area to be served:
3. Time frame during which applications will be accepted:
4. A statement of where and when application forms and additional information will be available: and
5. Automation costs as specified in approval letter.

Accept and review applications. Interview applicants and inspect proposed locations. Review DOL procedures with the applicant and obtain assurance that, if appointed, the applicant will comply. Send a signed, recommended application to Assistant Administrator, Field Operations.

Include a map of the area showing distance to the nearest licensing office. Also include evidence of compliance with the Department's Affirmative Action policy, i.e. newspaper clipping of announcements.

Assistant Administrator,
Field Operations

Evaluate application and, whenever possible, interview applicant.

Forward a Certificate of Appointment with the application and recommendation for approval or disapproval to the Assistant Director, Vehicle Services within two weeks of receipt of application.

Assistant Director,
Vehicle Services

Forward the certificate with the application and recommendation to the Director.

Director

Approve or disapprove appointment and return signed documents to Assistant Administrator, Field Operations.

Assistant Administrator,
Field Operations

Send Certificate and copy of signed application to the Agent and request copies of the following:

1. Bond and insurance;
2. Contract between Agent and Subagent;
3. Bank account information and copy of signature card(s);
4. Information required by Information Services to setup office under CAAP as follows:
 - a. all employee names,
 - b. agency number,
 - c. operator privilege (Clerk, Cashier or Independent) for each employee,
 - d. access class for each employee,
 - e. supervisor name and alternate for the Electronic Mailbox system.

f. office environment.

5. Office hours; and

6. Effective date of opening.

Send signed SSR to Information Services requesting establishment of office and installation of equipment.

File copies of all documentation for replacement Subagent in Field Operations' Agent/Subagent file.

Notify Contracts Officer-Titles. Obtain information for Exhibit "A" from Information Services and provide copy to Contracts Officer-Titles.

Information Services

Arrange for the acquisition and installation of automated equipment.

Contracts Officer-Titles

Prepare CAAP Contract and have it signed by all parties prior to equipment installation. Distribute copies to Agent, Subagent, Department Contracts Officer and Fiscal Office. Retain copy in Field Operations' Agent/Subagent file.

Agent

Provide training of subagent staff on equipment and procedures.

D. OWNERSHIP CHANGES

Responsibility

Action

NOTE: Ownership change is defined as any partial or complete change of ownership in a Subagency. All owners must be listed in DOL Subagency records, and have signed applications, contracts, etc. as required. Change to a corporate structure will be treated as an ownership change.

If the Subagency has a complete change in ownership, all steps for appointing a

replacement subagent are to be followed. See Section C.

Subagent

Submit an updated Application for Subagency and contract between Agent and Subagent to the Assistant Administrator, Field Operations when the Subagency has a partial ownership change, such as the addition or deletion of a partner.

Assistant Administrator,
Field Operations

Review and file the updated application and contract in the subagent files, and update name/address listings.

When the name of the subagency is also changing, prepare a new Certificate of Appointment, obtain Director's signature and return to the Agent.

Submit a signed SSR to change the office address file in CAAP.

Notify Agent of acceptance of applications and of additional items needed as a result of the change, including:

1. Bond and insurance;
2. Contract between Agent and Subagent;
3. Bank account information and copy of signature card(s);
4. Office hours and list of employees; and
5. Effective date of change.

Notify Contracts Officer-Titles of need for contract amendment.

Contracts Officer-Titles

Prepare CAAP contract amendment and have it signed by all parties. Distribute copies to Agent, Subagent, Department Contracts Officer, and Fiscal Office.

Retain copy in Field Operations' Agent/Subagent file.

Agent

Provide training to any new subagent staff on equipment and procedures.

E. NAME CHANGES

Responsibility

Action

NOTE: Name change means a change in a subagency name that is not a change of ownership.

When there is a change in ownership or change to corporate structure, see Section D.

"The Department of Licensing" may not be used as part of a subagent's name.

Subagent

Submit an updated application and Subagent Contract modification to the Assistant Administrator, Field Operations when the Subagency changes its name without any change in ownership.

Include the following information reflecting the change of business name:

1. Bond and insurance;
2. Contract between Agent and Subagent;
3. Bank account information and copy of signature card(s);
4. Office hours and list of employees; and
5. Effective date of change.

Assistant Administrator,
Field Operations

Review and file the updated application and contract in the Subagent files. Update name/address listings.

Contracts Officer-Titles

Prepare new Certificate of Appointment, have it signed by Director, and send it to the agent.

Submit a signed SSR to change office address file in CAAP.

Notify Contracts Officer-Titles.

Prepare CAAP contract amendment and have it signed by all parties. Distribute copies to Agent, Subagent, Department Contracts Officer and Fiscal Office. Retain copy in Field Operations' Agent/ Subagent file.

F. LOCATION CHANGES

Responsibility

Action

NOTE: Location Change means a Subagent move within an area serving the same clientele.

When a Subagency moves to a new area serving a different clientele, all steps for appointing a new Subagent are to be followed. See Section A.

Subagent

Submit request to move to the Agent at least 100 days prior to the move.

Agent

Submit request to the Department for Subagent move at least 90 days prior to the move.

Submit an updated application and contract modification between Agent and Subagent to the Assistant Administrator, Field Operations when the Subagency moves to a different location in the same general area.

NOTE: all relocation costs are the responsibility of the Agent/Subagent.

Submit requests for additional workstations after CAAP implementation to Vehicle Services for approval.

NOTE: The Department will determine costs for additional workstations as well as when the Agent or Subagent is expected to pay any or all of the costs. These costs will be included in the approval notice.

NOTE: Cost of equipment moves within an office will be billed to that office.

Assistant Administrator,
Field Operations

Submit signed SSR for proposed schedule and estimate of costs.

Information Services

Prepare impact within two weeks and return to Assistant Administrator, Field Operations.

Assistant Administrator,
Field Operations

Review and file the updated application and contract in the Agent/Subagent file, and update name/address listings.

Notify county of proposed schedule, subagent costs, acceptance of applications and of any additional items needed as a result of the change.

Notify Contracts Officer-Titles of change and include information regarding changes in equipment installation, if any.

Contracts Officer-Titles

Prepare CAAP Contract, amendment and billing and have it signed by all parties. Distribute copies to Agent, Subagent, and Contracts Officer. Retain copy in Field Operations' Agent/Subagent file.

Fiscal Office

Prepare billing as appropriate. Collect and account for payment(s).

Information Services

Proceed with move of equipment.

G. TEMPORARY CLOSURES AND MISCELLANEOUS CHANGES

Responsibility

Action

NOTE: A Temporary Closure is whenever an office will be closed during normal working hours.

A Miscellaneous Change means changes such as, but not limited to: telephone number, street or mailing address, supervisor, staff changes, etc.

Agent/Subagent

Notify Assistant Administrator, Field Operations if:

1. An Agency or Subagency will be closed during normal working hours due to an emergency;
2. There are any changes in Agency or Subagency such as telephone number, street or mailing address, supervisor or other staff changes, business hours; and/or
3. There are pending equipment moves at the same location at least 90 days in advance.

NOTE: Cost for all equipment location changes are the responsibility of the Agent/Subagent.

Assistant Administrator,
Field Operations

Write SSR to obtain estimate of costs from Information Services for equipment location changes and forward information to Agent/Subagent for approval.

Agent/Subagent

Sign estimate and return to Assistant Administrator, Field Operations.

Assistant Administrator,
Field Operations

Forward documents to the Fiscal Office for billing.

Notify Administrator, Vehicle Systems Manager, Receiving and Compliance Audit of any changes in Agency or

Subagency and of any temporary closures. Update Agent/Subagent file.

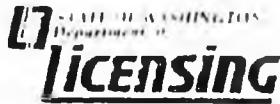
H. TERMINATION OF AGENTS AND SUBAGENTS

<u>Responsibility</u>	<u>Action</u>
Director/Agent	<p>Terminate agent appointment or revoke Subagent approval when one or more of the following conditions occur and the problem cannot be resolved to the satisfaction of the Director or Agent.</p> <ol style="list-style-type: none">1. Department audit reveals that Agent or Subagent is misusing state funds.2. Agent or Subagent is not complying with Department's procedures or standards.3. Agent's or Subagent's error rate is consistently high when compared to similar offices.4. Breach of contract.5. Subagent volume falls below acceptable transaction levels or criteria specified in this procedure.
Agent	<p>Provide written notification to the Assistant Director, Vehicle Services of intent to terminate Subagent.</p>
Assistant Director, Vehicle Services	<p>When the termination is Department initiated, notify Agent/Subagent at least 30 days prior to termination except when unusual circumstances require immediate termination.</p> <p>Notify Assistant Administrator, Field Operations.</p>
Assistant Administrator, Field Operations	<p>Initiate SSR for the removal of DOL equipment, and coordinate final closure.</p>
Closing Agent/Subagent	<p>Post sign directing customers to other licensing agencies.</p>

	Conduct closing inventory in accordance with DOL Division Directive VEH.11, Inventory Control (CAAP).
Agent	Close financial records. Audit and close bank trust accounts.

I. SURRENDER OF APPOINTMENT AS LICENSE AGENT/SUBAGENT

<u>Responsibility</u>	<u>Action</u>
Agent/Subagent	Provide notice in accordance with the Agent/Subagent Contract to Director/Agent if requesting termination.
Director/Agent	Acknowledge Agent/Subagent request for termination. Forward notice to Assistant Administrator.
Assistant Administrator, Field Operations	Initiate SSR for the removal of DOL equipment, and coordinate final closure.
Closing Agent/Subagent	Post sign directing customers to other licensing agencies. Conduct closing inventory in accordance with DOL Directive VEH.11, Inventory Control (CAAP).
Agent	Close financial records. Audit and close bank trust accounts.
Agent	Retain all records for three years after closure. Exception: Retain checking account records and bank statements for six years. See also VEH.6A and VEH.7.



DIVISION
POLICY/PROCEDURE

VEH.9A

Vehicle Field System Workstation Allocation

Vehicle Services

Adm. 28A, ADM.11A
Supersedes VEH.9 (10/25/90).
20-01-2C

12/18/91

[Handwritten Signature]

Mary Simland

POLICY:

The department will regularly monitor the validity of Vehicle Field System (VFS or "C.A.A.P") workstation allocation criteria and statewide workstation allocations. Consideration for any adjustments to workstation allocations will be made primarily for providing sufficient automated equipment to maintain customer service while improving the efficiency and cost-effectiveness of statewide vehicle and vessel licensing activities.

The department will, within budget limitations, assume the cost of all necessary equipment and installations or removal of workstations in accordance with the allocation criteria. Licensing offices will be responsible for any necessary site preparation including remodeling, dedicated electrical circuits, etc.

PROCEDURES:

A. WORKSTATION CHANGES

Responsibility

Action

Subagent

Submit written request to the county agent for workstation changes.

Agent

Submit written request to the Assistant Administrator, Field Operations for workstation changes at county or subagent offices.

Include justification with statistics which meet the criteria in Appendix A and/or any extenuating

	<p>circumstances that should be considered.</p>
<p>Assistant Administrator Field Operations</p>	<p>Evaluate the request against current criteria, and any extenuating circumstances.</p> <p>Prepare recommendation and System Service Request (SSR) as appropriate.</p> <p>Forward signed SSR to Information Services within one week.</p> <p>Initiate changes when department monitoring of statewide allocations shows that workstations allocated to an office are no longer appropriate per criteria in Appendix B.</p>
<p>Information Services Technical Services</p>	<p>Prepare SSR impact including detail of all necessary equipment changes at both the office location and central site. Include revised Vehicle Field System (VSF or CAAP) contract Exhibit A information, proposed schedule and estimate of all costs for installation.</p> <p>Return within one week to Assistant Administrator, Field Operations.</p>
<p>Assistant Administrator Field Operations</p>	<p>Forward SSR impact and letter of recommendation within one week to Assistant Director, Vehicle Services.</p>
<p>Assistant Director Vehicle Services</p>	<p>Review recommendation from Assistant Administrator, Field Operations and SSR impact from Information Services. Approve or deny changes.</p> <p>Inform Assistant Administrator, Field Operations, of decision.</p>

Assistant Administrator Field Operations	Prepare notification letter for Director's signature within one week for approved requests.
	Notify, in writing, the requesting office and the agent (if applicable) of the denial if request is not approved.
Agent/Subagent	Submit written request of appeal to the Administrator, Title and Registration Services, within three weeks.
Administrator Title & Reg. Services	Appoint department representative and a county representative from an agent office other than the affected county to hear appeal.
County and department representatives	Meet with and/or review arguments to department and agent/subagent and present appeals decision within two weeks.
Administrator Title & Reg. Services	Provide final decision if county and department representatives cannot agree and inform Assistant Administrator, Field Operations.
Asst. Administrator Field Operations	Prepare appeals notification, as necessary, for Director's signature within one week.
	Update log of workstation allocations and available workstations for approved changes.
	Notify Information Services to proceed with installation or removal of workstation. Forward revised Exhibit A information to Contracts Officer-Titles.
Contracts Officer Titles	Prepare an amendment to Vehicle Field System (VFS or CAAP) equipment contract and have it signed by all parties prior to scheduled workstation installation or

removal. Distribute copies to Agent/Subagent and Department Contracts Administrator. Retain copy in Agent/Subagent file.

Information Services
Technical Services

Proceed with planning and installation of workstations for approved SSRs. Coordinate update of application workstation file, office floor plans, implementation schedules, equipment deliveries, etc.

B. VERIFICATION OF WORKSTATION ALLOCATION CRITERIA

Responsibility

Action

Assistant Administrator

Evaluate the need for a new study to verify workstation allocation criteria every two years. [NOTE: Analysis should include field visits and actual transaction timings. Consideration should be given to impact of recent legislative or procedural changes as well as any exceptions to previous criteria that were approved during review of individual requests.]

Submit findings with any recommendations for revisions of criteria to Assistant Director, Vehicle Services.

Assistant Director
Vehicle Services

Review recommendation and approve or disapprove changes.

Assistant Administrator
Field Operations

Update Appendix A and B of this policy/procedure.

APPENDIX A
1991 WORKSTATION ALLOCATION CRITERIA
VEHICLE/VESSEL FIELD SYSTEM

TRANSACTION STATISTICS

Workstation allocations are based on business volume as indicated by monthly transaction counts for title and non-title transactions.

TRANSACTION CAPACITY

Transaction capacities are based on 80 percent utilization of a workstation (see Development of Criteria). As a baseline for allocation decisions, the average workstation volume must meet or exceed the 80 percent utilization level for a minimum of four months in any twelve month period:

<u>PERCENT TITLES</u>	<u>80% CRITERIA</u>	<u>PERCENT TITLES</u>	<u>30% CRITERIA</u>
0	2868	35	1671
5	2622	36	1649
10	2410	37	1628
15	2225	38	1607
16	2190	39	1586
17	2157	40	1566
18	2124	41	1546
19	2093	42	1527
20	2062	43	1508
21	2031	44	1489
22	2002	45	1471
23	1973	50	1384
24	1944	55	1304
25	1917	60	1231
26	1890	65	1163
27	1863	70	1101
28	1837	75	1043
29	1812	80	989
30	1787	85	938
31	1763	90	891
32	1739	95	847
33	1716	100	806
34	1693		

DETERMINING WORKSTATION VOLUME

Using the Transaction Statistics Report:

- a. determine the percent of title work by month (this is the number of title transactions divided by the total of title plus non-title transactions. Note: do not count backouts. Also, do not count no-fee's and overrides which are already included in title and non-title counts).
- b. determine the average transaction county per workstation by month (this is total transactions divided by number of available workstations).
- c. find the corresponding Percent Titles on the Transaction Capacity listing and compare the average transaction volume per workstation to the 80 percent criteria.
- d. if, during four months in any twelve-month period, the average workstation volume meets or exceeds the 80 percent utilization capacity, a request for an additional workstation may be submitted (see also Extenuating Circumstances).

EXTENUATING CIRCUMSTANCES

The above criteria provide a baseline for allocation decisions. Additional circumstances may be considered in determining allocations when one or more of the following conditions exists:

- a. Workstation use for customer assistance or other purposes not tied to transactions exceed normal usage.
- b. Transaction statistics indicate the increasing growth in business and office is operating at or above capacity.
- c. Projected increases in business can be substantiated based on closure of nearby offices, new housing, shopping or dealership developments, or other changing business conditions.
- d. Office environment (e.g., one workstation) staffing considerations or other factors which can be shown to negative impact capacity use of workstation(s) for at least four full months in any twelve month period.

Specific statistics on daily and hourly fluctuations in business volume may be presented, as justification for additional allocations. However, in general, it is not cost-effective to equip offices to cover infrequent high volume periods. Continuing system performance improvements, procedural changes and legislative changes (e.g., day to day expirations) should assist in leveling workloads.

DEVELOPMENT OF CRITERIA

The 1991 set of criteria was developed by a Workstation Allocation Task Force with members from agent and subagent offices and the department. The following steps and assumptions were used:

- a. Transaction timings were taken at a representative 30 percent sample of offices of various sizes, agent and subagent, eastern and western Washington. Timings were taken from when the clerk said hello to the customer until the next customer was ready to be assisted.
- b. Transactions fell into three major categories for length of time - title and non-title and customer assistance (information only or canceled transactions). The average time for titles was 6 minutes and 2 minutes for non-titles and 2.5 for customer assistance.
- c. It was found that 18 percent of an operator's "transactions" are customer assistance and therefore do not show on the Transaction Statistic Reports.
- d. Maximum utilization of a workstation was based on an eight hour day and five day work week (21 days per month average). One hour of usage per day was reserved for opening and closing functions based on timings done in King County. Therefore, a workstation can be used for transaction work seven hours times 21 days or a total of 8820 minutes per month.
- e. A utilization rate of 80 percent was assumed.
- f. Calculating the criteria:

$$80 \text{ percent Criteria} = .80 (\text{Maximum Transactions})$$

$$\text{Maximum Transactions} = (8820/X + Y + Z) - .18 (8820/x + Y + Z)$$

$$X = .82 (6 \text{ min.} \times p) \text{ for title transactions}$$

$$Y = .82 (2 \text{ min.} \times (1-p)) \text{ for non-title transactions}$$

$$Z = .18 (2.5 \text{ min.}) \text{ for customer assists}$$

$$p = \text{percent title transactions}$$

APPENDIX B
1991 WORKSTATION DE-ALLOCATION CRITERIA
VEHICLE FIELD SYSTEMS

TRANSACTION STATISTICS

Workstation de-allocations are based on business volume as indicated by monthly transaction counts for title and non-title transactions.

Business volumes may decrease based on population shifts or other changing business conditions. Some fluctuations may, however, be transitory in nature so the department has taken a conservative approach to determining when removal of a workstation is merited.

An agent or subagent (through their county agent) may at any time request removal of workstation(s) based on different criteria.

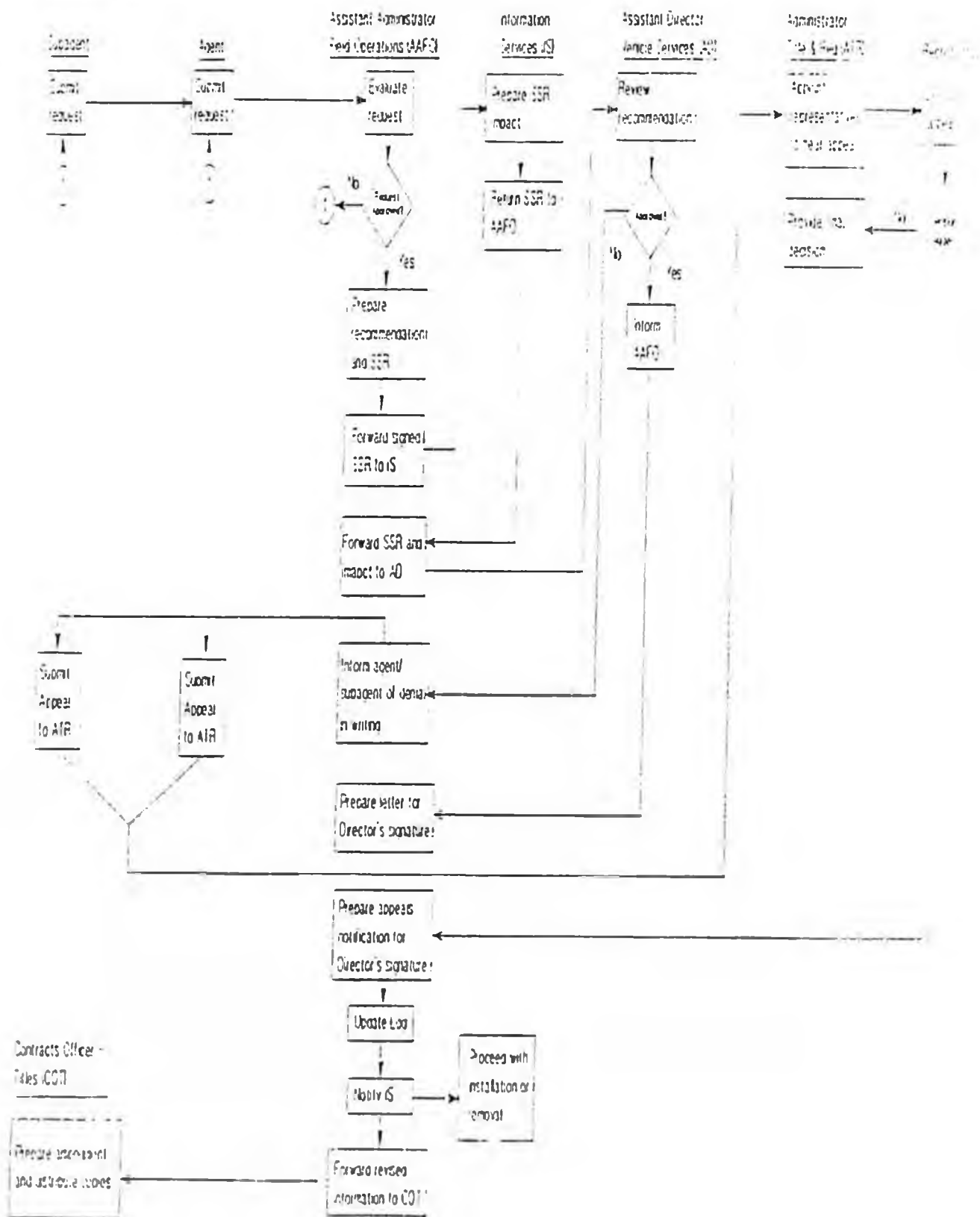
TRANSACTION CAPACITY

The same transaction capacities as listed in Appendix A apply to de-allocation. An office must have two workstations which do not meet the minimum allocation criteria prior to Department-initiated removal on one of the workstations.

For example, if an office with four workstations has monthly transaction volumes significantly below the 80 percent criteria for an extended period, an analysis would be done to determine average volumes at two workstations. If at two workstations the 80 percent criteria was not met or exceeded during at least four months in a twelve month period, the fourth workstation would be de-allocated.

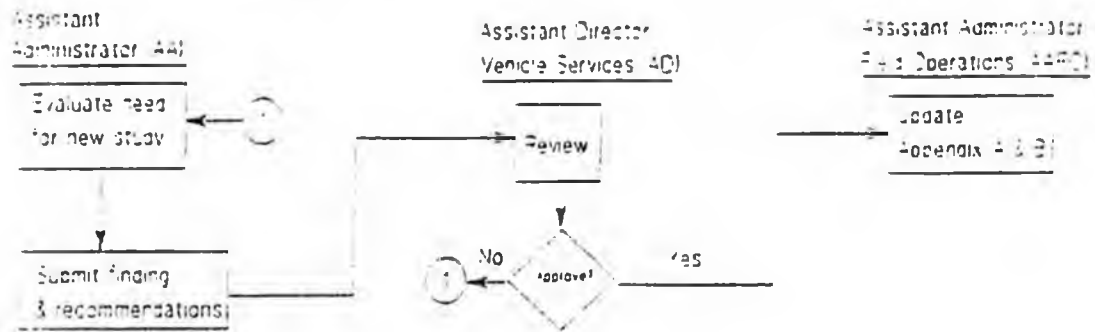
Vehicle Field System Workstation Allocation

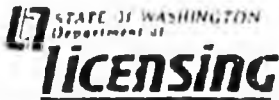
4. Workstation Changes



Vehicle Field System Workstation Allocation

3. Verification of Workstation Allocation Criteria





DIVISION
POLICY/PROCEDURE

POLICY PROCEDURE NUMBER
VEH.10C

TITLE: Handling of Checks by Agents, Subagents and DOL Office (VFS)	
FUNCTION: Vehicle Services	RCW 46.01.230
EFFECTIVE DATE: 8-91	RCW 46.12.160
APPROVAL: <i>Robert Anderson</i>	RCW 82.44.090
APPROVAL: <i>Nancy Cleveland</i>	RCW 43.01.072
	RCW 43.01.075
	WAC 308.04.010
	WAC 308.04.020
	Supersedes VEH.10B

POLICY:

- The agents and subagents of the department, as well as the department's vehicle license counter, will follow standardized guidelines in handling checks drawn for the purpose of obtaining vehicle and vessel registration and title certificates, license, permits, tabs, plates, and decals.
- The department allows the use of multiple checks on a single transaction or on a batch of multiple transactions.
- If one or more checks of a multiple check payment for a batch of transactions is subsequently dishonored, all vehicle/vessel records in the batch will be affected. The registered owner's record is not flagged when a Washington dealer batch check is dishonored or when a lienholder check for reissue to remove lien is dishonored.
- The department does not allow acceptance of payment by check in excess of the total authorized amount due.
- All checks must have the following identifying information:
 1. Check maker's name, address, and telephone number;
 2. The transaction number.
- NOTE: If the total amount due is paid by more than one check, indicate the number of checks involved in the payment.
- Checks must be written on US banks except that checks written on Canadian banks may be accepted if the office has made special arrangements with their bank for the acceptance of Canadian checks.
- Checks are considered dishonored when they are returned from the bank for reasons of stop payment, account closed, insufficient funds, or improper preparation or execution.

Checks should be redeposited a second time unless the bank identifies the reason for the return as stop payment, account closed, or gives specific instructions not to redeposit.

The department may assess a \$15.00 handling fee (up to \$15.00 for agents and subagents) whenever a check has been dishonored and returned to the bank.

The office that actually collects resitution for dishonored checks is entitled to retain the handling fee.

If the maker of the dishonored check is someone other than the licensee, the maker, not the licensee, is liable for the handling fee. The licensee is responsible for any late application or reinstatement fees.

Individuals with a recent and/or repeat history of writing dishonored checks may be required to pay by certified check, money order or cash.

Dishonored Check Notices will be sent to all licensees who have paid with dishonored checks.

Notices for dishonored checks written on Washington dealer's and lienholder's accounts will be sent to the dealer, not the licensee and the licensee's vehicle/vessel record is not flagged.

Dishonored checks from non-Washington dealers will be the responsibility of the registered owner if not cleared within fifteen days. The licensee's vehicle/vessel record will be flagged if such checks are not cleared.

PROCEDURE:

A. ACCEPTING CHECKS

<u>Responsibility</u>	<u>Action</u>
Agents, Subagents	Ensure that customer checks are made payable to the Department of Licensing or to the county auditor.
DOL Office	Ensure that customer checks are made payable to Washington State Treasurer or to the Department of Licensing.
Agents, Subagents	If the transaction is related to vehicle or vessel title/license /permit/registration, accept only checks made payable to the account of, and signed by:

1. Registered or legal owner (preferred), OR
2. Washington licensed vehicle or vessel dealer, financial institution, or individual who is responsible for processing vehicle or vessel title/license/permit registration applications as part of their normal business routine, OR
3. Individuals on behalf of businesses, OR
4. Businesses on behalf of their proprietors or employees, OR
5. Immediate family members of the registered owner.

For transactions not related to vehicle or vessel title/license/permit registration, checks may be accepted at the discretion of the agent/subagent/DOL office, provided all information to identify the transaction and purpose is present, and provided that accepting the check is consistent with sound business practices.

If the office chooses to accept payment by check which is less than the total authorized amount due, the difference must be made up in cash. At no time is a transaction to be processed for less than the total authorized amount due.

If the check is less than the total amount due for the transaction, indicate:

- a. The authorized transaction amount;
- b. The difference; and
- c. Whether the difference is paid by cash or another check or checks.

NOTE: There is nothing in this procedure which prohibits an office from choosing to pay the cash difference itself, in order to process the customer's transaction.

B. DISHONORED CHECK (DHC) -- INSTANT CREDIT

Responsibility

Action

Agents, Subagents,
DOL Office

Redeposit the dishonored check unless:

1. The bank identifies the reason for return as "payment stopped" or "account closed"; or
2. The bank gives a specific instruction not to redeposit it; or
3. The check has been run through the account twice.

Enter the check into the VFS System by the close of business on the business day following the day the dishonored check was received from the bank. "Instant credit" is taken at this time. Credits will be listed on the DHC collection line of the Office Recapitulation of the Daily Remittance.

Send the system generated Dishonored Check Notice to the maker of the check by the close of the business day on which instant credit was taken.

Send a copy of the Dishonored Check Notice to the licensee also, if the maker of the dishonored check is other than the licensee.

Notices for dishonored checks written on Washington dealer accounts or lienholder will be sent to the dealer, not the licensee. The licensee's vehicle/vessel record is not flagged.

Dishonored checks from non-Washington dealers will be the responsibility of the registered owner if not cleared within fifteen days. The licensee's vehicle/vessel record will be flagged if such checks are not cleared.

Retain a copy of the Dishonored Check Notice in a pending file.

Maintain a file of dishonored checks until the checks have been redeemed by the customers or they have been sent to DOL for further collection action.

C. STOP PAYMENT

Responsibility

Agents, Subagents,
DCL Office

Action

Take instant credit as explained in Section B above when a check is returned because payment was stopped.

Hold the check until it appears on the Unresolved Dishonored Check Report and then process as explained in Section D.

Attach tabs and registration to the check and Dishonored Check Notice being sent to Olympia if a customer returns tabs and registration prior to the check being sent to Olympia.

Follow instructions below.

D. SEND UNREDEEMED CHECKS TO DOL

Responsibility

Action

Vehicle Services via
VFS System

VFS system generates an Unresolved Dishonored Check Report on the 16th day following instant credit, if restitution has not been made.

Agents, Subagents

Place Unresolved Dishonored Check Report and the dishonored checks listed, along with copies of Dishonored Check Notices, in an envelope marked "DHC". This envelope must be sent with other shipping lists to DOL for that day.

NOTE: For stop payment DHC, also attach tabs and registration if surrendered by the customer.

E. RESTITUTION

Responsibility

Action

Agents, Subagents
DOL System

Enter Restitution on the VFS System.

Verify the amount to be collected. It must be the amount of the original transaction.

Enter the transaction amount, if needed.

Accept payment for the amount of check plus dishonored check

Vehicle Services via
VFS System

handling fee. Partial restitution or "payments" are not to be accepted. At the discretion of the agent or subagent, cash, money order or cashier's check may be required.

Give customer restitution receipt.

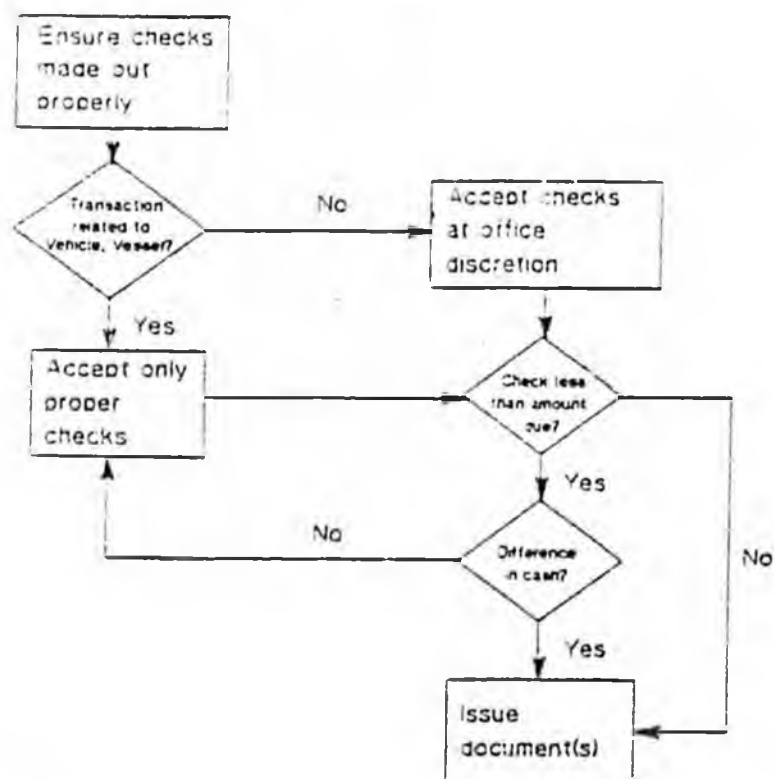
Returned dishonored check to customer if within fifteen days of taking instant credit.

System will generate a receipt for customer and incorporate restitution into the day's work. Amount of original transaction will be included in the Gross Amount Collected line. The DHC handling fee from the Office Environment Table will be shown on the DHC handling fee line on the office recapitulation.

Handling of Checks by Agents, Subagents and DOL Office (VFS)

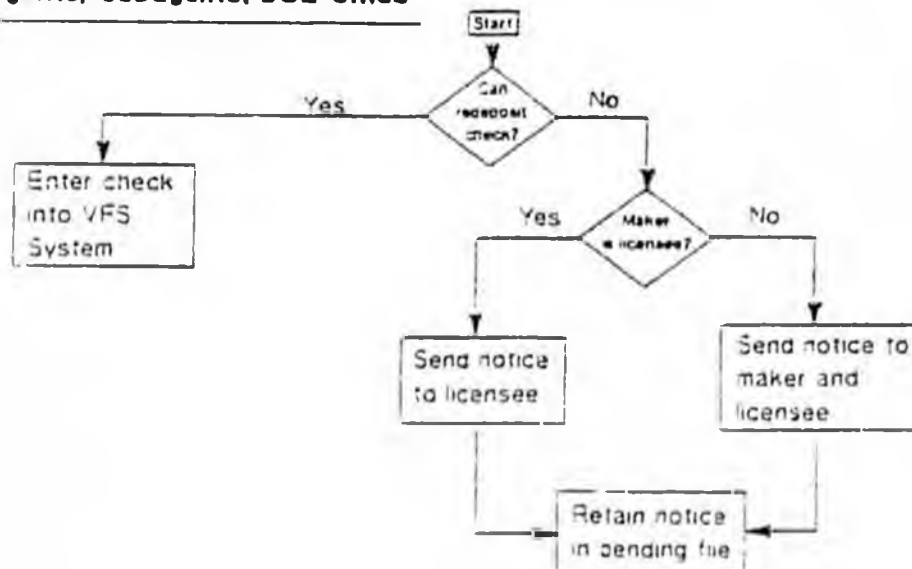
A. Accepting Checks

Agents, Subagents, DOL Office



B. Dishonored Check (DHC) - Instant Credit (Non-Dealer)

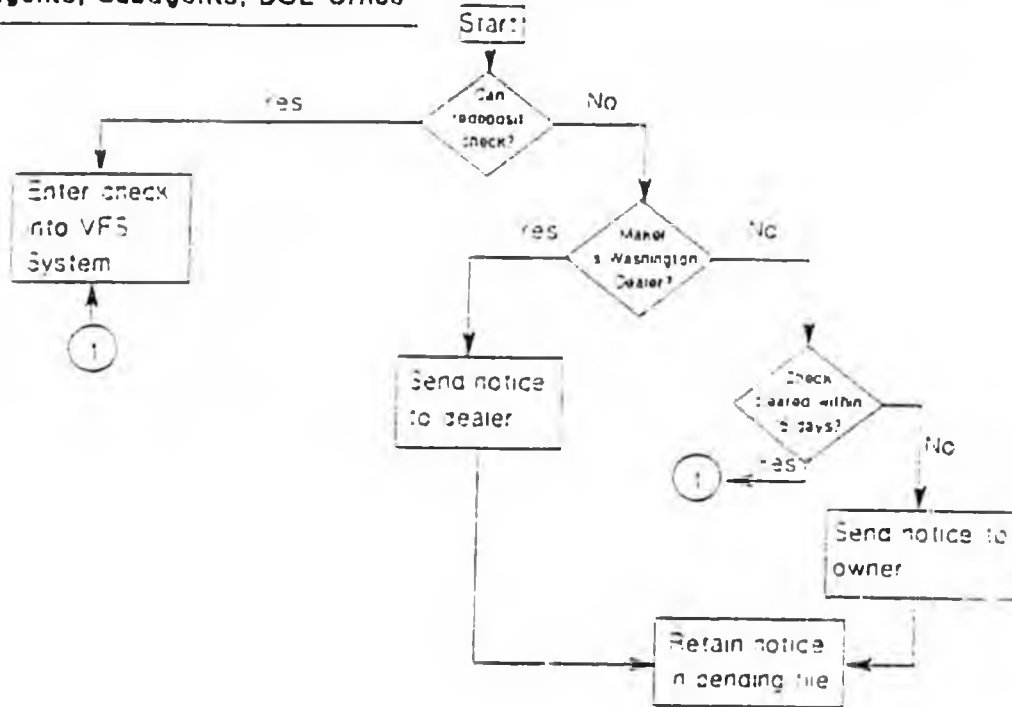
Agents, Subagents, DOL Office



Handling of Checks by Agents, Subagents and DOL Office (VFS)

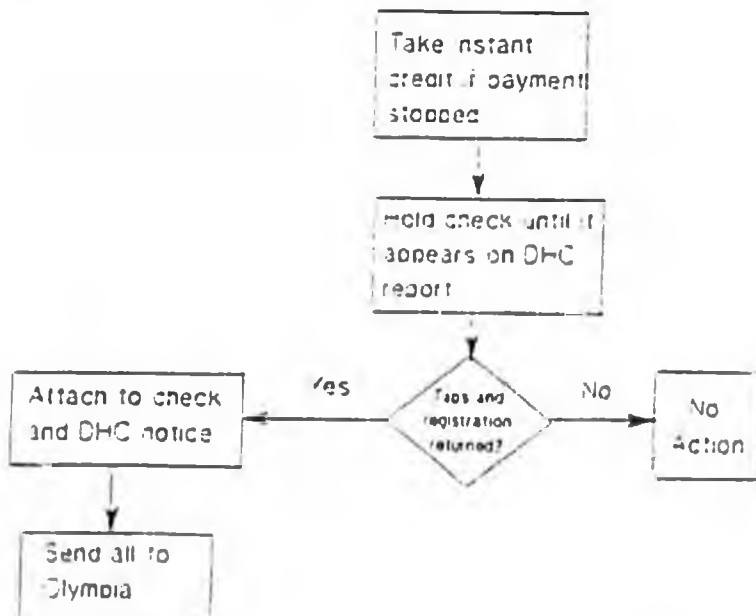
B. Dishonored Check (DHC) - Instant Credit (Dealer)

Agents, Subagents, DOL Office



C. Stop Payment

Agents, Subagents, DOL Office



Handling of Checks by Agents, Subagents and DOL Office (VFS)

D. Send Unredeemed Checks to DOL

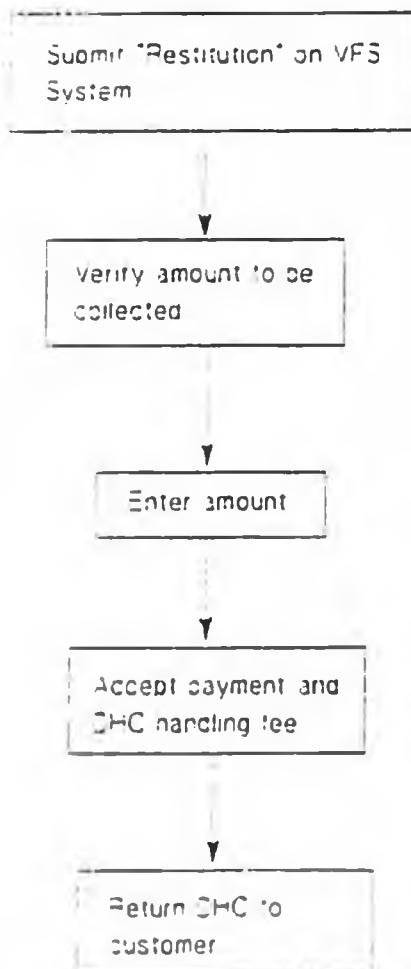
Agents, Subagents

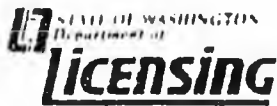
Send:

- Unresolved DHC report
- DHC(s)
- Copies of DHC notices to Olympia

E. Restitution

Agents, Subagents, DOL System





DIVISION
POLICY/PROCEDURE

POLICY TITLE AND NUMBER
VEH.11A

ISSUE Inventory Control (VFS)	
ISSUE DATE Vehicle Services	VEH.3A: Standards of Operations Supersedes: 20-01-4B, VEH.11
ISSUE TIME - DATE <i>10-8-91</i>	
APPROVAL <i>Robert Anderson</i>	
APPROVAL <i>Mary Ruiland</i>	

POLICY:

Supplies will be issued by the department and its agents in an efficient manner. The DOL Office, agents, and subagents will ensure that these supplies are appropriately maintained and inventoried.

PROCEDURE:

A. ACCOUNTABLE ITEMS - REORDER LEVEL

Responsibility

Action

Inventory Control

Monitor number of accountables issued and adjusted out of each county's inventory to establish 90 day usage.

Adjust reorder levels for each county using the "Inventory Reorder Levels" process so that when a county is at or below a 90 day supply level at the end of a week, they will appear as needing inventory on the "County Inventory Reorder Report".

Agent

Monitor number of accountables issued and adjusted out of each subagent's inventory to establish 90 day usage.

Establish reorder levels so that any subagent at or below a 90 day supply level is easily identified.

B. ASSIGNMENT OF ACCOUNTABLE ITEMS TO AGENTS AND DOL OFFICE:
SHIPMENT FROM DOL

Inventory Control

Use the "Assign Headquarter Inventory" process to assign accountable items. Forward the original document and one copy with the accountables to the agent/DOL Office. Retain one copy until the agent inventory has been updated as verified through the "Inquiry" process.

Assign and ship a 90 day supply of accountable items to any new agent.

Assign and ship a 90 day supply of accountable items to those agents identified as being at or below reorder level on the weekly "County Inventory Reorder Report".

Assign and ship accountable items so that whenever possible, the agent receives them 60 days prior to the first day of issuance to the public.

Retain signed copies of shipping lists received from agents for 18 months.

C. ASSIGNMENT OF ACCOUNTABLE ITEMS TO AGENTS AND DOL OFFICE:
SHIPMENT FROM VENDOR

Inventory Control

Identify the accountable items to be shipped by the vendor using the "Manufacture Request - Non-Plate Items" or "Plate Shipment Request to County" process. Send original document to vendor. Send one copy to agent as notification of pending shipment. Retain the third

copy until the agent inventory has been updated as verified through the "Inquiry" process.

Enter these accountable items into the headquarters inventory using the "Inventory Received from Vendor" process when order is sent to vendor.

Assign these accountable items to the agent using the "Assign Headquarters Inventory" process before the vendor ships the items to the agent.

D. ASSIGNMENT OF ACCOUNTABLE ITEMS TO SUBAGENT; SHIPMENT FROM AGENT

Agent

Assign accountable items using the "Inventory Assignment Subagent" process.

Forward the original document and one copy with the accountables to the subagent. Retain the copy until subagent inventory has been updated as verified through the "Inquiry" process.

Assign and ship an estimated 90 day supply of accountable items to any new subagent.

Assign and ship a 90 day supply of accountable items to those subagents identified as being at or below reorder level.

Assign and ship accountable items so that whenever possible the subagent receives them 30 days prior to the first day of issuance to the public.

Retain signed copies of shipping lists received from subagents for three years.

E. RECEIPT OF ACCOUNTABLE ITEMS

Inventory Control

Receive and verify shipment of accountable items. Individual items within an unopened box need not be verified until the box is opened.

Enter accountable items received at headquarters from the vendor utilizing the "Inventory Received From Vendor" process.

Enter accountable items received at headquarters from agents utilizing the "Inventory Received From County" process.

Delete these items from inventory using the "Adjustment" process if items are discovered to be lost, stolen, mutilated, missing, or not received.

Agent, DOL Office

Receive and verify shipment of accountable items. Individual items within an unopened box need not be verified until the box is opened.

Note any discrepancies on both copies of the shipping list.

Sign, date both copies and return the original shipping list to:

Department of Licensing
Liaison - Inventory Control
Box 9037
Olympia, WA 98507-9037

Enter accountable items received from DOL or from a vendor into the county unassigned inventory using the "Inventory Received from Headquarters" process.

Agent

Enter accountable items received from a subagent into the county unassigned inventory using the

Agent, DOL Office

"Inventory Received From Subagent" process.

Delete these items from inventory using the "Adjustment" process if items are discovered to be lost, stolen, mutilated, missing or not received.

Subagent

Receive and verify shipment of accountable items. Individual items within an unopened box need not be verified until the box is opened.

Note any discrepancies on both copies of the shipping list.

Sign, date both copies and return the original shipping list to the agent.

Enter accountable items into the unassigned office inventory using the "Inventory Received from County" process.

Delete these items from inventory using the "Adjustment" process if items are discovered to be lost, stolen, mutilated, missing, or not received.

F. DEASSIGNMENT OF INVENTORY

Subagent

Remove accountable items from workstation or central inventories, the office unassigned inventory and then to the agent, using the "Deassignment" process.

Send two copies of the office inventory deassignment listing with the deassigned accountables to the agent.

Retain the third copy until the agent returns a signed copy. Retain the signed copy for three years.

Agent

Verify deassigned items received from subagent. Sign, date and return copy of deassignment listing to subagent. Enter these items into the county unassigned inventory using the "Inventory Received From Subagent" process.

Agent, DOL Office

Remove the accountable items from either workstation or central inventory to unassigned county inventory and then to "Inventory Control" using the "Deassignment" process.

Send two copies of the county inventory deassignment listing with the deassigned accountables to:

Department of Licensing
Liaison - Inventory Control
Box 9037
Olympia, WA 98507-9037

Retain the third copy until Inventory Control returns a signed copy. Retain the signed copy for three years.

Inventory Control

Verify deassigned items received. Sign, date and return copy of deassignment listing to agent. Enter these items into the headquarters inventory using the "Inventory Received From County" process.

Remove accountable items from the headquarters inventory using the "Deassignment" process.

Retain a copy of the headquarters deassignment listing for three years.

G. ORDERING NON-ACCOUNTABLES

Inventory Control

Monitor statewide usage of non-accountable items to determine six

	month statewide supply and reorder levels.
	Notify Supply whenever items need to be ordered and/or the reorder level adjusted.
Supply	Notify Inventory Control whenever items are at or below the reorder level.
	Adjust the reorder levels as requested by Inventory Control.
Subagent, Agent, DOL Office	Monitor usage of non-accountable items to determine 90-day supply and reorder level.
	Maintain a 90-day supply of all non-accountable items.
Subagent	Request non-accountable items from agent whenever items are at or below the reorder level.
Agent	Send non-accountable items to subagent. Maintain log of all supplies shipped.
Agent	Request non-accountable items from Inventory Control whenever items are at or below the reorder level:
	<ol style="list-style-type: none"> 1. Complete Forms Requisition (TD-420-033) in triplicate. 2. Send original and one copy to: <p style="margin-left: 40px;">Department of Licensing Liaison - Inventory Control Box 9037 Olympia, WA 98507-9037</p> 3. Retain one copy until order is received. 4. Retain copy of requisition returned by Inventory Control

until back orders are filled
and/or discrepancies resolved.

Make a physical review of non-
accountable items for obsolescence
at least quarterly and dispose of any
that are obsolete.

Inventory Control

Note any change/correction/back
order on both copies of the
requisition.

Return original Forms Requisition
document with non-accountable
items.

Fill back orders as supplies become
available. Make notation on copy
of original requisition. Photocopy
and send photocopy with back
order to agent.

Log all items shipped, and retain a
copy of each Form Requisition
received for three years.

Send a list of correct non-
accountable items (with revision
dates) that should be stocked in
field offices at least semi-annually.

H. SECURITY OF INVENTORY

Agent, Subagent, DOL Office

Ensure that accountables as well as
non-accountable items and supplies
are used only for activities
authorized by DOL.

I. DAILY INVENTORY RECORDS

Agent, Subagent, DOL Office

Enter beginning and ending
accountable inventory items as
requested by the "Start of Day" and
"End of Day" processes.

Maintain hard copy records
permitting location of, or

accounting from any inventory item within ten minutes of request.

Use the 'Adjustment' process to remove the item from either the unassigned, workstation or central inventory whenever an accountable item is discovered to be lost, stolen, mutilated or missing.

Print the "Inventory Override Adjustment" Report. Attach voided or mutilated items to the original copy of the report and place in separate envelope marked: "Attention: Vehicle Agent Audit Services". Send to DOL with daily work. Retain a copy of all adjustment reports for three years.

Vehicle Agent Audit Services

Prepare and send letter to subagent and/or agent requesting payment whenever trip permits or dealer temporary permits are reported as lost, stolen or missing.

Notify Fiscal Management.

Draft letter of sanction for administrator when excessive, recurring or unexplained losses of other accountable items occurs.

Administrator

Review and send recommended letter of sanction to subagent and/or agent, which may include requiring agent/subagent to pay replacement costs of the item(s) identified as lost, stolen or missing.

Agent, Subagent

Submit payment for items as instructed by the department.

J. MONTHLY INVENTORY RECORDS

Agent, Subagent, DOL Office

Request and print unassigned, central and workstation inventory after close of business on the fifteenth calendar day of each

month using the "Inquiring process". If the fifteenth calendar day is not a business day, then request and print the data after the close of business on the last business day preceding the fifteenth calendar day of the month.

Conduct physical inventory of all accountable items after close of business on the fifteenth calendar day of each month and before the next succeeding business day. If the fifteenth calendar day is not a business day, then conduct the physical inventory after the close of business on the last business day preceding the fifteenth calendar day of the month.

Compare computer inquiry reports to physical inventory.

Resolve discrepancies by using the unassigned workstation and/or central inventory "Adjustment" processes not later than the fifteenth calendar day of the month.

Print the office "Month End Inventory Report" the first business day following the fifteenth calendar day of the month and sign it.

Subagent

Send two signed copies to the agent by the close of the first business day following the fifteenth calendar day of the month.

Agent, DOL Office

Ensure that all required inventory information is entered into the VFS system in a timely manner.

Agent

Check/reconcile inventory data contained in each subagent report.

Request recount, explanation or justification when subagent inventory records do not balance.

("Start of Month" plus "Received for Month" minus "Issued for the Month" minus "No. of Adj." should equal "End of Month" "Inquiry - Subagent" process before start of business on the 16th day should display the same inventory items as the subagent's "Month End Inventory Report".)

Agent, DOL Office

Monitor inventory "Override/ Adjustment" reports.

Reconcile, and forward one signed copy of the county's "Month End Inventory Report" accompanied by one signed copy of each office's "Month End Inventory Report" by the twentieth calendar day of each month, to:

Department of Licensing
Liaison - Inventory Control
Box 9037
Olympia, WA 98507-9037

Inventory Control

Log receipt of county inventories.

Prepare a report identifying all counties which have not submitted their "Month End Inventory Report(s)" by the twenty-fifth calendar day of each month. Send to Vehicle Agent Audit Services.

Agent, Subagent, DOL Office

Retain copies of the "Month End Inventory Reports" for three years.

K. CLOSING INVENTORY - SUBAGENT

Subagent

Take physical inventory when ceasing to function as a subagency.

Deassign all workstation and central inventory items.

Request and print the office inventory using the "Inquiry" process.

Compare physical to computer inventory records. Resolve discrepancies using the "Adjustment" process.

Request and print the unassigned office inventory using the "Inquiry" process when discrepancies have been resolved. Sign this final report. Send two copies to the agent.

Agent

Send one signed copy of the subagent's final report to Liaison.

Agent, Subagent

Conduct a final physical inventory. Use the "Adjustment" process if there is a discrepancy with the final report.

Deassign all inventory from the office to the agent.

L. CLOSING INVENTORY - AGENT, DOL OFFICE

Agent, DOL Office

Take physical inventory when ceasing to function as an agent or DOL Office.

Deassign all workstation and central inventory items.

Request and print the county unassigned inventory, using the "Inquiry" process.

Compare physical to computer inventory records. Resolve discrepancies using the "Adjustment" process.

Request and print the unassigned inventory using the "Inquiry" process when discrepancies have been resolved. Sign this final report. Send one copy to DOL.

Vehicle Agent Audit Services

Conduct a final physical inventory.

Use the "Adjustment" process if there is a discrepancy with the final report.

Deassign all inventory to Inventory Control (Plate Desk).

M. DISPOSITION OF EXPIRED ACCOUNTABLE ITEMS

Agent, Subagent, DOL Office

Conduct a physical inventory of expired vessel decals and vehicle tabs within 30 days after they expire. Deassign all expired accountable items.

Subagents

Return expired tabs/decals with the deassignment listing to agent.

Agent

Receive deassigned subagent accountables into county unassigned inventory.

Agent, DOL Office

Deassign all expired tabs/decals. Within 60 days after expiration, ready for pickup by and/or shipment to DOL, as instructed by Vehicle Services.

Inventory Control

Receive all expired tabs/decals into headquarters inventory.

Deassign all expired tabs/decals and notify Vehicle Agent Audit Services.

Vehicle Agent Audit Services

Verify receipt of expired items and deassignment listings.

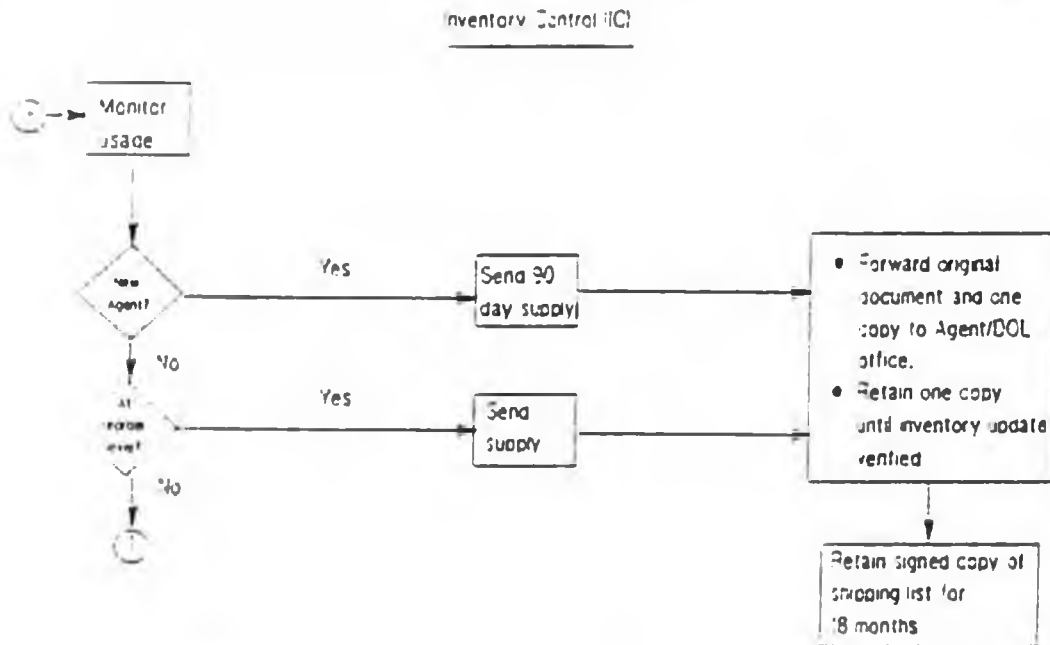
Arrange for destruction of expired accountable items.

Inventory Control (VFS)

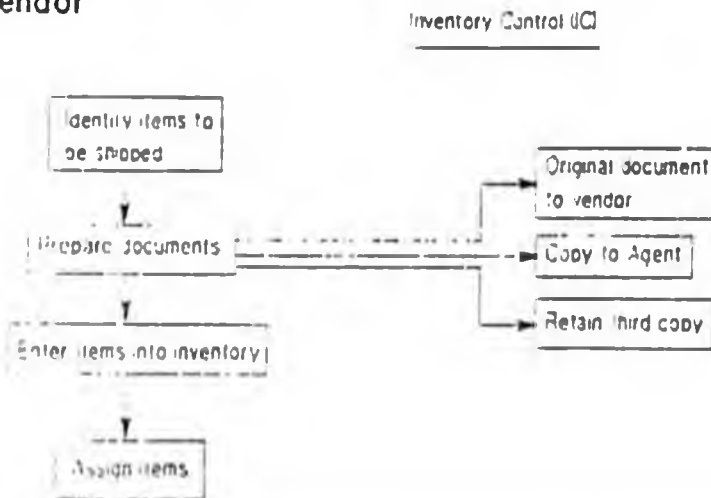
A. Accountable Items (AI) - Reorder Level



B. Assignment of Accountable Items to Agents and DOL Office: Shipment from DOL

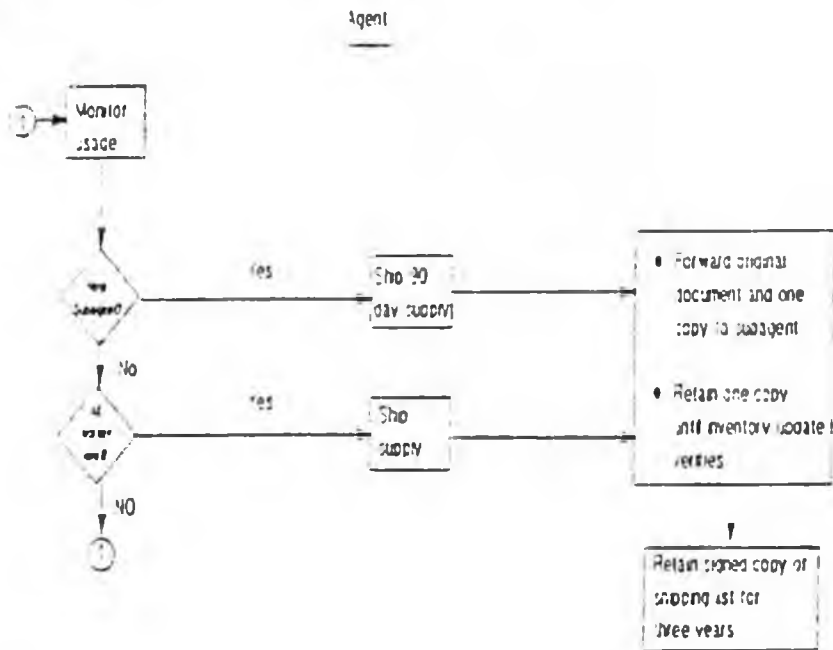


C. Assignment of Accountable Items to Agents and DOL Office: Shipment from Vendor

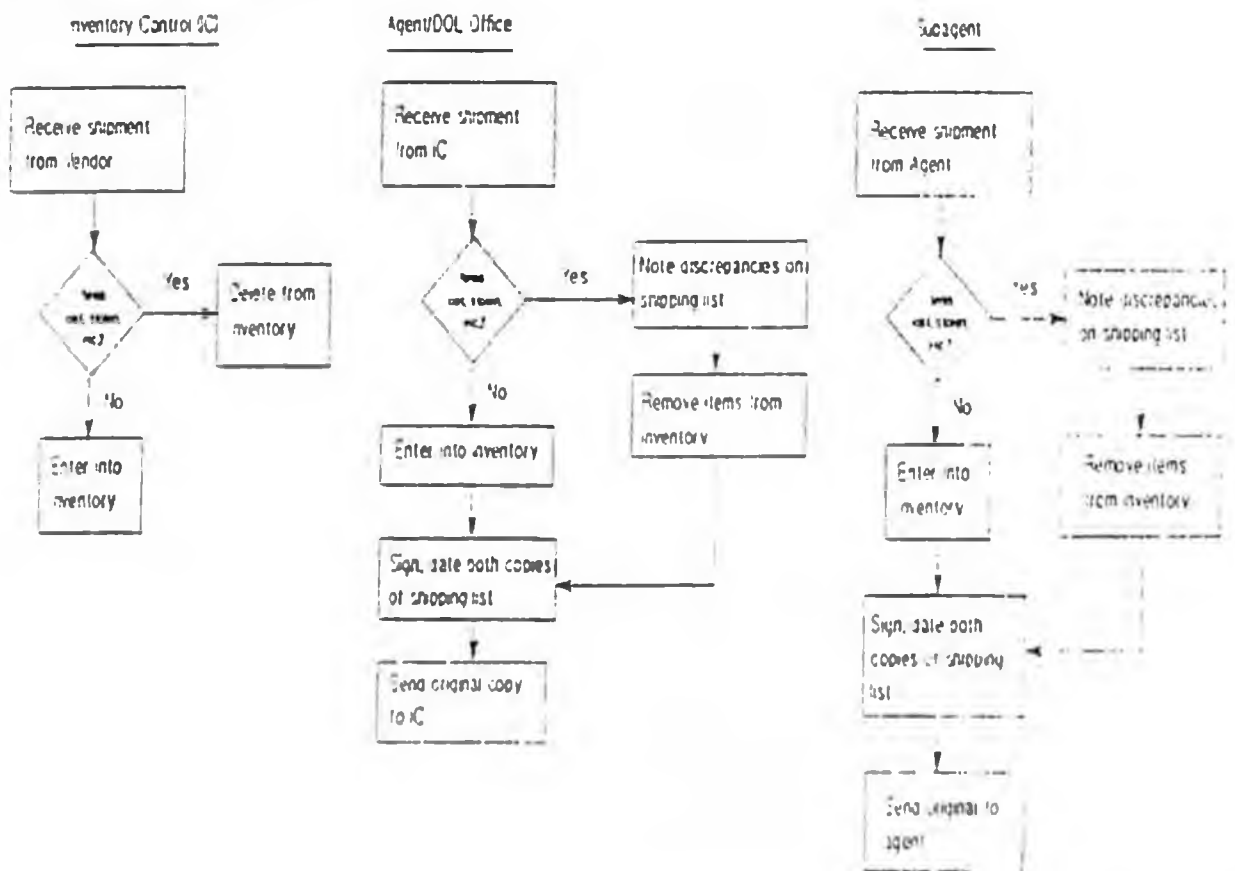


Inventory Control (VFS)

D. Assignment of Accountable Items to Subagent: Shipment from Agent

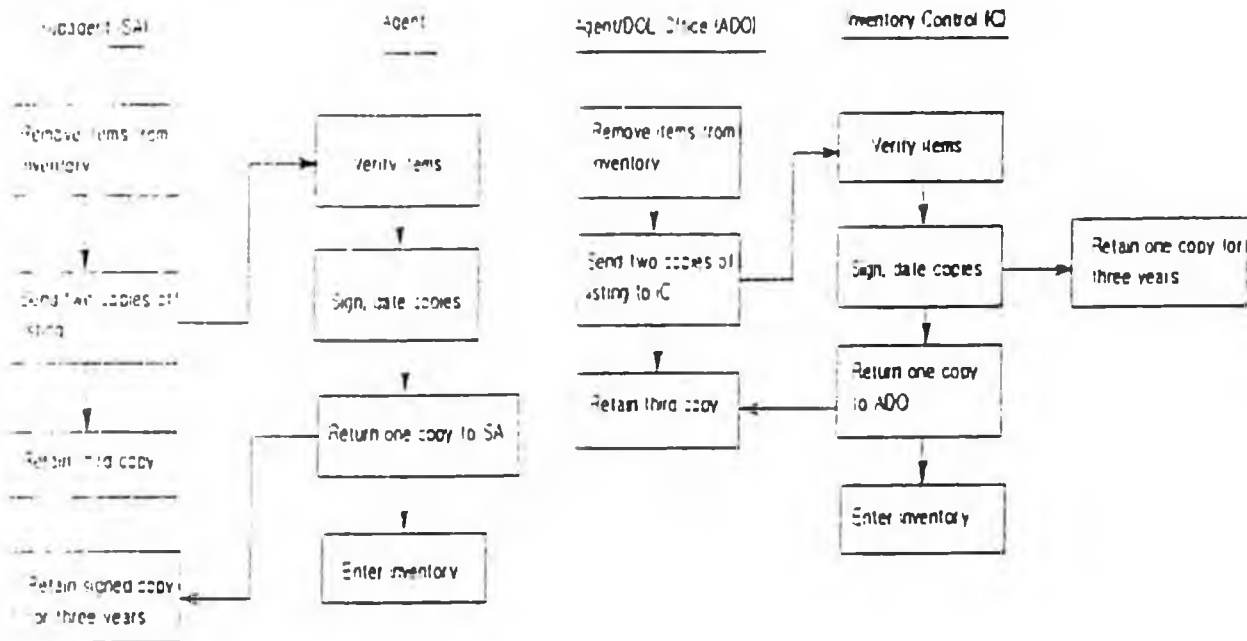


E. Receipt of Accountable Items

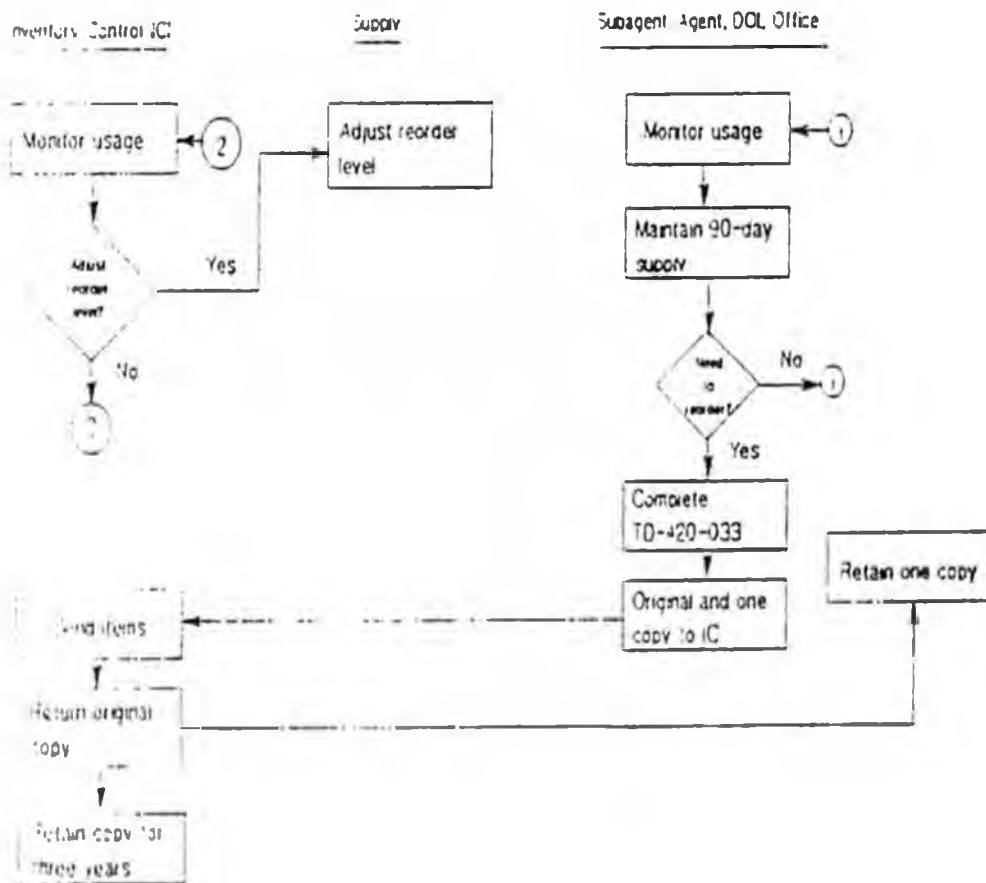


Inventory Control (VFS)

F. Deassignment of Inventory



G. Ordering Non-Accountables



Inventory Control (VFS)

H. Security of Inventory

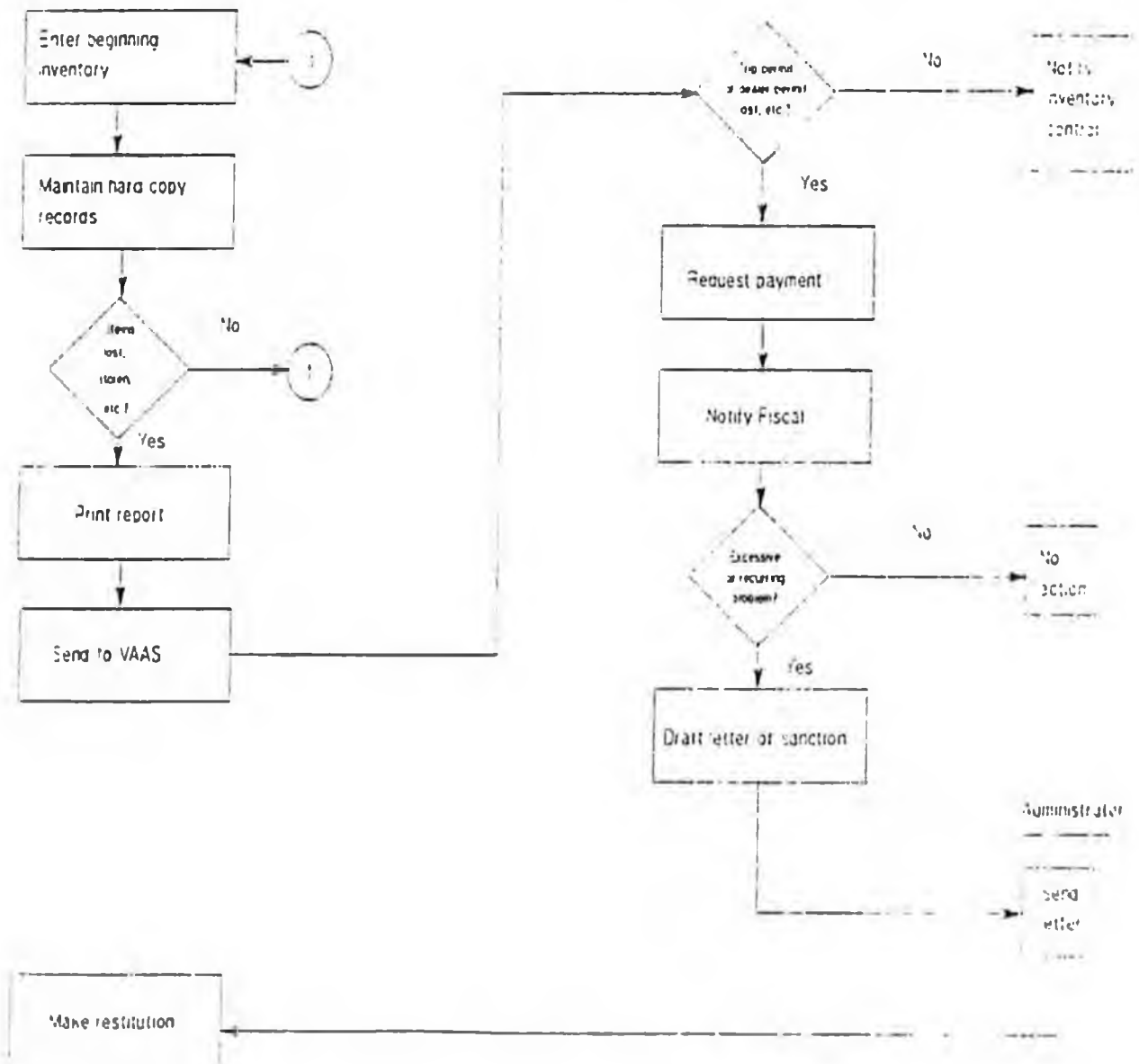
Agent, Subagent, DCL Office

Ensure all items are used for DCL authorized activities

I. Daily Inventory Records

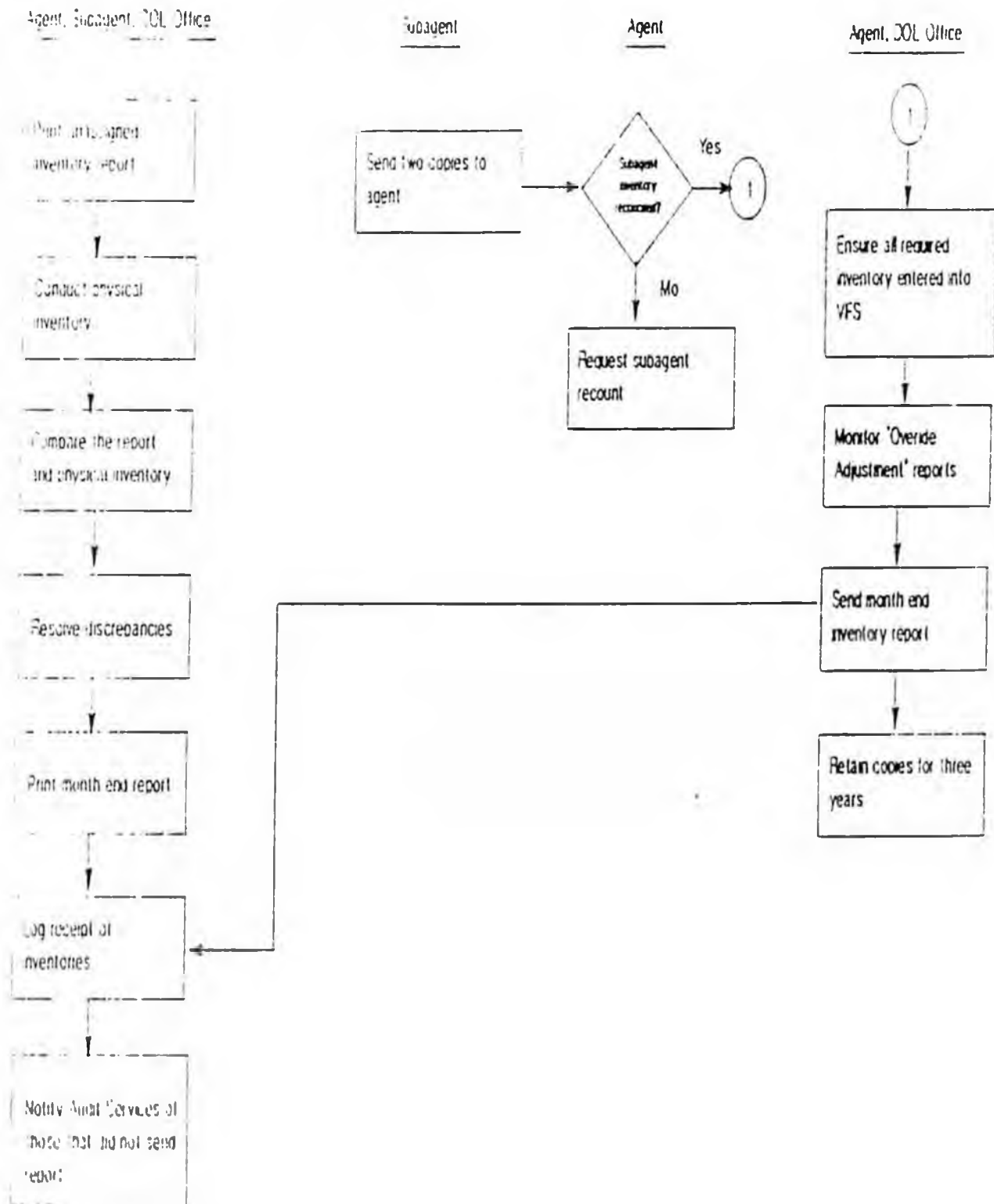
Agent, Subagent, DCL Office

Vehicle Agent Audit Services (VAAS)



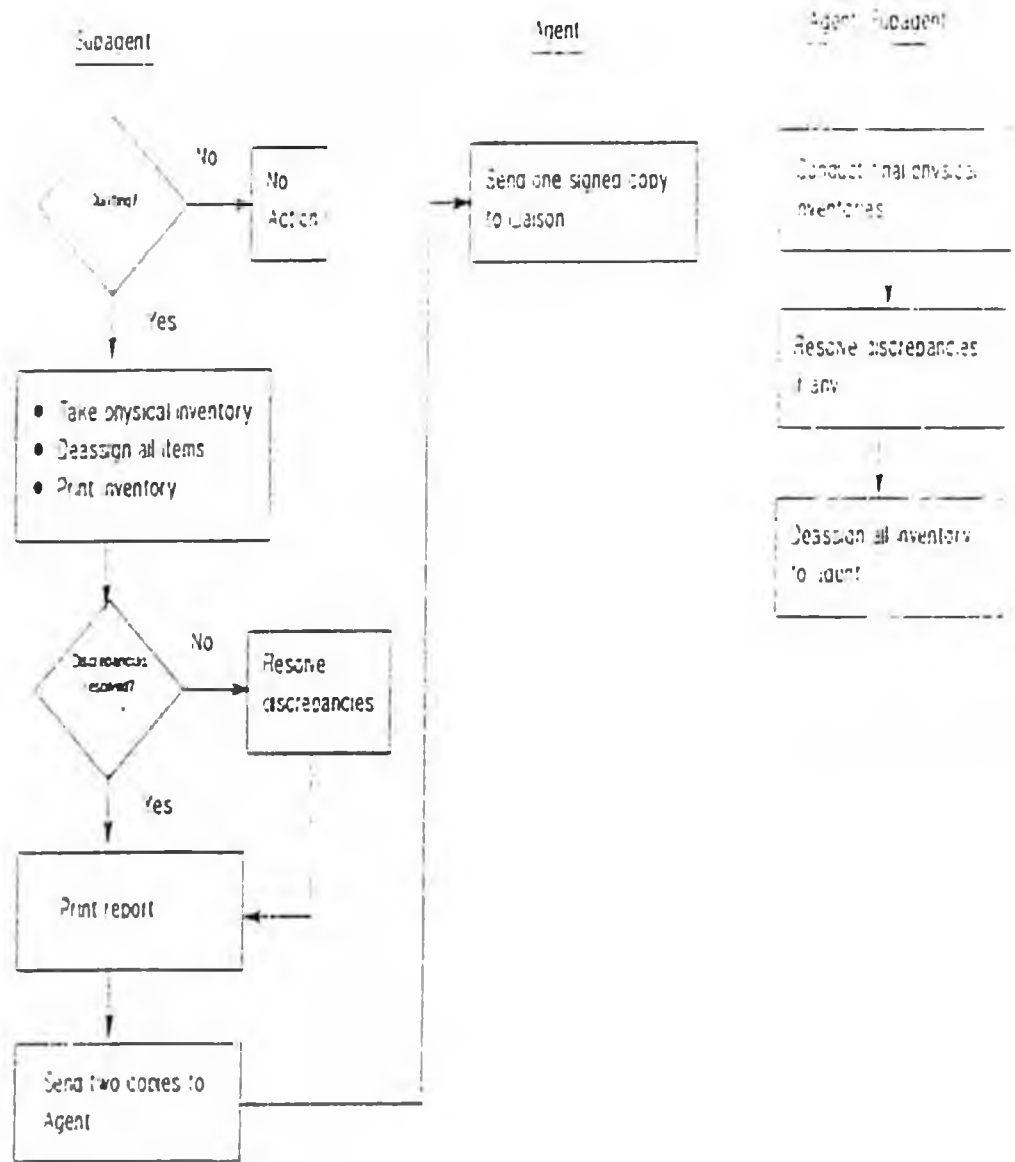
Inventory Control (VFS)

J. Monthly Inventory Records

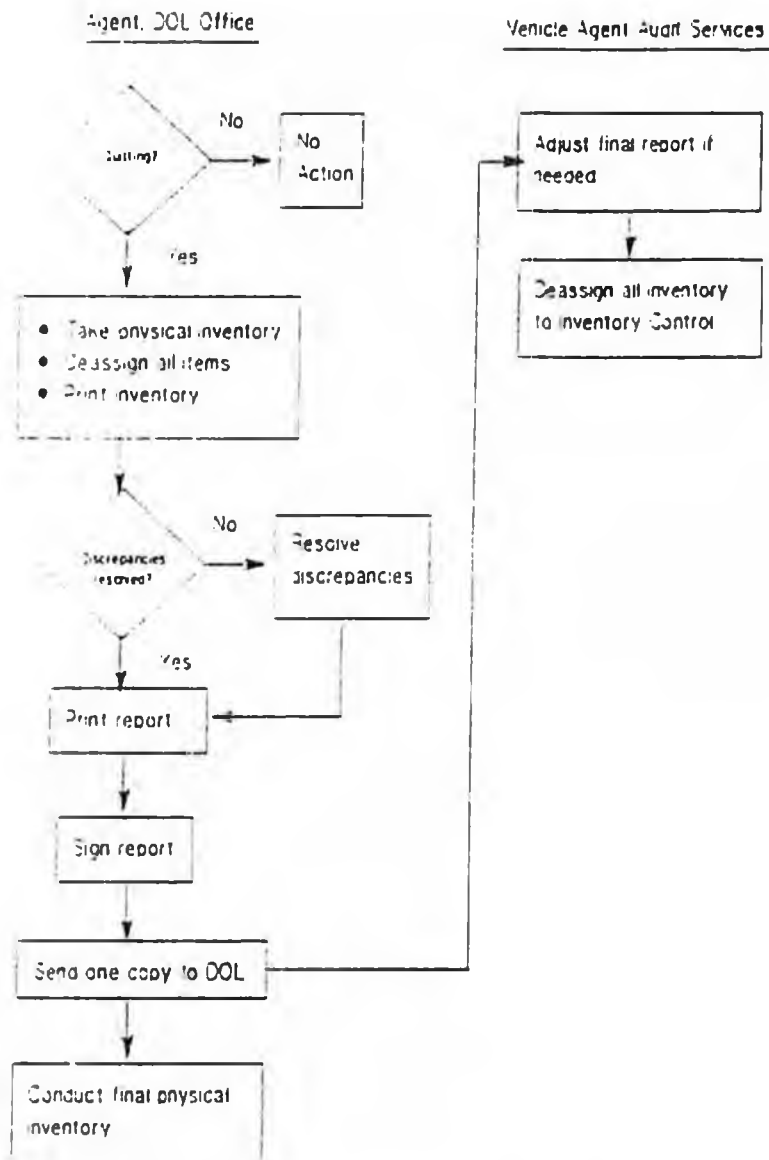


Inventory Control (VFS)

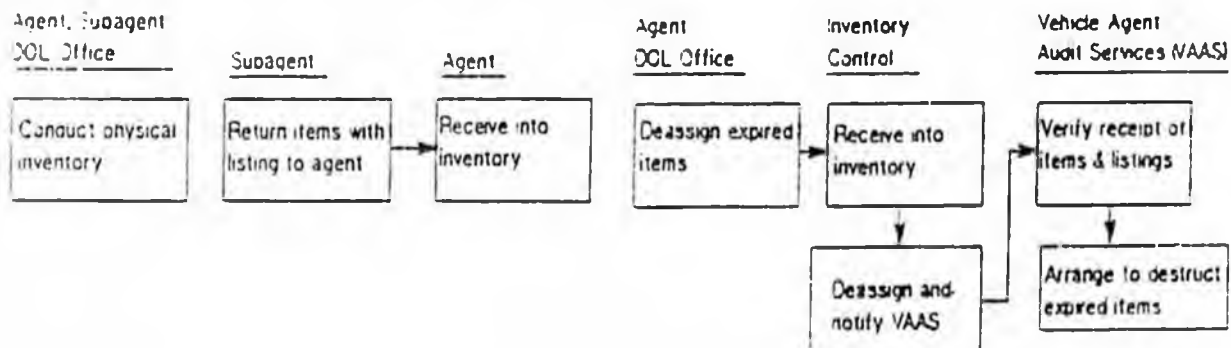
K. Closing Inventory - Subagent



L. Closing Inventory - Agent, DOL Office



M. Disposition of Expired Accountable Items





**DIVISION
POLICY/PROCEDURE**

POLICY PROCEDURE NUMBER
VEH.12A

SUBJECT Insufficient Funds to Process ACH Withdrawal (VFS)	
DIVISION Vehicle Services	REFERENCES RCW 82.44.110
EFFECTIVE DATE 10/1/91	RCW 46.68.030
APPROVAL <i>Robert Anderson</i>	RCW 46.68.020
APPROVAL <i>Nancy Sullivan</i>	RCW 43.01.050
	Waiver of 24 hour Deposit Requirement: Assistant State Treasurer
	Supersedes VEH.12

POLICY:

Checks for Agent/Subagent DHC debit notices should be made out to the State of Washington, Department of Licensing (DOL). Restitutions must be received within 48 hours of notification.

Western Union may be used to telegraph a money order.

The department will take appropriate action, which may include cancellation if more than two notifications have been received and are due to agent/subagent actions.

PROCEDURE:

NOTE: If a withdrawal is not honored by the local bank, the State Treasurer will notify DOL of the insufficient fund condition.

A. DHC RESTITUTION

Responsibility

Action

Liaison

Contact Licensing Service Manager, Liaison.

Take appropriate action to solve the problem and notify Assistant Director, Vehicle Services if the problem is due to a failure of the ACH system.

Contact agent in the case of a subagent dishonored check (DHC).

Contact administrator in the case of a DOL office DHC.

Request that the agent, subagent or DOL office send a certified check or money order to Revenue Accounting in the amount of the DHC debit notice.

B. SANCTIONS

Assistant Director,
Vehicle Services

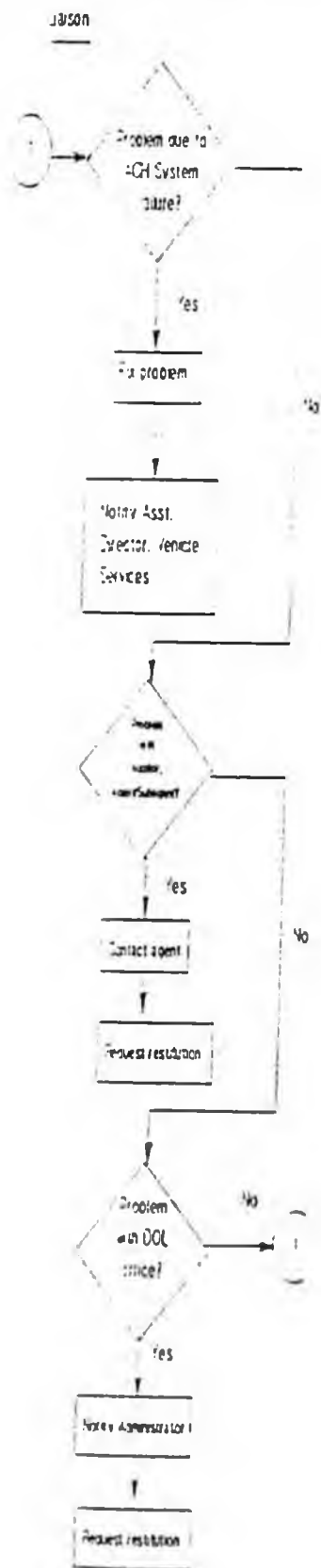
Recommend sanction as appropriate, in conjunction with the Assistant Director, Administrative Services, to the Director.

Director

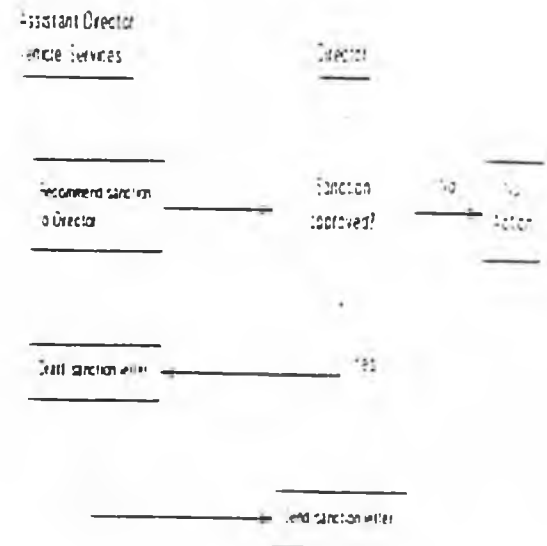
Issue letter of sanction to agent/subagent.

Insufficient Funds to Process ACH Withdrawal (VFS)

A. DHC Restitution



B. Sanctions

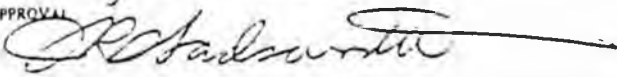




DIVISION
POLICY/PROCEDURE

POLICY/PROCEDURE NUMBER

VEH 1B

SUBJECT Standard Definitions	
DIVISION Vehicle Services	REFERENCES All Policy/Procedures for Vehicle Services Pertaining to Title and Registration Services Supersedes VEH.1A (5-1-91)
EFFECTIVE DATE May 24 1993	
APPROVAL 	
APPROVAL Katharine Deas Frieel	

POLICY:

X

For the purpose of standardizing Policy/Procedures used by Vehicle Services, Title and Registration Services and the department's agents and subagents, the following definitions ~~will~~ apply:

ACH Tape

Automated Clearinghouse Tape. A computer tape that lists the total daily deposits made in a local bank by each agent, subagent and DOL office. The tape includes bank account names, numbers and other information necessary for the State Treasurer's Concentration Bank to initiate the withdrawal and depositing of those funds into the State Treasurer's account.

Accountable Item Inventory

Accountable items (such as accountable forms, plates, decals, tabs) on hand at an individual agency, subagency or DOL office, which are issued by the department and for which the agent or subagent is accountable. Accountable items are items for which a fee is collected.

Administrator

Administrator, Title and Registration Services, Department of Licensing.

Agent

X

County Auditor ~~or other entity~~ appointed by the director to process vehicle and vessel license and title applications for the Department of Licensing.

X

Bank Account Record

REVENUE

AFFECT

All support documentation of transactions that ~~have been applied to~~ the bank account. Examples include: check register, voucher register, deposit slips, receipts, etc.

Business Site

The office or premises where an agent or subagent conducts Department of Licensing business activities.

Cash Receipt Journal Summary (CRJS)

A report furnished to the State Treasurer which details the amount of revenue placed in each fund and source, and which totals the amount of the deposit.

X

Check Register

Includes check books and voucher registers for agents, subagents and the DOL office.

Concentration Bank

The major bank that handles transactions for the State Treasurer.

Department of Licensing Office

Department office, the Vehicle License Counter, which accepts and processes vehicle and vessel licenses, registrations, and title applications.

Department or DOL

Department of Licensing

Director

Director of the Department of Licensing.

Dishonored check (DHC)

A check drawn by an individual for the purpose of paying an obligation which is refused for payment by the bank or institution on which drawn.

Field Services

The unit within Title and Registration Services responsible for establishing, communicating, training and monitoring performance standards and procedures by agents and subagents.

Instant Credit

Credit allowed to an office for the amount of a dishonored check.

Internal Operations

A unit within Title & Registration Services

Local Bank

IN THE CIRCULAR AREA IN WHICH

X Bank ~~within~~ agent, subagent and DOL office deposits ~~the~~ vehicle and vessel revenue, ~~into the DOL agent account.~~

Monthly Inventory Report

X Report generated by VFS which shows the ending inventory each month for ~~each~~ *each* agent, subagent ~~of~~ *AND* DOL office.

Negative VFS Collection Day Report

A paper report produced by VFS which reflects those agents/subagents that have no revenue to remit to DOL because of taking instant credit for dishonored checks. The instant credit has caused the remittance to be negative instead of positive.

Physical Inventory

Actual count of accountable items on hand and comparison with those listed on the VFS inventory report.

X Problem Response Center (PRC)

Unit within the Field Services Unit that serves as liaison between the department and the Service Center, Information Services and the agents and subagents.

Receiving Unit

Unit within the department that receives processed title applications from agents and subagents and also handles ~~rejected~~ *rejected* title applications.

DOL OFFICE

Shipping Document List

VFS end of day report used to identify the type and quantity of documents transmitted to the department for each business day by agents, subagents and DOL offices.

Subagent

appointed

Individual(s), business, organization, or political entity recommended by an agent and approved by the director to process vehicle and vessel license and title applications for the department. A secondary vehicle/vessel license office operated by a County Auditor (agent) is treated as a subagent.

Subagent Applicant

Individual(s), business, organization or political entity applying to become a subagent.

Technical Services Unit

Unit within Title and Registration Services that handles dishonored checks, rejects, federal heavy use tax, etc.

Title and Registration Advisory Committee (TRAC)

X

A COMMITTEE COMPOSED OF
~~Title and registration advisory committee~~ created by RCW 46.01.320.

Title & Registration Services

X

DIVISION OF DOL

A unit within Vehicle Services responsible for the licensing activities of vehicles/vessels, snowmobiles, campers and travel trailers.

Vehicle Agent Audit Services Unit (VAAS).

?

Unit within Vehicle Services Division responsible for determining that state assets (cash, negotiables and inventory) are accounted for and safeguarded from loss of all kinds, and for determining the adequacy of procedures and controls.

Vehicle Field System (VFS)

The program for administration of the Field Licensing activities. The automated computer systems used for these activities.

Vehicle Licensing Unit

Unit within Title and Registration Services that handles vehicle and vessel applications for title and licensing and for special vehicle license plates.



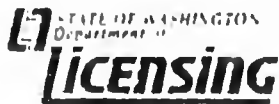
DIVISION
POLICY/PROCEDURE

POLICY PROCEDURE NUMBER
VEH.13B

VFS System Hours Availability	
DIVISION Vehicle Services	REFERENCES Supersedes: VEH.13A (9-1-91)
DATE THIS JAIL 10/7/93	
APPROVAL <i>[Signature]</i>	
APPROVAL Katherine Boers Friedl	

POLICY:

- In order for licensing agents and subagents to have consistency in the hours of Vehicle Field System (VFS) and support while allowing access by the department to the system for maintenance and upgrades, hours when the system is available are set as follows:
- The VFS is available, excepting unforeseen hardware, software, application, or data communication failures, for clients' use beginning 6:45 a.m. until 9:00 p.m., Monday through Saturday. The VFS will not be available on Sundays or state holidays.
- Sign-on procedures may commence at 6:45 a.m., with first transactions transmitted no earlier than 7:00 a.m. Last transactions may start no later than 8:00 p.m., and sign-off must be completed no later than 9:00 p.m.
- This policy is maintained by Vehicle Services as a division policy, and may not be adapted or amended without written approval from the Assistant Director of Information Services.



DIVISION
POLICY/PROCEDURE

VEH.14A

Refunds for Agents, Subagents, and DOL Office (VFS)

Vehicle Services, TSU

31292

[Handwritten signatures and initials]

ADM.33: Refund Processing
RCW 46.68.010
RCW 32.44.120
Supersedes: VEH.14

POLICY:

The Department of Licensing and its agents and subagents will follow standardized procedures and guidelines when processing refunds due to agents or subagents.

PROCEDURE:

Responsibility

Action

Agents, Subagents
DOL Office - County 40
(Origination Office)

Determine that an overpayment has been made to DOL Fiscal Management via ACH Tape. Confirm overpayment with DOL Liaison Unit when a (Vehicle Field System) VFS system problem is the cause. Examples may include:

1. Item entered twice on VFS;
2. Item entered once, but VFS did not allow a backout;
3. VFS system aborted.

Prepare refund with written explanation of problem and why refund is requested. Sign request and forward to Vehicle Services, Shortage/Overage Unit. Attach all pertinent backup VFS documents:

1. Copy of shipping list or lists verifying that backout was not successful;
2. Original document that backout was for;
3. Applicable plate, tab or decal.

Retain copies of refund request and documentation.

Vehicle Services
Overage/Shortage Unit

Review refund request for validity. If refund is not valid, return to originating office with reason refund cannot be made.

If refund is valid, enter refund information into the refund system to produce warrant. Correct vehicle or vessel record in the 1100 Sperry Host Data Base.

Deduct agent filing fees, subagent filing fees, any credits such as gross weight credit or temporary dealer permit code and all use tax when preparing the refund.

Submit separate refund request for use tax (less \$2.00 use tax collection fee) to the Department of Revenue, Attention: Fiscal Section, AX-02.

NOTE: If the refund is to a subagent, the subagent will have to request the filing fees sent to the county auditor from the county auditor.

Agent, Subagent,
DOL Office -
County 40 (Originating Office)

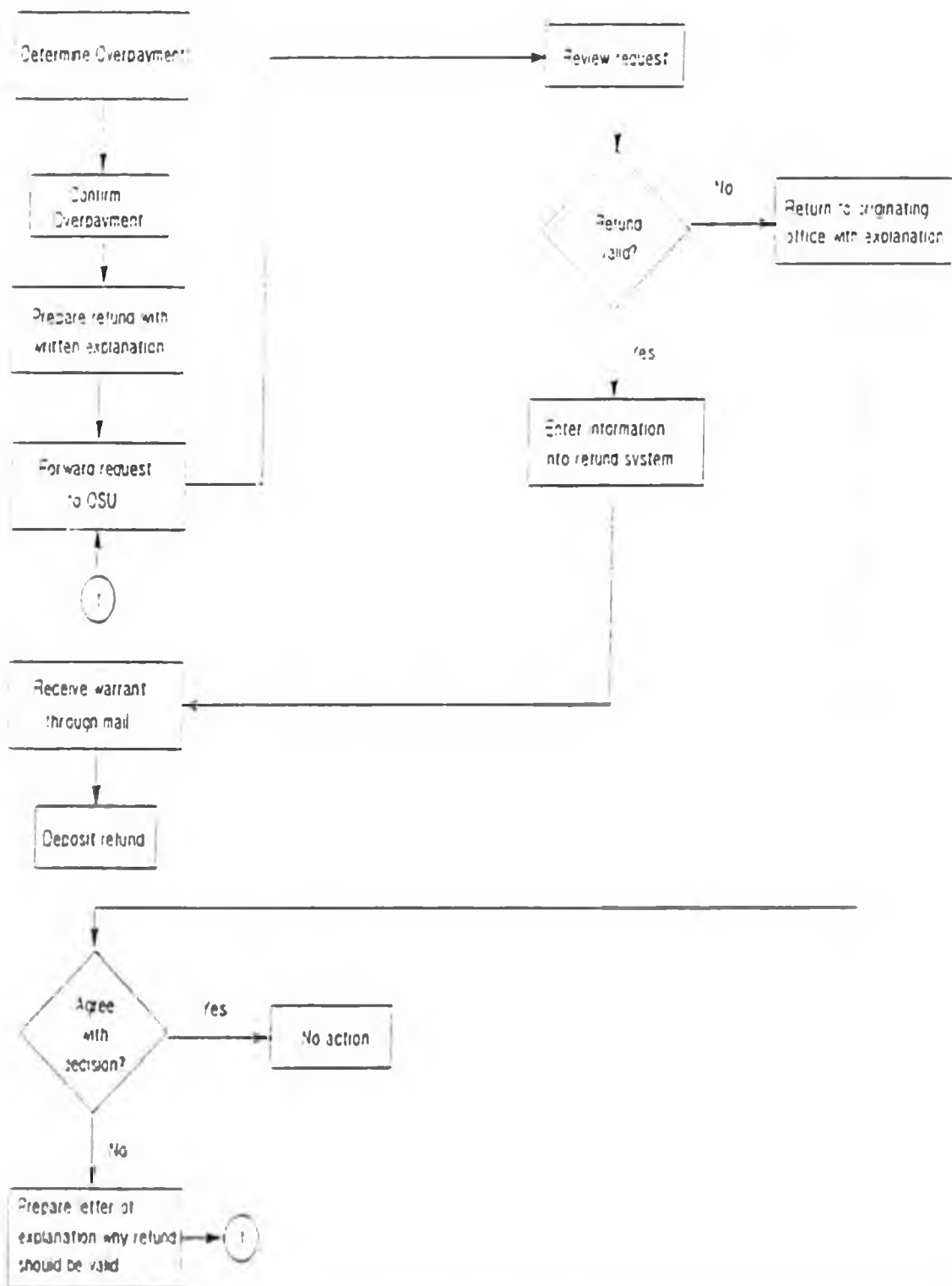
Receive refund warrant through mail.
Deposit refund.

Determine agreement or disagreement if
refund was ruled invalid by DOL.
Prepare letter of explanation noting areas
of disagreement and reasons why
agent/subagent feels refund is valid if
disagreement and submit letter to
Overage/Shortage Unit.

Refunds for Agents, Subagents, DOL Office

Agents, Subagents
DOL Offices)

Vehicle Services
Overage/Shortage Unit (OSU)

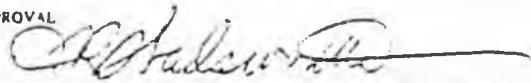
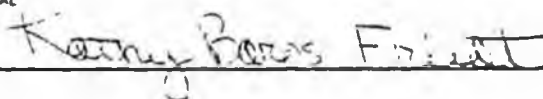




DIVISION
POLICY/PROCEDURE

POLICY PROCEDURE NUMBER

VEH 15

SUBJECT Reporting Robbery - Burglary - Embezzlement	
DIVISION Vehicle Services	REFERENCES ADM.10A ADM.14A VEH.11A RCW 46.010.310
EFFECTIVE DATE June 15, 1993	
APPROVAL 	
APPROVAL 	

PURPOSE:

To establish procedures for the reporting of Robbery, Burglary, or Embezzlement

DEFINITION:

Agents: Individual(s), business, organization, or political entity appointed by the Director to process vehicle and vessel license and title applications for the department.

Burglary: The crime of breaking into and entering a building with intention to steal.

Compliance Audit: (See Vehicle Agent Audit Services - VAAS)

County 40: Department office established for accepting title and license applications. It is the Vehicle License Counter and is also referred to as "County 40". For purposes of this procedure, it functions as any other agent.

Director: Director of the Department of Licensing.

Embezzlement: To take others property (e.g., money, fixtures, etc.) for one's own use in violation of a trust and by fraudulent means.

Office of System and Program Review (OSPR): The internal auditing program of the Department of Licensing.

Robbery: The taking of money or property from someone through physical force or the threat of violence. It may or may not involve weapons.

Subagent: Individual(s), business, organization, or political entity appointed by an agent and

approved by the Director to process vehicle and vessel licenses and title applications for the department. A secondary vehicle license office operated by a County Auditor (agent) is treated as a subagent.

Vehicle Agent Audit Services (VAAS): Previously known as Compliance Audit, VAAS is responsible for the periodic audit of all agents and subagents to determine compliance with DOL policies and procedures.

PROCEDURE:

Responsibility

Action

A. ROBBERY

Agents, Subagents

Remember **SAFETY FIRST!**
Listen. Be cooperative. Be calm -
DO NOT RESIST.

Observe the robber's appearance and any weapon. Try to remember facts about physical features, height, build and any marks or scars, clothing or jewelry.

Try to obtain the description and license number of the vehicle used and the route taken without going outside.

Lock the doors immediately after the robber leaves. **DO NOT** resume licensing business.

Call the police emergency number which should be posted by the telephone.

Preserve any evidence. Block off areas that the robber might have touched. Carefully protect any notes or written matter the robber leaves.

Notify the County Auditor or County Licensing Supervisor.

Liaison

B. BURGLARY

Agents, Subagents

Determine what was taken: money, inventory, or equipment. Do a physical inventory.

NOTE: Resume licensing only after the County Auditor or County Licensing Supervisor is satisfied that the extent of the loss had been determined and the investigation is complete.

Notify Liaison/PRC at 1-800-336-4681.

Notify Insurance Company/Bonding company.

Make a copy of the police report for the County Auditor and Liaison.

Notify Title and Registration Administrator's Office.

Notify VAAS (Vehicle Agent Audit Services).

Provide VAAS with copies of police report and physical inventory list.

Notify Office of System and Program Review (OSPR).

Call the police emergency number which should be posted by the telephone.

Preserve any evidence.

Notify the County Auditor or County Licensing Supervisor.

Determine what was taken: money, inventory items, equipment. Do a physical inventory.

Vehicle Agent Audit Services (VAAS)

provide VAAS with copies of the police report and physical inventory.

Contact the office that has suffered the loss. Determine if measures taken have been sufficient to reveal the extent of loss.

Determine if an audit is necessary to determine the extent of loss and/or the adequacy of measures taken to prevent future losses.

ROBBERY/BURGLARY/EMBEZZLEMENT

Agents/Supervisors

Liaison

IAAS

Robbery

- Be Safe
- Preserve Appearance
- Lock Doors
- Call Police
- Notify County Auditor/Licensing Supervisor
- Determine Loss
- Notify Liaison

- Notify TR Administrator
- Notify IAAS
- Provide reports to IAAS
- Notify DSPR

Burglary

- Call Police
- Preserve Evidence
- Notify County Auditor/Licensing Supervisor
- Determine Loss
- Notify Liaison
- Notify Insurance/Bonding company

- Notify TR Administrator
- Notify IAAS
- Provide reports to IAAS
- Notify DSPR

Embezzlement

- Determine loss
- Verify money on hand
- Verify money in bank account
- Verify accountable items
- Notify Liaison
- Consider legal action
- Contact bonding company
- Prepare letter of explanation

- Notify IAAS
- Notify TR Administrator

- Contact office that suffered loss
- Determine if measures taken are adequate
- Determine if legal is necessary

ROBBERY/BURGLARY/EMBEZZLEMENT

Agents / Subagents

LEGISLATION

CRIM

Robbery

- Be Safe
- Obtain Appearance
- Lock Doors
- Call Police
- Notify County Auditor/Licensing Supervisor
- Determine Loss
- Notify Liaison

- Notify TR Administrator
- Notify VAAS
- Provide reports to VAAS
- Notify USFR

Burglary

- Call Police
- Preserve Evidence
- Notify County Auditor/Licensing Supervisor
- Determine Loss
- Notify Liaison
- Notify Insurance/Bonding Company

- Notify TR Administrator
- Notify VAAS
- Provide reports to VAAS
- Notify USFR

Embezzlement

- Determine loss
- Verify money on hand
- Verify money in bank account
- Verify accountable items
- Notify Liaison
- Consider legal action
- Contact bonding company
- Prepare letter of explanation

- Notify VAAS
- Notify TR Administrator

- Contact principal/beneficiary
- Determine principal/beneficiary liability
- Determine court jurisdiction

HOUSE COMMITTEE REPORT

(7) Date Referred: March 1, 1995 FURTHER REFERRALS: State Affairs

Date of Committee Action: 4/21

The TRANSPORTATION Committee considered: HB 210

HOUSE BILL NO. 210 PRIVATE MOTOR VEHICLE LICENSING/TESTING

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

recommends it be replaced with the following committee substitute CS HB 210 (TRA) [] the same title [] a new title

[] additional referral to _____ Committee [] attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date) [] fiscal note(s) [] fiscal note(s)

[/] zero fiscal note(s) DPS [] zero fiscal note(s)

Table with 5 columns: SIGNING WITH RECOMMENDATIONS, DP, DNP, NR, AM. Rows contain signatures: E. Macchem, Rosalette James, Tom Baker, William, Harold Jan.

CHAIR'S SIGNATURE Harold Jan.