

HB

210

As compared to version
that passed the House
(SHB 210(STA)am)

9-LS0343H-
Ford
3/27/96

SENATE CS FOR CS FOR HOUSE BILL NO. 210(TRA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES VEZEY, Kelly

A BILL

FOR AN ACT ENTITLED

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

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

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

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

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

8 (1) third-party agents to

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

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

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

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(2) third-party registrars to

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

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

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

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

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

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

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

(d) In reviewing an application submitted by a third-party agent or examiner, the department shall also review the driving record of an individual performing functions as an agent or examiner. If the record is satisfactory and the individual is otherwise qualified under this chapter, the prospective agent or examiner may be scheduled for third-party agent or examiner training. was "shall"

Deletes "A third-party agent, registrar or examiner must be an individual."

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Sec. 28.12.030. REQUIREMENTS FOR THIRD-PARTY AGENTS. The department may not certify a third-party agent unless the third-party agent meets all of the conditions set out in this section. The third-party agent shall

was "individual"
Drafting changes to recognize the change to "person"

- (1) meet all applicable requirements of law;
- (2) allow the department to conduct random examinations, inspections, and audits of operating facilities and records as provided under AS 28.12.130;
- (3) allow the department to conduct annual on-site inspections, evaluations, and audits of operations, facilities, and records;
- (4) transmit the original forms and reports to the department as required by the department;
- (5) conduct skills tests as required under AS 28.15 and provide that applicants who fail to successfully complete driving skills testing are not tested more than once in a seven-day period, unless the original test failure was due to vehicle or document deficiencies;
- (6) issue written certification, on a form provided by the department, to each driver-applicant who passes the driving skills test administered by the third-party agent;
- (7) attend all training courses, workshops, seminars, and other instructional meetings, as required by the department;
- (8) provide information and reports to the department upon request, concerning a complaint against the third-party agent;
- (9) transmit to the department all fees imposed under this title that are collected as required under AS 28.12.100;
- (10) ensure that at least 95 percent of the forms submitted to the department are error free;
- (11) comply with the provisions of AS 28.12.050(2), and (5) - (8).

Deleted "concerning a criminal or driving skills testing certification"

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

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

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

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

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

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

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

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

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

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

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

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

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

23 (E) a felony;

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

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

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

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

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

6 (c) A third-party agent or examiner who gives driving skills tests may not be
7 an employee of or receive compensation from a driving school. - Added

8 (d) A third-party agent, registrar, or examiner may not consume intoxicating
9 beverages or controlled substances within eight hours before or during licensing or
10 testing activities and may not be under the influence of intoxicating beverages during
11 licensing or testing activities. In this subsection.

12 (1) "controlled substance" has the meaning given in AS 28.33.190 but
13 does not include a drug prescribed for that person by a physician licensed in this state
14 and used as required by the prescription, unless the prescribed drug affects the ability
15 of a person to safely operate a motor vehicle;

16 (2) "under the influence" includes 0.04 percent or more by weight of
17 alcohol in the person's blood or 40 milligrams or more of alcohol per 100 milliliters
18 of blood, or when there is 0.04 grams or more per 210 liters of the person's breath. - Added

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

21 (1) 30 days before a change in name or address;

22 (2) 10 days of any of the following:

23 (A) a criminal complaint, a civil action resulting from duties - Added
24 imposed under this chapter, or a complaint regarding driving skills test
25 administration received by the agent or examiner;

26 (B) ceasing business operations in the state.

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

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

31 (2) within 10 days after being convicted or found responsible for

Drafter inadvertently deleted (3) before the end of the next business day after the agent or examiner is charged with a crime

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violation of a law or local ordinance of any state relating to motor vehicle traffic control, other than a parking violation.

Sec. 28.12.080. TEST ADMINISTRATION. A driving skills test shall be conducted strictly in accordance with the provisions of this title and the test specifications and procedures prescribed by the department. A driving skills test shall be conducted in a vehicle that is representative of the class and type of vehicle for which the applicant seeks to be licensed and for which the third-party examiner is qualified to test. Before testing, the third-party agent or examiner shall inspect the vehicle to verify that it is empty, meets applicable motor carrier safety regulations, is equipped as required by law, and is otherwise safe to operate.

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

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

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

(3) committed any act or omission that compromises the integrity of the third-party agent, registrar, or examiner program; before making a determination under this paragraph, the department and the agent, registrar, or examiner shall submit the issue to arbitration as provided under AS 09 13; the department may not cancel or suspend a certificate or card under this paragraph unless the cancellation or suspension is supported by the decision of the arbitrator; or

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

(b) If the department determines that grounds for termination of a third-party agent's, registrar's, or examiner's certificate exist and that the grounds relate to a failure to comply with or satisfy the requirements for a certificate or under the contract

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required under AS 28.12.120, the department shall suspend the certificate. If the department determines that the third-party agent, registrar, or examiner has corrected the deficiency, the department may reinstate the certificate. - Added

Sec. 28.12.100. COLLECTION OF FEES AND COMPENSATION TO AGENTS. If the third-party agent, registrar, or examiner performs a function for which a fee is imposed under this title, the third-party agent, registrar, or examiner shall collect the statutory fee on behalf of the department and may collect and retain a fee as compensation for performing the function. The fee due the third-party agent, registrar, or examiner shall be set by the agent, registrar, or examiner, subject to approval by the department. The third-party agent, registrar, or examiner shall retain any amount due the agent, registrar, or examiner as provided under this section and remit the amount collected on behalf of the department as determined by contract. Fee collection and remission procedures are subject to approval by the department. Added

Sec. 28.12.110. DEPARTMENT REVIEW OF LICENSING APPLICATIONS. The department may reject an application approved by a third-party agent, registrar, or examiner if the application fails to comply with a provision of AS 28.10 or AS 28.15. The department shall allow an applicant whose application is rejected under this section to reapply to the department.

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

AGREEMENT

between the

DEPARTMENT OF PUBLIC SAFETY

and a

THIRD-PARTY AGENT

THIS AGREEMENT is made and entered into this _____ day of _____, 19____, by and between the Department of Public Safety (hereinafter the department) and _____ (hereinafter the third-party agent)
LOCATED AT (third-party agent address)

Deleted "until the third-party agent, registrar, or examiner corrects the deficiency."

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

I. TERM OF AGREEMENT: RENEWALS.

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

II. THE DEPARTMENT AGREES TO:

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

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

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

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

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

(6) Provide the following materials and equipment:

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III. THE THIRD-PARTY AGENT AGREES:

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

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

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

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

(5) To keep all driver licensing records confidential.

IV. COMMUNICATIONS.

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

Telephone () _____

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

Director
Division of Motor Vehicles

Telephone () _____
Fax () _____

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

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V. TERMINATION OF CONTRACT.

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

VI. NONASSIGNABILITY.

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

VII. WAIVERS AND SEVERABILITY.

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

VIII. APPLICABLE LAW.

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

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

(THIRD-PARTY AGENT)

SIGNATURE: _____

NAME: _____

TITLE: _____

(DEPARTMENT OF PUBLIC SAFETY)

SIGNATURE: _____

NAME: _____

TITLE: Director, Division of Motor Vehicles.

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

AGREEMENT

between the

DEPARTMENT OF PUBLIC SAFETY

and a

THIRD-PARTY REGISTRAR

THIS AGREEMENT is made and entered into this _____ day of _____, 19____, by and between the Department of Public Safety (hereinafter the department) and _____ (hereinafter the third-party registrar)

LOCATED AT (third-party registrar address)

This agreement authorizes the named third-party registrar to administer registration and titling as provided under AS 28.12.010(a)(2) on behalf of the department. The department and the third-party registrar, for good and valuable consideration and under the terms and conditions set out in this agreement, mutually agree as follows:

I. TERM OF AGREEMENT. RENEWALS.

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

II. THE DEPARTMENT AGREES TO:

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

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

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

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

(5) Provide the following materials and equipment:

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III. THE THIRD-PARTY REGISTRAR AGREES:

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

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

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

(4) To keep all driver licensing records confidential.

IV. COMMUNICATIONS.

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

Telephone () _____

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

Director

Division of Motor Vehicles

Telephone () _____

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Fax () _____

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

V. TERMINATION OF CONTRACT.

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

VI. NONASSIGNABILITY.

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

VII. WAIVERS AND SEVERABILITY.

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

VIII. APPLICABLE LAW.

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

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

(THIRD-PARTY REGISTRAR)

SIGNATURE:

NAME: _____

TITLE: _____

(DEPARTMENT OF PUBLIC SAFETY)

SIGNATURE: _____

NAME: _____

TITLE: Director, Division of Motor Vehicles.

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

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between the
DEPARTMENT OF PUBLIC SAFETY
and a
THIRD-PARTY EXAMINER

THIS AGREEMENT is made and entered into this _____ day of _____, 19____, by and between the Department of Public Safety (hereinafter the department) and _____ (hereinafter the third-party examiner)

LOCATED AT (third-party examiner address)

This agreement authorizes the named third-party examiner to administer driver's license examinations and issue licenses or permits as required under AS 28.12.010(a)(3) on behalf of the department. The department and the third-party examiner, for good and valuable consideration and under the terms and conditions set out in this agreement, mutually agree as follows:

I. TERM OF AGREEMENT: RENEWALS.

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

II. THE DEPARTMENT AGREES TO:

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

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

(3) Conduct an on-site inspection of third-party examiner facilities, and regular

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electronic audits of third-party examiner books and records.

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

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

(6) Provide the following materials and equipment:

III. THE THIRD-PARTY EXAMINER AGREES:

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

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

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

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

(5) To keep all driver licensing records confidential.

IV. COMMUNICATIONS.

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

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

Director
Division of Motor Vehicles

Telephone () _____

Fax () _____

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

V. TERMINATION OF CONTRACT.

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

VI. NONASSIGNABILITY.

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

VII. WAIVERS AND SEVERABILITY.

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

VIII. APPLICABLE LAW.

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

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

(THIRD-PARTY EXAMINER)

SIGNATURE: _____

NAME: _____

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TITLE: _____
(DEPARTMENT OF PUBLIC SAFETY)
SIGNATURE: _____
NAME: _____
TITLE: Director, Division of Motor Vehicles.

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

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

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

(2) evidence of compliance with this title;

(3) the following if the person is a third-party agent or examiner,

(A) skills testing procedures, practices, and operations;

(B) vehicles used for testing; and

(C) effectiveness of the driving skills test program by either testing a sample of drivers who have been issued certificates evidencing that they have passed the driving skills test administered by the third-party agent or examiner or by having department employees or designees take the driving skills test from a third-party agent or examiner.

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

Sec. 28.12.140. ADVERTISING. (a) A third-party agent or examiner may

1 not advertise in a manner that indicates in any way that the third-party agent or
2 examiner can guarantee the issuance of a driver's license or imply that the third-party
3 agent or examiner can in any way influence the department in the issuance of a
4 driver's license or imply that preferential or advantageous treatment from the
5 department can be obtained.

6 (b) A third-party agent, registrar, or examiner that is certified by the
7 department may advertise that the third-party agent, registrar, or examiner is
8 "certified," but may not indicate that the agent, registrar, or examiner is approved,
9 sanctioned, or in any other way endorsed by the department, and may not use any
10 other name besides the name on the application for certification. A third-party agent,
11 registrar, or examiner may not use "state" in any part of the third-party agent's,
12 registrar's, or examiner's business name, except when the name does not contain a
13 reference to the person's status as a third-party agent, registrar, or examiner.

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

18 (b) In addition to the requirements of (a) of this section, a third-party agent or
19 examiner shall maintain bodily injury and property damage liability insurance coverage
20 on motor vehicles owned or used by the third-party agent or examiner to administer
21 skills tests in this state. The amount of insurance coverage required under this
22 subsection may not be less than \$1,000,000 for bodily injury to or death of one or
23 more persons in any one accident and not less than \$250,000 for injury to or
24 destruction of property of others in any one accident.

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

30 (d) As evidence of required insurance coverage, a third-party agent or
31 examiner shall file with the department a certificate of insurance issued by an

1 insurance company licensed to do business in this state or a certificate of self-insurance
2 approved by the department. A certificate of insurance or self-insurance must include
3 the make, model, year, and vehicle identification number of each vehicle that is used
4 by the third-party agent or examiner to administer a driving skills test.

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

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

10 Sec. 28.12.160. CIVIL LIABILITY. (a) Unless the action is found to have
11 resulted from gross negligence or a reckless or intentional act, a third-party agent,
12 registrar, or examiner authorized under this section to perform a registration, titling,
13 or licensing function may not be held civilly liable for performing or failing to perform
14 the function.

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

18 * Sec. 2. AS 28.15.081(d) is amended to read: - *Added*

19 (d) The department may enter into agreements with other state agencies,
20 municipalities, or qualified persons for the purpose of conducting the examinations,
21 including commercial driver's license examinations, required under this chapter.

22 * Sec. 3. AS 36.30.850(b) is amended by adding a new paragraph to read:

23 (34) a contract between the Department of Public Safety and a third-
24 party agent, registrar, or examiner under AS 28.12.

25 * Sec. 4. TRANSITION. (a) The Department of Public Safety shall implement the
26 provisions of this Act by July 1 of the year following the effective date of this Act.

27 (b) A contract existing on the effective date of this Act between the Department of
28 Public Safety and a third-party agent, registrar, or examiner for the purpose of performing
29 registration, titling, or licensing functions remains in effect under its terms notwithstanding
30 the provisions of this Act.

9-LS0343V
Ford
4/2/96

As compared to
CS workdraft 3/27/96

SENATE CS FOR CS FOR HOUSE BILL NO. 210(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES VEZEY, Kelly

A BILL

FOR AN ACT ENTITLED

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

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

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

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

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

8 (1) third-party agents to

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

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

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

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(2) third-party registrars to

- (A) process applications for registration of motor vehicles and issue registration certificates and plates as required under AS 28.10; and
- (B) process applications for certificates of titles and issue certificates of title as required under AS 28.10.201 - 28.10.261;

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

(b) The department may utilize third-party agents, registrars, and examiners to perform the functions described under (a) of this section. A person may not be or act as a third-party agent, registrar, or examiner unless the person satisfies the requirements of this chapter and other applicable law and enters into a contract with the department ~~that specifies the duties of the third-party agent, registrar, or examiner.~~ ^{deleted as set out in AS 28.12.120 - CAS 28.12.120 was the}

Contract Section

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

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

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

(d) In reviewing an application submitted by a third-party agent or examiner, the department shall also review the driving record of an individual performing functions as an agent or examiner. If the record is satisfactory and the individual is otherwise qualified under this chapter, the prospective agent or examiner may be scheduled for third-party agent or examiner training.

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

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

3 (1) meet all applicable requirements of law;

4 (2) allow the department to conduct random examinations, inspections,
5 and audits of operating facilities and records as provided under AS 28.12.120;

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

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

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

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

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

19 (8) provide information and reports to the department, upon request,
20 concerning a complaint against the third-party agent;

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

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

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

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

29 Sec. 28.12.050. REQUIREMENTS FOR THIRD-PARTY EXAMINERS. An
30 examiner applicant shall meet the conditions set out in this section in order to qualify
31 and maintain qualification as a third-party examiner. The examiner shall

- 1 (1) comply with the provisions of AS 28.12.030(1) - (3), (5), (6), and
2 (8) - (10);
- 3 (2) hold a valid driver's license required for operation of the motor
4 vehicle used in the driving skills test conducted by the examiner;
- 5 (3) have successfully completed an examiner training workshop and
6 certified examiner program conducted or approved by the department;
- 7 (4) attend all training courses, workshops, seminars, and other
8 instructional meetings as required by the department;
- 9 (5) have a driving record that indicates the applicant is competent to
10 operate a motor vehicle safely;
- 11 (6) have not had a conviction or administrative license action for any
12 of the following violations under the law of this state or a local ordinance or a law or
13 local ordinance of another state substantially similar to the law of this state, during the
14 five-year period preceding application or during the time the individual is an examiner:
- 15 (A) operating a vehicle while intoxicated in violation of
16 AS 28.33.030 or AS 28.35.030;
- 17 (B) refusal to submit to a blood alcohol or breath test in
18 violation of AS 28.35.032;
- 19 (C) failure to stop and provide identification after a personal
20 injury or property damage accident in violation of AS 28.35.060;
- 21 (D) driving without insurance in violation of AS 28.22.011;
- 22 (E) a felony;
- 23 (7) while performing duties as an examiner and during the five year
24 period preceding application, have not had a driver's license suspended, revoked,
25 denied, cancelled or disqualified, or been subjected to a driver's license sanction
26 ordered by the department or a court;
- 27 (8) be at least 21 years of age and have at least three years of
28 experience in driving a motor vehicle;
- 29 (9) transmit the original forms and reports to the department as required
30 by the department.

31 Sec. 28.12.060. PROFESSIONAL CONDUCT. (a) A third-party agent or

1 examiner may not provide a driver's license applicant answers to questions on a
2 knowledge or driving skills test or other driver examination.

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

5 (c) A third-party agent or examiner who gives driving skills tests may not be
6 an employee of or receive compensation from a driving school.

7 (d) A third-party agent, registrar, or examiner may not consume intoxicating
8 beverages or controlled substances within eight hours before or during licensing or
9 testing activities and may not be under the influence of intoxicating beverages during
10 licensing or testing activities. In this subsection,

11 (1) "controlled substance" has the meaning given in AS 28.33.190 but
12 does not include a drug prescribed for that person by a physician licensed in this state
13 and used as required by the prescription, unless the prescribed drug affects the ability
14 of a person to safely operate a motor vehicle: *changed from 0.04 to 0.02*

15 (2) "under the influence" includes 0.02 percent or more by weight of
16 alcohol in the person's blood or *changed from 40 to 20* milligrams or more of alcohol per 100 milliliters
17 of blood, or when there is 0.02 grams or more per 210 liters of the person's breath.

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

20 (1) 30 days before a change in name or address;

21 (2) 10 days of any of the following:

22 *deleted "a criminal* (A) *complaint"* a civil action resulting from duties imposed under this
23 chapter, or a complaint regarding driving skills test administration received by
24 the agent or examiner;

25 (B) ceasing business operations in the state.

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

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

30 (2) within 10 days after being convicted or found responsible for
31 violation of a law or local ordinance of any state relating to motor vehicle traffic

1 control, other than a parking violation; —

2 ^{added} (3) before the end of the next business day after the agent or examiner
3 is charged with a crime.

4 Sec. 28.12.080. TEST ADMINISTRATION. A driving skills test shall be
5 conducted strictly in accordance with the provisions of this title and the test
6 specifications and procedures prescribed by the department. A driving skills test shall
7 be conducted in a vehicle that is representative of the class and type of vehicle for
8 which the applicant seeks to be licensed and for which the third-party examiner is
9 qualified to test. Before testing, the third-party agent or examiner shall inspect the
10 vehicle to verify that it is empty, meets applicable motor carrier safety regulations,
11 is equipped as required by law, and is otherwise safe to operate.

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

16 (1) failed to comply with or satisfy any of the provisions of the contract
17 required under AS 28.12.010(b);

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

20 (3) committed any act or omission that compromises the integrity of
21 the third-party agent, registrar, or examiner program: before making a determination
22 under this paragraph, the department shall provide the agent, registrar, or examiner the
23 opportunity for a hearing as provided under AS 28.05.141; or ^{added} (deleted provision for
arbitration)

24 (4) acted as a third-party agent or examiner without a valid driver's
25 license, when the agent's or examiner's driver's license has been suspended or
26 revoked, when the agent's or examiner's certificate has been cancelled, or when the
27 agent's or examiner's application for a driver's license has been denied.

28 (b) If the department determines that grounds for termination of a third-party
29 agent's, registrar's, or examiner's certificate exist and that the grounds relate to a
30 failure to comply with or satisfy the requirements for a certificate or under the contract
31 required under AS 28.12.010(b), the department shall suspend the certificate. If the

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Deleted Sec 28.12.120 REQUIRED CONTRACT

department determines that the third-party agent, registrar, or examiner has corrected the deficiency, the department may reinstate the certificate.

Sec. 28.12.100. COLLECTION OF FEES AND COMPENSATION TO AGENTS. If the third-party agent, registrar, or examiner performs a function for which a fee is imposed under this title, the third-party agent, registrar, or examiner shall collect the statutory fee on behalf of the department and may collect and retain a fee as compensation for performing the function. The fee due the third-party agent, registrar, or examiner shall be set by the agent, registrar, or examiner, subject to approval by the department. The third-party agent, registrar, or examiner shall retain any amount due the agent, registrar, or examiner as provided under this section and remit the amount collected on behalf of the department as determined by contract. Fee collection and remission procedures are subject to approval by the department.

Sec. 28.12.110. DEPARTMENT REVIEW OF LICENSING APPLICATIONS. The department may reject an application approved by a third-party agent, registrar, or examiner if the application fails to comply with a provision of AS 28.10 or AS 28.15. The department shall allow an applicant whose application is rejected under this section to reapply to the department.

^{New Section Number}
Sec. 28.12.120. ON-SITE INSPECTIONS AND AUDITS. (a) An applicant for a third-party agent, registrar, or examiner certificate shall permit the department to ^{Deleted "preapproval"} conduct inspections and to electronically audit its operations, facilities, and records relating to its third-party agent, registrar, or examiner program, for the purpose of determining whether the applicant is qualified to participate in the program. A third-party agent, registrar, or examiner who has been certified and has executed an agreement described under AS 28.12.010(b) shall permit the department to inspect and audit its third-party agent, registrar, or examiner program to determine whether it continues in compliance with the requirements of this chapter. The department may perform an inspection or audit ^{Deleted with or} without prior notice to the third-party agent, registrar, or examiner.

(b) An inspection or audit must include, at a minimum, an examination of
(1) records relating to the third-party agent, registrar, or examiner program;

1 (2) evidence of compliance with this title;

2 (3) the following if the person is a third-party agent or examiner,

3 (A) skills testing procedures, practices, and operations;

4 (B) vehicles used for testing; and

5 (C) effectiveness of the driving skills test program by either
6 testing a sample of drivers who have been issued certificates evidencing that
7 they have passed the driving skills test administered by the third-party agent
8 or examiner or by having department employees or designees take the driving
9 skills test from a third-party agent or examiner.

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

12 Sec. 28.12.130. ADVERTISING. (a) A third-party agent or examiner may
13 not advertise in a manner that indicates in any way that the third-party agent or
14 examiner can guarantee the issuance of a driver's license or imply that the third-party
15 agent or examiner can in any way influence the department in the issuance of a
16 driver's license or imply that preferential or advantageous treatment from the
17 department can be obtained.

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

26 Sec. 28.12.140. INSURANCE REQUIREMENTS. (a) A third-party agent or
27 examiner shall maintain insurance coverage that meets the requirements of
28 AS 28.22.101 on motor vehicles owned by or registered to a third-party agent or
29 examiner.

30 (b) In addition to the requirements of (a) of this section, a third-party agent or
31 examiner shall maintain bodily injury and property damage liability insurance coverage

Deleted Sec 28.12.160 CIVIL LIABILITY

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on motor vehicles owned or used by the third-party agent or examiner to administer skills tests in this state. The amount of insurance coverage required under this subsection may not be less than \$1,000,000 for bodily injury to or death of one or more persons in any one accident and not less than \$250,000 for injury to or destruction of property of others in any one accident.

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

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

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

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

• Sec. 2. AS 28.15.081(d) is amended to read:

(d) The department may enter into agreements with other state agencies, municipalities, or qualified persons for the purpose of conducting the examinations, including commercial driver's license examinations, required under this chapter.

• Sec. 3. AS 36.30.850(b) is amended by adding a new paragraph to read:

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

• Sec. 4. TRANSITION. (a) The Department of Public Safety shall implement the provisions of this Act by July 1 of the year following the effective date of this Act.

(b) A contract existing on the effective date of this Act between the Department of

1 Public Safety and a third-party agent, registrar, or examiner for the purpose of performing
2 registration, titling, or licensing functions remains in effect under its terms notwithstanding
3 the provisions of this Act.

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 2/9/96

FURTHER: State Affairs

Date of 5-Day Notice: 3/14/96
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4/12/96

The Transportation Committee considered CS FOR HOUSE BILL NO. 210(STA) am

Relating to issuance of motor vehicle registrations and titles, and to licenses and permits to operate a motor vehicle.

and recommends:

be replaced with S CS HB 210 (TRA)

adopt previous CS ()

attached amendment(s)

adopt Letter of Intent by _____ Committee

further referral to the _____ Committee

Senate Bill:
 same title
 new title
 House Bill:
 same title
 technical title
 new: SCR° _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Adrian L. Taylor</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>	<input checked="" type="checkbox"/>		
<i>Lyde Green</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>			
CHAIR: <i>[Signature]</i>		CHAIR: <i>[Signature]</i>	<input checked="" type="checkbox"/>		

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO: SCS CSHB 210(TRA)

Revision Date: 4/12/96 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: S. TRA COMPONENT SERIAL NO. 0502

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

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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 GE Match						
1004 GE						
1005 GE/Program Receipts						
1008 GE/MBTIA						
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 260-5559
 Division Motor Vehicles Date 4/12/96
 Approved by Commissioner *Dee Smith* Date 4/12/96
 Agency Ronald L. Otto Dept. of Public Safety

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO: SCS CSHB 210(TRA)

Revision Date: 4/12/96

Dept. Affected: Public Safety

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.

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)

	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
OPERATING						
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 GE Match						
1004 GE						
1005 GE/Program Receipts						
1006 GE/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. Mosack Phone: 269-5559
 Division Motor Vehicles Date: 4/22/95
 Approved by Commissioner *Ronald L. Otto* Date: 4/22/95
 Agency Ronald L. Otto, Dept. of Public Safety

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STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO: CSHB 210(TRA)

Revision Date: 4/22/95 Dept. Affected: Public Safety

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.

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 Vezey

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 1986¹. 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 (CLL). 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 25 1994

Page 2

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.³ 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

³Office of the Legislative Auditor, State of Minnesota, *Motor Vehicle Deputy Registrars*, March 1994, attached

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April 19, 1995

MEMORANDUM

TO: Representative Al Vezey

FROM: Patricia Young *P. Young*
Legislative Analyst

RE: California Department of Motor Vehicles: Decentralization and Partnerships
with Private Enterprises
Research Request 95.185

You asked for a brief history of the decentralization of the California Department of Motor Vehicles Services. You were also interested in knowing if the department has any plans for privatization or business partnerships.

Gary Nishite, chief of the Office of Technology for the California Department of Motor Vehicles (DMV), provided the following background information. Historically, DMV was the sole provider of vehicle registration and driver licensing services. The only exception was that auto clubs, such as Triple A, were allowed to handle registration paperwork for their clients. Every transaction, however, was processed through the Sacramento office. According to Mr. Nishite, about ten years ago DMV changed its information technology structure in order to decentralize. At the same time, DMV provided the auto clubs with computers and a secure method for entering data, thereby "effectively doubling" the number of field offices across the state.

In addition to this decentralization effort, the state is actively seeking partnerships with other public agencies and with a number of industry clients with business operations similar to DMV's and a frequent need for interface with DMV. These industry clients include automobile rental and leasing companies, automobile clubs, dealers, carriers, and registration service firms. As noted in the DMV document developed as the "System Architecture & Requirements to Support Public/Public & Public/Private Partnerships,"

With the adoption of its *Strategic Business Plan* in June of 1993, DMV formalized a commitment to "actively seek partnerships and new relationships that are in the public interest." In order to better service its customers, DMV is interested in developing partnerships that offer a demonstrable benefit to the people of California

Representative Vezey

April 19, 1995

Page 2

while ensuring that services are provided efficiently, reliably, and conveniently. Within this context, DMV seeks partnerships that offer a bonus of "value-added services," whereby services to our customers are actually enhanced when compared to traditional means of delivery. The Department views partnerships as an "opportunity to share potential risks and benefits with other organizations: risks associated with new technologies, changes in service delivery mechanisms, and new ways of doing business."

According to the *Strategic Business Plan*, DMV will continue to develop alternative methods of service delivery, including the use of kiosks and payment of fees through electronic funds transfer systems. The following is noted under the heading of "Changing organizational relationships with business and government":

The vast majority of transactions with organizations, such as automobile dealers, auto clubs, insurance companies, and California's courts, will be handled by DMV via direct and secure electronic linkages. These linkages will minimize duplication of data entry, support transaction validation against established databases, and speed data transfer. Wherever possible, data will be captured at the source rather than re-entered by DMV (p. 12).

By way of example, Mr. Nishite notes that nearly two years ago, the automobile rental industry approached DMV in an effort to get cars registered and on the road faster. The result was a pilot project whereby DMV supplied Hertz with a terminal in order to key-in data, as well as plates and other materials necessary to get the cars in operation. The project was a success, and consequently, about one year ago, it was expanded to include five or six of the major car rental companies in the state.

Mr. Nishite describes the process of decentralization and partnerships as a "shift in the paradigm" with the dealerships and industry organizations--rather than DMV--being the "center of the universe." He stresses that DMV's ultimate goal is more efficiency and better customer service.

I hope this information is helpful. If you have questions or need more information, please let me know.

Attachments

465-3258

INFO CALIFORNIA PLUS
Spring '95

VENDOR CORNER

PRINTER TECHNOLOGY COULD REVOLUTIONIZE DMV REGISTRATION

San Francisco
Legislative Research Agency

When Dan Gill and Christ Rousseff embarked on their 1987 effort to develop a self-service terminal for motor vehicle registrations, the entrepreneurial duo started from a simple observation: The lines are too long at the DMV.

"Actually, it was a guy from the DMV in Virginia who approached us and said, 'Why don't you guys figure a way to get people out of the lines?' " explained Gill, who previously founded a company providing photo-I.D. equipment to DMV offices across the country. "We said, 'Like what?' And he said, 'How about an ATM device for auto registrations?' "

It sounded like a fair idea. So Gill quickly joined forces with former Polaroid executive Rousseff (whose first name rhymes with "crisp"), raised some venture capital and started looking into self-service terminals. Seven years and \$8 million later, their Marina Del Rey, Calif., company, Image Technology, is seeking to compete for a slice of the motor vehicle registration business in several states. In

addition, they are targeting the market for state validation stickers for everything from hunting licenses to campground reservations.

That's because Image Technology has the patent on a unique printing process that solves a long troublesome puzzle: How to print on reflective, adhesive materials such as auto registration stickers. Several companies have spent years searching for a solution to the vexing problem, which has so far prevented DMV offices from printing personalized registration stickers that could prevent costly sticker fraud and theft. Image Technology's process, developed in partnership with 3M and AT&T, lets them print license plate numbers and bar-coded information directly on the stickers and issue them from a self-service terminal.

"Slowly, a lot of motor vehicle administrators are deciding this (Image Technology) is the way to go," said Gary Nishite, chief of the office of technology for the California Department of Motor Vehicles. The DMV is studying Image

Technology's proposal to take over issuance of the state's 16 million annual registration stickers. "The concept is great, but the question is, can we afford it?"

Nishite and others question the cost-effectiveness of Image Technology's process. Printing individualized stickers would significantly raise the cost per sticker, but cut costs at the other end by eliminating book-keeping, staff and fraud resulting in lost revenues. California's analysis of the potential costs and savings was due to be finished by the end of January. Meanwhile, DMVs in Virginia and several other states are close to issuing requests for proposals on a self-service system. Gill's position on his printer's cost-effectiveness remains optimistic. "Even if it didn't cost justify in (motor vehicle) registration alone, it certainly would when you add all the other applications the system is capable of doing," said Gill. "The driving force is to get a self-service network out there that will help keep the lines down and eventually lower the costs to government." ■