

**SB**

**127**

**<TARGET><BILL>SB 127</BILL><SUBJECT>SB  
127</SUBJECT><COMM>HSTA28</COMM></TARGET>**

# HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: March 17, 2014

FURTHER REFERRALS: Finance

Date of Committee Action: 4-1-2014

The STATE AFFAIRS Committee considered:

SB 127

**SENATE BILL NO. 127**

"An Act authorizing the commissioner of administration to enter into agreements with agents to perform for compensation certain transactions related to vehicles; relating to the duties of those agents; and providing for an effective date."

**SB 127-VEHICLE TRANSACTION AGENTS**

Recommends it be replaced with  HCS or  CS for SB 127 ( STA )  
 For Senate Bills with new title:  Technical Title  New Title: HCR  Same Title  New Title

- attach amendments
- add new referral to \_\_\_\_\_ Committee
- Letter of Intent \_\_\_\_\_ Committee

- List of Abbrev for Depts.:
- ADM
  - CEC
  - COR
  - CRT
  - EED
  - DEC
  - DFG
  - GOV
  - DIIS
  - LWF
  - LAW
  - LEG
  - MVA
  - DNR
  - DPS
  - REV
  - DOT
  - UA

<b>NEW FISCAL NOTES</b>				
*FN# is assigned by Chief Clerk's Office				
*FN#	List by Dept(s):	Fiscal	Indet.	Zero

<b>PREVIOUS FISCAL NOTES</b>				
FN#	List by Dept(s):	Fiscal	Indet.	Zero
2	DOA	X		

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
<i>[Signature]</i>	Gattis	X			
<i>[Signature]</i>	Keller	X			
<i>[Signature]</i>	Isaacson	X			
<i>[Signature]</i>	Kleiss-Tomkins			X	
Chair: <i>[Signature]</i>	Lynn	X			
Chair:					

**HOUSE CS FOR SENATE BILL NO. 127(STA)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-EIGHTH LEGISLATURE - SECOND SESSION**

**BY THE HOUSE STATE AFFAIRS COMMITTEE**

**Offered:**  
**Referred:**

**Sponsor(s): SENATORS GIESSEL, McGuire, Huggins**

**REPRESENTATIVE Isaacson**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act authorizing the commissioner of administration to enter into agreements with**  
2 **agents to perform for compensation certain transactions related to vehicles; relating to**  
3 **the duties of those agents; and providing for an effective date."**

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

5 **\* Section 1.** AS 28.05 is amended by adding a new section to read:

6 **Sec. 28.05.024. Agreements with agents to perform title and registration**  
7 **services.** (a) The commissioner may enter into an agreement with an agent to perform  
8 vehicle title and registration services. An agent shall meet the qualifications and  
9 requirements set by the department by regulation. The regulations must require, at a  
10 minimum, that the agent be bonded, have an Alaska business license under AS 43.70,  
11 and have been in existence for a minimum of one year before entering into the  
12 agreement with the commissioner. Subject to regulations adopted by the department,  
13 the commissioner shall, in the agreement, allow the agent to retain 15 percent of the  
14 proceeds, excluding any taxes or fees imposed by a municipality, collected on behalf  
15 of the department as compensation under the agreement. The commissioner shall

1 provide in the agreement for regular audits of the agent and penalties for failure to  
 2 submit timely the report required by (b)(2) of this section and remit the proceeds to the  
 3 department as required by (b)(1) of this section.

4 (b) An agent under (a) of this section shall, as directed in the terms of the  
 5 agreement authorized by (a) of this section, transmit to the commissioner

6 (1) the proceeds collected by the agent on behalf of the department,  
 7 except the amount the agent is authorized to retain under (a) of this section; and

8 (2) a report of the title and registration services provided by the agent.

9 (c) In this section, "agent" does not include a person who is a state employee  
 10 when acting in the capacity of a state employee.

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

13 **TRANSITIONAL PROVISIONS: REGULATIONS.** The Department of  
 14 Administration may adopt regulations necessary to implement the changes made by this Act.  
 15 The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the  
 16 effective date of the law implemented by the regulation.

17 \* **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to  
 18 read:

19 **TRANSITIONAL PROVISIONS: AMENDMENT OF EXISTING CONTRACTS.**  
 20 The Department of Administration shall, if the other party to the contract consents, amend an  
 21 existing contract with an agent for title and registration services to allow the agent to retain 15  
 22 percent of the proceeds collected as provided in AS 28.05.024, enacted by sec. 1 of this Act.

23 \* **Sec. 4.** Sections 2 and 3 of this Act take effect immediately under AS 01.10.070(c).

24 \* **Sec. 5.** Section 1 of this Act takes effect July 1, 2014.

28-LS1263\C  
Strasbaugh  
3/26/14

**HOUSE CS FOR SENATE BILL NO. 127( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-EIGHTH LEGISLATURE - SECOND SESSION**

**BY**

**Offered:**  
**Referred:**

**Sponsor(s): SENATORS GIESSEL, McGuire, Huggins**

**REPRESENTATIVE Isaacson**

**A BILL**  
**FOR AN ACT ENTITLED**

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10 **minimum, that the agent be bonded, have an Alaska business license under AS 43.70,**  
11 **and have been in existence for a minimum of one year before entering into the**  
12 **agreement with the commissioner. Subject to regulations adopted by the department,**  
13 **the commissioner shall, in the agreement, allow the agent to retain 15 percent of the**  
14 **proceeds, excluding any taxes or fees imposed by a municipality, collected on behalf**

1 of the department as compensation under the agreement. The commissioner shall  
2 provide in the agreement for regular audits of the agent and penalties for failure to  
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23 percent of the proceeds collected as provided in AS 28.05.024, enacted by sec. 1 of this Act.

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25 \* **Sec. 5.** Section 1 of this Act takes effect July 1, 2014.

# ALASKA STATE LEGISLATURE

Senate District N  
*Anchorage Hillside, Turnagain Arm,  
Cooper Landing, Sterling, Nikiski,  
Moose Pass, Bear Creek, Seward*



State Capitol, Room 427  
Juneau AK 99801-1182  
907-465-4843  
Fax: 907-465-3871  
800-892-4843

North to the Future

**Senator Cathy Giessel**

## **SB 127 Vehicle Transaction Agents Explanation of Changes**

The change between version C and version A of SB 127 is simply to allow the DMV to honor the current agreements during the time it takes for the department to promulgate and adopt regulations covering the agreement prerequisites and provisions set out in this statute.

It will allow the department to begin providing the 15% retained commissions to the Business Partners on the effective date of the bill without waiting for enabling regulations.

This language is clear in that all proceeds, with the exception of municipal taxes or other fees, are eligible for the 15% retained commissions.

# ALASKA STATE LEGISLATURE

Senate District N  
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Cooper Landing, Sterling, Nikiski,  
Moose Pass, Bear Creek, Seward*



State Capitol, Room 427  
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800-892-4843

North to the Future

## Senator Cathy Giessel

### SB 127 Vehicle Transaction Agents Sponsor Statement

Senate Bill 127 is designed to improve the quality of service and efficiency of the Department of Motor Vehicles. Advanced Business Partnerships (ABPs) are already doing contract work for the DMV by providing license plates, vehicle registration and renewals, titles, as well as other functions, for citizens at convenient locations for citizens. This bill would allow retention of the administrative costs to the ABPs.

Currently, the businesses themselves are paying the fees for these transactions, including credit card fees. The private sector ABPs provide a high quality of service, efficiency, shorter lines and increased customer satisfaction.

This is not a new concept for the State of Alaska. As a matter of fact, what SB 127 proposes is already being used by the Department of Fish & Game in allowing private businesses, such as Fred Meyer, to sell and issue hunting and fishing licenses. In the face of budget shortfalls, strategies like SB 127 are an effective way to reduce government through innovative use of the private sector. This is a win-win-win for Alaskans: it's good for the government due to reduced workload, it's good for business due to increased revenue, and it's good for the public due to a more efficient DMV and more options and locations to receive DMV services.

Please join me in support of Senate Bill 127.



# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: SB 127  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB127-DOA-DMV-02-18-2014  
Title: VEHICLE TRANSACTION AGENTS  
Sponsor: GIESSEL  
Requester: Senate State Affairs

Department: Department of Administration  
Appropriation: Motor Vehicles  
Allocation: Motor Vehicles  
OMB Component Number: 2348

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates				
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>OPERATING EXPENDITURES</b>	<b>FY 2015</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>	(1,979.8)		(1,979.8)	(1,979.8)	(1,979.8)	(1,979.8)	(1,979.8)
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**Estimated SUPPLEMENTAL (FY2014) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2015) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/16

**Why this fiscal note differs from previous version:**

Updated to reflect participation of all business partners such as dealerships.

Prepared By:	Amy Erickson, Director	Phone:	(907)269-5574
Division:	Motor Vehicles	Date:	02/14/2014 05:00 PM
Approved By:	Curtis Thayer, Commissioner	Date:	02/18/14
Agency:	Department of Administration		

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. SB 127

Analysis

This bill will allow businesses that provide vehicle title and registration services to retain up to 15% of the proceeds they collect, less any taxes or fees imposed by a municipality. The current fee to register a vehicle in the State of Alaska is \$100. DMV collects a motor vehicle registration tax (MVRT) for the following communities: Anchorage, Bethel, Bristol Bay Borough, Cordova, Dillingham, Juneau, Ketchikan Gateway Borough, Kodiak Island Borough, Kenai Peninsula Borough, Mat-Su Borough, Nenana, Nome, Petersburg, Sitka, Unalaska, and Whittier. The MVRT rate varies by community and age of the vehicle.

**Loss of Revenue:**

In fiscal year 2013 DMV contracted with 48 business partners who processed 336,527 transactions and collected a total of \$19,403.2. The collected fees breakdown as follows:

\$13,083.2 Motor vehicle registrations  
    \$53.1 Driver's license information/look-up fee  
    \$61.6 Miscellaneous fees (personalized plates, replacement tabs, temporary permits, etc.)  
\$6,204.4 Motor vehicle registration tax\*  
        \$.9 Other trust funds (related to fees associated with specific license plates)  
\$19,403.2

$\$19,403.2 - \$6,204.4 = \$13,198.8$

\*The MVRT is a municipal tax and cannot be counted in the total proceeds.

After subtracting the MVRT from the total amount collected, \$13,198.8 would be available to retain. Assuming the full 15% is retained from the available collected fees, a loss of \$1,979.8 in revenue would result.

**Additional information:**

Business partners may charge a service fee in addition to the fees charged for the transaction. The amount of the service fee is determined by the business partner and is not regulated by or reported to DMV.

The term "proceeds" has not been fully defined and it is unknown if service fees will be included as part of the revenue eligible for the 15% retainage. If so, this would increase the loss of revenue to the State of Alaska.

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

January 24, 2014

**SUBJECT:** Agents for transactions related to vehicles:  
SB 127 sectional analysis (Work Order No. 28-LS1263\A)

**TO:** Senator Cathy Giessel  
Attn: Forrest Wolfe

**FROM:** Kathleen Strasbaugh  
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 that 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.** Subsection (a) of proposed AS 20.05.024 would authorize the commissioner of the Department of Administration (department) to enter into agreements with agents to provide vehicle title and registration services. The department is to set qualifications and requirements by regulation, including, at a minimum, requirements that the agent be bonded, have an Alaska business license, and have existed as a business for a minimum of one year prior to entering into an agreement with the commissioner. The regulations may, subject to the department's regulations, permit the agent to retain as compensation up to 15% of the proceeds collected on behalf of the department, excluding taxes or fees collected by a municipality. The agreement must provide for regular audits and penalties for failure to timely report and remit the proceeds.

Subsection (b) requires the agent to remit the proceeds collected on behalf of the department, and to report the services provided.

Subsection (c) provides that in proposed sec. 20.05.024, an agent does not include a state employee acting in their capacity of a state employee.

**Section 2.** Sets an effective date of July 1, 2014.

KJS:ray  
14.026.ray

**Sec. 16.05.380. Commissioner may appoint agents.** The commissioner may appoint state employees or other persons to take applications, issue licenses, permits, and tags, and collect fees. The commissioner is not liable for defalcation or failure to account for the fees collected by any person so appointed, but the commissioner shall require a bond in an adequate sum, conditioned upon faithfully accounting for all money collected. However, the commissioner may waive the bond requirements of an instrumentality of the United States or its agents and employees when the instrumentality or its agents or employees sell licenses, permits, or tags primarily to persons in the armed forces. Each person, upon appointment by the commissioner, may administer oaths on applications for licenses, permits, and tags.

**Sec. 16.05.390. Fees and compensation for issuance of licenses, permits, and tags.**

(a) Except as provided in (e) of this section, an agent appointed by the commissioner under AS 16.05.380 to sell licenses, permits, and tags is entitled to

(1) retain five percent of the fee that is charged for a license, permit, or tag or 25 cents for each license, permit, or tag sold, whichever is greater; and

(2) compensation of \$50 per year or \$1 for each license, permit, or tag sold during the year, whichever is greater.

(b) Each agent appointed to sell licenses, permits, or tags under AS 16.05.380 shall, as directed by the commissioner, transmit the proceeds from the sales of licenses, permits, and tags, except the amount authorized to be retained under (a)(1) of this section, together with a report of the sales, to the commissioner for deposit in the fish and game fund or the general fund.

(c) On March 31, June 30, September 30, and December 31 of each year the commissioner shall calculate the compensation earned by an agent under (a)(2) of this section, minus the penalties assessed under (g) of this section. If the compensation due exceeds \$50, the commissioner shall pay the compensation not later than 30 days after the date for which the compensation was calculated. If the compensation due is \$50 or less, the commissioner shall pay the compensation not later than January 30 of the year following the year in which the compensation was earned. The commissioner shall pay compensation only for sales of licenses, permits, or tags for which the commissioner has received the report and proceeds required to be

transmitted under (b) of this section.

(d) Compensation provided by this section shall be paid from appropriations made to the department.

(e) The provisions of (a) of this section do not apply to a state employee appointed by the commissioner under AS 16.05.380 to sell licenses, permits, and tags.

(f) Proceeds and reports under (b) of this section shall be transmitted to the commissioner by the last day of the month following the month in which the licenses, permits, and tags are sold, unless an alternative reporting schedule has been established by contract.

(g) The commissioner may assess a penalty against an agent who does not transmit proceeds within the time allowed under (f) of this section. The penalty is equal to one and one-half percent of the amount of proceeds due. The penalty may be assessed for each month or portion of a month that the proceeds are delinquent. A penalty under this subsection shall be withheld from the agent's compensation under (a)(2) of this section.

**Sec. 28.10.431. Biennial motor vehicle registration tax.**

(e) The department shall refund money collected under this section, less eight percent as collection costs, to a municipality for which the money was collected, as determined by (1) the address of residence of an individual required to pay the tax, or (2) the situs of the vehicle if the vehicle is not owned by an individual; the tax situs is the location at which the motor vehicle is usually, normally, or regularly kept or used during the registration period. For the first year in which the tax is levied within a municipality, the department may retain actual costs of collection of the tax within the municipality as determined by the department.

**DMV Transaction History for Specific Locations  
FY 2013**

<b>Name</b>	<b>Vehicle Registration (MV/Snowmachine/</b>	<b>60 temp permits</b>	<b>Driving Records</b>	<b>Boat Registration</b>	<b>Disability Placards</b>	<b>Research Requests</b>	<b>Personalized Plates</b>	<b>Total</b>
BENSON	129,292	642	22,556	775	0	1,615	494	155,374
ANCHORAGE-DOWNTOWN	16,548	166	1,206	51	0	666	114	18,751
FAIRBANKS	40,803	622	3,893	193	0	146	122	45,779
MATSU	47,264	351	2,585	203	0	215	162	50,780
Disability Placards: Free, no way to track transaction history								

Alaska Tags & Titles  
DMV Transactions & Revenue Generated  
From September 2004 – December 2013

- 341,780 Total DMV Transactions Performed since 2004
- \$30,718,925 Revenue Generated for the State of Alaska 9/2004 – 12/2013
- 27% Average annual growth in both Transactions performed & State revenue generated
- 4 branches in 3 Alaskan Communities



FY13 Transactions Completed

Business Partners 336,527

DMV Employees 837,880

78 DMV Employees processing transactions

$837,880/78 = 10,742$  transactions per DMV employee/yr

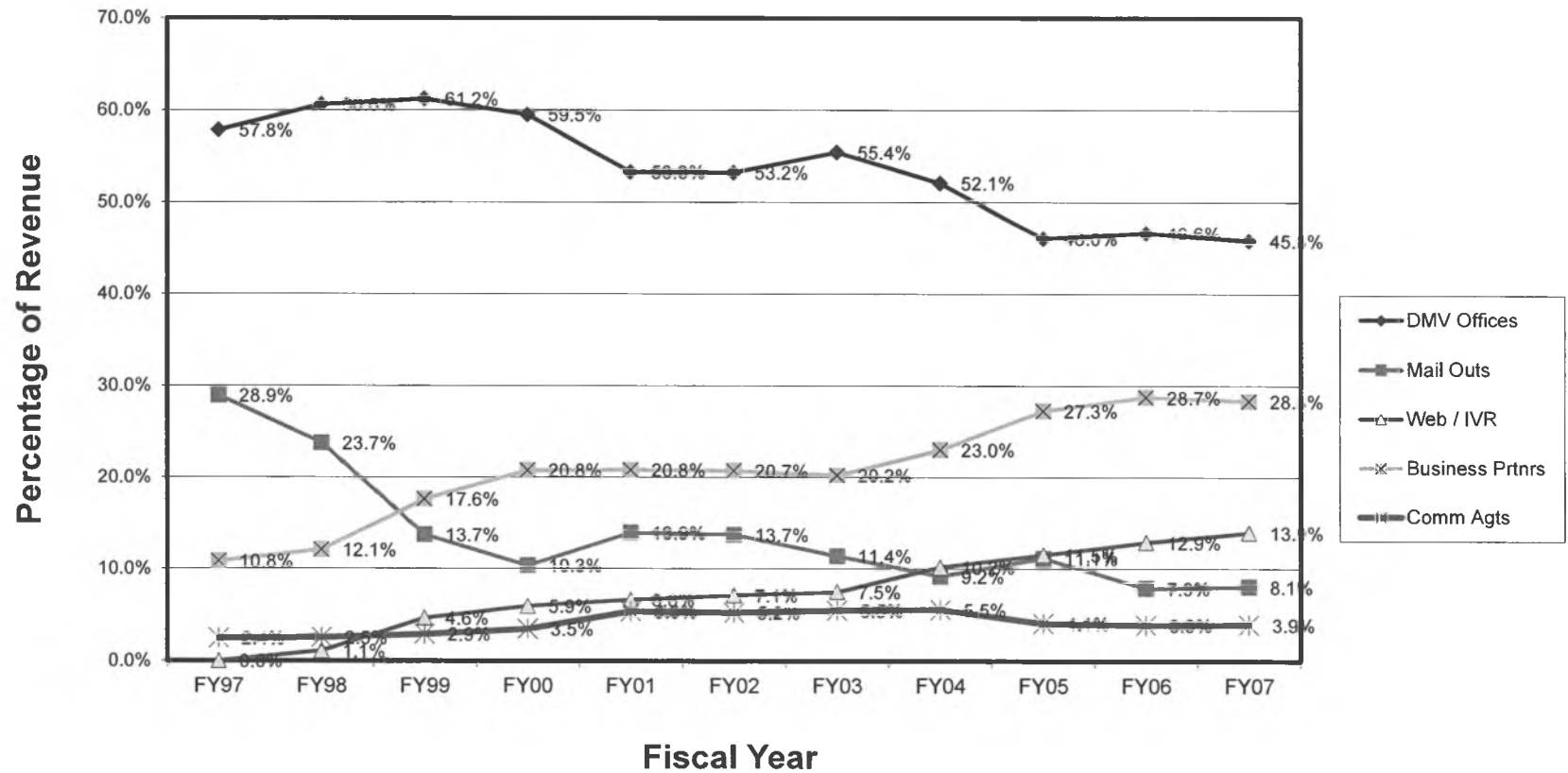
$336,527/10,742 = 31-32$  Employees work being done in the private sector (not counting at least 3 managers to oversee these employees)

DMV Front Desk Salary (Range 10) = \$63,000/yr. salary & Benefits

$31 \times 63,000 = 1,953,000$

$32 \times 63,000 = 2,016,000$

## DMV Revenue Sources FY97 - FY07



Dear Senator Giessel,

We have compiled talking points to specifically address questions raised in committee. We hope this will assist in getting the needed votes to move the bill out of Senate Affairs.

**Is this a \$1.2 million giveaway?**

- This is not a giveaway it is a reallocation of funds. The 15% retained by the Business Partners are reallocated back to the people and reinvested into the economy. Alaskan residence gains are greater when the private sector reinvests into the Alaskan economy.
- Currently business partners are subsidizing the state by providing personnel, supplies, equipment, technical support and serving as an information source as evidenced by the many telephone calls received each day by business partners.
- Credit Card fees represent one of the highest costs for Business Partners and add up to hundreds of thousands of dollars in lost profit per year. The State receives 100% of their funds while the business partner loses profit and for several transactions loses money performing the transaction.

**Are the customers aware of the “delta” in the form of a service charge?**

- Yes. As a contract requirement, Business Partner Service Fees are prominently displayed so that every customer is informed before the transaction occurs. Additionally, a notice is posted stating the Business Partner is a privately owned business that charges a service fee in addition to the State DMV fees.

**If business partners did not exist, what would the additional work load be for the DMV?**

- Business Partner programs processed 193,697 transactions in fiscal year 2013.
- Based on the State DMV calendar of 251 working days would result in an additional 771 transactions per day. If each employee averaged 40 transactions per day, at a *minimum* an additional 19 state employees would be needed.
- With new processing staff come additional overhead burdens such as increased management, human resource support, and workspace. The state would have to open new DMV locations to accommodate the overflow of customers.
- *Question: What is the total cost to the state for a DMV employee?*

**Would it cost more for the state to provide the personnel and other facilities requirements than the proposed 15% retained commission?**

- Due to the high overhead for the state, if the DMV had to assume the services provided by the business partners, it could potentially cost a minimum of 25% more than the proposed 15% retained commission.
- With the increased staffing the state would have to retain a new facility to handle the increase in business traffic and potentially reopen branches on Saturdays.

**Why do the business partners need an additional retained commission when they charge a fee to their customers for their services and why did they not need it in the past?**

- No business is immune from the increase in inflation and the cost of doing business. DMV Business Partners have experienced increased costs for supplies, office space, and staffing.
- The additional fees charged are set by individual business partners and are determined at a level that attracts customers. The demand curve is pretty elastic as when the price goes up for the

transaction, the number of transactions can be expected to go down. It is in the best interest of all concerned to keep the service fees at a reasonable level but that level does not provide the necessary capital to invest in needed new equipment or employees.

- New equipment and employees allow the business partners to expand their working hours and their locations to provide more convenience to their customers and to provide a higher level of efficiency to enable better customer service to new and existing customers.
- The retained earnings can allow for Business Partners to expand and create jobs in the private sector while accommodating the growing trend of Alaskan residence using private DMV's, with no added costs to the state.
- Please note: The State DMV charges customers a \$10 service fee for registration transactions performed in person rather than online or by mail.

#### **Summary of Points**

- Retained funds are simply reallocated to Alaskans and reinvested in the Alaskan economy
- New technology purchases
- Offsetting Credit Card fees
- Extended Business Hours
- Business Partner Expansions to meet the growing demand of Alaskan residents
- Job creation in the private sector
- The objective is to provide improved service to the public



# ALASKA AUTO DEALERS ASSOCIATION

P.O. Box 201305, Anchorage, Alaska 99520-1305

January 23, 2014

The Honorable Cathy Giessel  
Alaska State Legislature  
120 4<sup>th</sup> Street  
Juneau, Alaska 99801-1182

RE: Senate Bill 127

Dear Senator Giessel:

The Alaska Auto Dealers Association wished to inform you of our support for Senate Bill 127. We believe it brings fairness to many Alaskan businesses that are doing work assisting Alaskans and the Division of Motor Vehicles with motor vehicle registrations that must otherwise be done by the state.

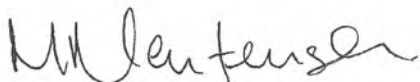
The state has invited auto dealers to perform DMV work required for their sales (i.e. the new Alaska Title and Registration) rather than rely solely on additional staff and increased labor costs. This was done to improve customer service at the DMV and shorten the amount of time customers spent waiting for service at the DMV office.

Clearly, there will always be needs that can only be met in a State DMV office, however more "Business Partnerships" processing more Alaska Title and Registration work would cut down on the number of daily transactions in the DMV office and, in turn, lead to less wait time for its customers.

The state retains the exact same amount of revenue regardless of where the customer performs their transaction, but the labor cost has shifted from the state to the individual Business Partner. This proposal will provide a small amount of compensation from that revenue in a manner not unlike the relationship between the State Department of Fish & Game and the vendors that sell hunting & fishing licenses (*AS 16.05.390*).

Members of the Alaska Auto Dealers Association are willing to assist the State of Alaska with its auto licensing function but, as businesses, we believe reasonable compensation by the state is a fair and appropriate practice in the marketplace.

Sincerely,



Marten Martensen  
President

**From:** Crystal Byrd <[crystalb\\_akexpress@yahoo.com](mailto:crystalb_akexpress@yahoo.com)>

**Date:** February 18, 2014 at 2:54:23 PM AKST

**To:** <[Senator.Cathy.Giessel@akleg.gov](mailto:Senator.Cathy.Giessel@akleg.gov)>

**Subject:** SB 127

I am in full support of SB 127 allowing DMV Contractors to be fairly compensated for the support work they do for DMV services. The Contract/Partners provide a valuable service to our company in handling title, registration, motor vehicle records, lost titles, lost plates and a whole host of other services. These vendors provide timely services that state DMV offices cannot provide, especially in smaller towns with one DMV. We understand that there is an additional fee and we are willing to pay the fee for the convenience of their services. I do understand that this is the only income they receive. We feel this is a matter of fairness for the State of Alaska to compensate them for work they do that would otherwise have to be handled by the State DMV offices. This gives the state a way to have less employees but still have the personnel to handle DMV matters. We urge you to support these small business contractors that are providing a great service to Alaskans.

For these reasons, I support SB 127

Crystal Byrd

**From:** Jim Scherieble [mailto:jscherieble@kenworthalaska.com]  
**Sent:** Wednesday, February 12, 2014 9:27 AM  
**To:** Sen. Cathy Giessel  
**Subject:** Support for SB127

Dear Senator Giessel,

Concerning SB 127 VEHICLE TRANSACTION AGENTS.

DMV has Contract Partners that provide registration and titling services at non state owned locations. These shops, are not only convenient and prompt, but also provide a valuable service to our company in handling our title, registration, motor vehicle records, lost titles, lost plates and a whole host of other services. For these services, these contractors receive no compensation from the state except for some of the paper supplies and forms. These shops do charge their customers a nominal service fee, which is the only income they receive for their services, but these fees do not cover all the business costs involved. This bill provides for a small commission fee for the work that they do. We feel that this is a matter of fairness to compensate them labor and expenses they incur in providing these services for the DMV and allow them to grow their businesses.

For these reasons, we support SB 127.

Thank you for your consideration.

Jim Scherieble

General Manager-Alaska

Kenworth Alaska

907-279-0602 office

907-230-8335 cell

[www.kenworthalaska.com](http://www.kenworthalaska.com)

**From:** Tom Hendrix [mailto:[thendrix@carlile.biz](mailto:thendrix@carlile.biz)]  
**Sent:** Tuesday, February 11, 2014 4:39 PM  
**To:** Sen. Cathy Giessel  
**Subject:** SB 127 Transaction Agents

Dear Senator Giessel,

DMV has Contract Partners that provide registration and titling services at non state owned locations. These shops provide a valuable service to our company in handling our title, registration, motor vehicle records, lost titles, lost plates and a whole host of other services. For these services, these contractors receive nothing from the state except some of the paper supplies and forms. These shops do charge their customers a nominal service fee and that is the only income they receive for their services. This bill provides for a small commission fee for the work that they do. We feel that this is a matter of fairness to compensate them for the work they do for the state and allow them to grow their businesses. It supports private enterprise within our state which is beneficial to all.

For these reasons, we support SB 127.

Thank you.

Tom Hendrix | Vice President, Oil and Gas | Carlile Transportation Systems, Inc.

Office 907-276-7797 | Mobile 907-632-2436 | [thendrix@carlile.biz](mailto:thendrix@carlile.biz)

Visit us at [www.carlile.biz](http://www.carlile.biz)



State Capitol Room 427  
Juneau AK, 99801  
[ [senator.cathy.giessel@akleg.gov](mailto:senator.cathy.giessel@akleg.gov) ]  
Phone: 907-465-4843

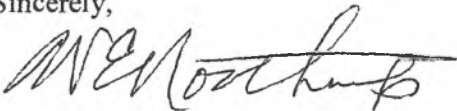
Dear Senator Giessel,

Thank you for sponsoring SB 127. We at Alaska Transportation Unlimited, LLC have utilized privatized DMV Agents for our titling and registration needs since the DMV Business Partner Program began. These agencies are efficient, professional, and offer tremendous customer service to meet our needs. These privatized businesses reduce the workload of the Division of Motor Vehicles, reduce the size of government, and offer Alaskans extended business hours and more locations for DMV services.

SB 127 encourages small business to expand their services, locations, and business hours by paying for a fractional percentage of their business costs. Privatized DMV Agents act on behalf of the State, but receive no compensation from the State for their services. Specifically, the fractional percentage proposed will help offset credit card fees. When customers pay with a credit card, the State of Alaska receives 100% of their funds for services they did not provide while the small business actually providing the service bears the financial burden.

This legislation is long overdue and our company, Alaska Transportation Unlimited, LLC , fully supports SB 127.

Sincerely,



W.E. (Bill) Northrup  
Operations / Admin Manager  
Alaska Transportation Unlimited, LLC  
Dbas: Eagle Cab & Yellow Cab  
Fairbanks, Alaska  
T / (907) 456-8536  
F / (866) 875-6406  
[logmgmt@mosquitonet.com](mailto:logmgmt@mosquitonet.com)

Cc: File

Governor Sean Parnell [ [sean.parnell@alaska.gov](mailto:sean.parnell@alaska.gov) ]



## Little Red Services

3700 Centerpoint Drive, Suite 1300  
Anchorage, AK 99503

Phone: (907) 349-2931

Fax: (907) 349-2750

---

Dear Senator Giessel,

Pls reference SB 127 VEHICLE TRANSACTION AGENTS.

DMV has Contract Partners that provide registration and titling services at non state owned locations. These shops provide a valuable service to our company in handling our title, registration, motor vehicle records, lost titles, lost plates and a whole host of other services. For these services, these contractors receive nothing from the state except some of the paper supplies and forms. These shops do charge their customers a nominal service fee and that is the only income they receive for their services. This bill provides for a small commission fee for the work that they do. We feel that this is a matter of fairness to compensate them for the work they do for the state and allow them to grow their businesses.

For these reasons, we support SB 127.

Thank you.

Joe Curgus

VP Operations

**From:** Scott Hicks [mailto:SHICKS@awe.lynden.com]  
**Sent:** Wednesday, February 12, 2014 9:35 AM  
**To:** Sen. Cathy Giessel  
**Subject:** SB 127 VEHICLE TRANSACTION AGENTS.

**Dear Senator Giessel,**

**Please reference: SB 127 VEHICLE TRANSACTION AGENTS.**

**DMV has Contract Partners that provide registration and titling services at non state owned locations. These shops provide a valuable service to our company in handling our title, registration, motor vehicle records, lost titles, lost plates and a whole host of other services. For these services, these contractors receive nothing from the state except some of the paper supplies and forms. These shops do charge their customers a nominal service fee and that is the only income they receive for their services. This bill provides for a small commission fee for the work that they do. We feel that this is a matter of fairness to compensate them for the work they do for the state and allow them to grow their businesses.**

**For these reasons, we support SB 127.**

**Thank you.**

**Scott Hicks**

**Alaska West Express, Inc**

**1048 Whitney Rd**

**Anchorage, Ak 99501**

**907-339-5106**

**From:** Chuck Onstott <[chucko@spanalaska.com](mailto:chucko@spanalaska.com)>  
**Date:** February 17, 2014 at 9:57:42 AM AKST  
**To:** <[senator.cathy.giessel@akleg.gov](mailto:senator.cathy.giessel@akleg.gov)>  
**Cc:** Aves Thompson <[aves@aktrucks.org](mailto:aves@aktrucks.org)>  
**Subject:** SB 127 VEHICLE TRANSACTION AGENTS

Dear Senator Giessel,

I am in full support of SB 127 allowing DMV Contractors to be fairly compensated for the support work they do for DMV services. The Contract/Partners provide a valuable service to our company in handling title, registration, motor vehicle records, lost titles, lost plates and a whole host of other services. Our company uses contractors located on E Abbott Rd and the Trucking Association on Minnesota Ave. Both of these vendors provide timely services that state DMV offices can NOT provide. I do understand contractors charge a nominal service fee, but that is the only income they receive. We feel this is a matter of fairness to compensate them for work they do.... that would other wise have to be handled by the State DMV offices.

For these reason, we support SB 127

Thanks you

Chuck Onstott

VP Operations

Span Alaska Transportation

2040 E 79<sup>th</sup>

Anchorage Ak

(907) 349-3606

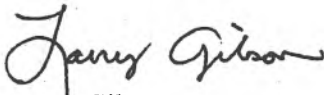
State Capitol Room 427  
Juneau AK, 99801  
senator.cathy.giessel@akleg.gov  
Phone: 907-465-4843

Dear Senator Giessel,

Thank you for sponsoring SB 127. We at MV Transportation have utilized privatized DMV Agents for our titling and registration needs since the DMV Business Partner Program began. These agencies are efficient, professional, and offer tremendous customer service to meet our needs. These privatized businesses reduce the workload of the Division of Motor Vehicles, reduce the size of government, and offer Alaskans extended business hours and more locations for DMV services.

SB 127 encourages small business to expand their services, locations, and business hours by paying for a fractional percentage of their business costs. Privatized DMV Agents act on behalf of the State, but receive no compensation from the State for their services. Specifically, the fractional percentage proposed will help offset credit card fees. When customers pay with a credit card, the State of Alaska receives 100% of their funds for services they did not provide while the small business actually providing the service bears the financial burden.

This legislation is long overdue.



Larry Gibson,

Fleet Manager  
MV Transportation

**From:** Michael Moeller [<mailto:moellermichael@hotmail.com>]  
**Sent:** Wednesday, February 12, 2014 8:07 AM  
**To:** Sen. Cathy Giessel  
**Cc:** [aves@aktrucks.org](mailto:aves@aktrucks.org)  
**Subject:** SB 127 VEHICLE TRANSACTION AGENTS

Dear Senator Giessel,

DMV has Contract Partners that provide registration and titling services at non-state owned locations. These shops provide a valuable service to our company in handling our title, registration, motor vehicle records, lost titles, lost plates and a whole host of other services. For these services, these contractors receive nothing from the state except some of the paper supplies and forms. These shops do charge their customers a nominal service fee and that is the only income they receive for their services. This bill provides for a small commission fee for the work that they do. I feel that this is a matter of fairness to compensate them for the work they do for the state and allow them to grow their businesses.

For these reasons, I support SB 127.

Thank you.

Mike Moeller

2997 N Woodfield Park Circle

Wasilla, AK 99654

907-229-6107

**From:** Kim Mahosky [mailto:kim@goldennorth.com]  
**Sent:** Tuesday, February 11, 2014 3:54 PM  
**To:** Sen. Cathy Giessel  
**Subject:** SB 127 VEHICLE TRANSACTION AGENTS

Dear Senator Giessel,

DMV has Contract Partners that provide registration and titling services at non-state owned locations. These shops provide a valuable service to our company in handling our title, registration, motor vehicle records, lost titles, lost plates and a whole host of other services. For these services, these contractors receive nothing from the state except some of the paper supplies and forms. These shops do charge their customers a nominal service fee and that is the only income they receive for their services. This bill provides for a small commission fee for the work that they do. We feel that this is a matter of fairness to compensate them for the work they do for the state and allow them to grow their businesses.

For these reasons, we support SB 127.

Thank you for your consideration,

Kim

*Kim Mahosky*

**Government Affairs**



**Our expertise. Your peace of mind.**

**Alaska's Choice for over 30 years.**

**Agent for United Van Lines**

**940 Raspberry Road**

**Anchorage, AK 99518**

**Direct: (907)348-2616**

**Fax: (907)344-6727**



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**P Please consider the environment before printing this e-mail.**



**From:** josie Carnegie <[josie\\_akexpress@yahoo.com](mailto:josie_akexpress@yahoo.com)>

**Date:** February 19, 2014 at 3:39:48 PM AKST

**To:** <[senator.cathy.giessel@akleg.gov](mailto:senator.cathy.giessel@akleg.gov)>

**Subject:** sb 127

I am in full support of SB 127 allowing DMV Contractors to be fairly compensated for the support work they do for DMV services. The Contract/Partners provide a valuable service to our company in handling title, registration, motor vehicle records, lost titles, lost plates and a whole host of other services. Our company uses contractors located in Soldotna, AK. These vendors provide timely services that state DMV offices cannot provide. We understand that there is an additional fee and we are willing to pay the fee for the convenience of their services. I do understand that this is the only income they receive. We feel this is a matter of fairness for the State of Alaska to compensate them for work they do.... that would otherwise have to be handled by the State DMV offices. We urge you to support these small business contractors that are providing a great service to Alaskans. For these reasons, we support SB 127

Thanks, Josie

## Forrest Wolfe

---

**From:** Duane Bannock <duane@radiokenai.com>  
**Sent:** Thursday, January 23, 2014 12:59 PM  
**To:** Forrest Wolfe  
**Subject:** Re: Senate Bill 127  
**Attachments:** Copy of DMV Revenue by Loc-Chart.xls

Thank you for the invitation to comment on Senate Bill 127.

As a way of background: I had the privilege and honor of serving as the State of Alaska's Division of Motor Vehicles (DMV) director from February 2003 to November 2007. My goals as director were simple: to improve customer service at the DMV and shorten the amount of time spent waiting for service at the DMV office.

While others in leadership had similar goals, my strategy was different; rather than rely solely on additional staff and increased labor costs, my focus was to put less people in the DMV office.

Clearly, there will always be needs that can only be met in a State DMV office, however there is a program started prior to my time as director named "Business Partnership" that granted select, individual auto dealerships the ability to perform DMV work required for their sales (i.e. the new Alaska Title and Registration). This program was later expanded in Anchorage & Fairbanks to allow Inspection & Maintenance (I/M) Stations (for emission testing) to process registration renewals.

My strategy of less customers waiting at DMV required more alternatives to the traditional method of 'mail-in' and internet registration renewals. The expansion of the Business Partnership was the key element of that strategy. More Business Partners processing more Alaska Title and Registration work would cut down on the number of daily transactions in the DMV office and, in turn, lead to less wait time.

Part of my expansion plan included 'stand-alone' Business Partners; those individual privately-owned businesses that would sell the DMV products and service in a manner similar to a traditional state-owned DMV office. With more options for customers to find their DMV needs satisfied, the state DMV would be 'loosing' customers. Of course, in the business world, no one like to lose customers and additional business, but in this case, it is the DMV customer that wins!

As the Business Partnership expansion grew, there was a measurable decrease in the customers using state facilities (please see attached chart: DMV Revenue Source FY97 – FY 07).

It's fair to include internet revenue to a portion of the DMV office decline; however the web-based program was limited (at time of this chart) to vehicle registration renewals only. Business Partners perform not only renewals, but also the much more labor intensive and important State of Alaska Certificate of Vehicle Title.

The state retained the exact same amount of revenue regardless of where the customer performed their transaction, but the labor cost had shifted from the state to the individual Business Partner. My proposal was to provide a small amount of compensation from that revenue in a manner not unlike the relationship between the State Department of Fish & Game and the vendors that sell hunting & fishing licenses (AS 16.05.390).

On Wed, Jan 22, 2014 at 4:47 PM, Forrest Wolfe <[Forrest.Wolfe@akleg.gov](mailto:Forrest.Wolfe@akleg.gov)> wrote:

Good Afternoon Mr. Bannock,

My name is Forrest Wolfe and I am currently working for Senator Cathy Giessel on SB127, which authorizes the state to pay agents for certain transactions. I understand this was originally an issue you worked on while overseeing the DMV and I was wondering if perhaps you could sort of briefly bring me up to speed on this issue. Why the bill is necessary, what it does, how it will make things better, and any other history behind this issue you deem important. I appreciate any assistance you can provide.

Thank you.

Sincerely,

Forrest Wolfe

*Forrest Wolfe*

*Office of Senator Cathy Giessel*

*State Capitol*

*Juneau, AK 99801*

*Office [907.465.4843](tel:907.465.4843)*

*Fax [907.465.3871](tel:907.465.3871)*

Dear Senator Giessel,

Thank you for introducing SB127. I have been a DMV partner since 2006 with a store front business open to customers in North Pole. Our service has been valuable to the customers of North Pole, Fairbanks, Salcha, and Delta Junction, even Nenana. We have enhanced hours from the Fairbanks DMV and are open on Saturdays as well as most holidays that the local DMV is closed. We do mail-in registrations and titles for our customers who are overseas in the military or full-time students. We do large batches of titles and registration for a few car dealers in town because they can get a quick turn around with their title work that is not available at the Fairbanks DMV.

We charge a reasonable amount no more than \$15-20 per transaction (depends on if it is registration or title and registration). This charge must cover the cost of building mortgage, liability insurance, general insurance, phone, electricity, fuel, computers, and printer. It must cover the salary of a trained staff (training takes several weeks, and I must cover the cost of sending new staff to Anchorage for three days of training). Previously we were reimbursed by DMV for our weekly mailing of documents processed in the amount of \$10 per week. Now this reimbursement is no longer available; it is close to \$500 a year for us to send these documents. We also have to pay, with no reimbursement, for the expired tabs to be sent back to Anchorage.

The 15% fee to help defray these costs would be so very helpful. It would allow us to have another person trained and available to support our services. The DMV customers in the state of Alaska benefit from quicker transactions (time is money for our customers, they are taking off work to get to the DMV during M-F business hours), they really appreciate the later daily hours and open Saturdays.

I thank you for bringing this bill forward.

Leslie Gustafson, President  
Express Title & Tag  
PO Box 56300  
North Pole, AK 99705  
[www.whitespruce.com](http://www.whitespruce.com)  
907-488-3004 Office  
907-388-4541 Cell  
[leslie@whitespruce.com](mailto:leslie@whitespruce.com)

**From:** Jeremy Miller [mailto:[jmiller@carlile.biz](mailto:jmiller@carlile.biz)]  
**Sent:** Wednesday, February 12, 2014 8:14 AM  
**To:** Sen. Cathy Giessel  
**Subject:** SB 127 VEHICLE TRANSACTION AGENTS

Senator Giessel,

It was very nice to see you last week outside the reception at the Baranof. Like I told you then I am one of your constituents and very proud to have you as my Senator. The reason I was down in Juneau was to accompany some of my fellow Alaska Trucking Association members on our annual legislative trip. As you know the ATA has a list of what we consider to be our priorities for this session and one of those is addressed in SB 127. The ATA along with some other local businesses provide a service to the general public that saves them the time and hassle of having to deal with the DMV. The DMV enjoys all the revenue for this service but doesn't have to incur the expense. I would like to ask for your support of SB 127. Our belief is that if this bill is successful it will allow all the businesses providing this service to continue to grow and expand. Thank you very much for all the great things you have done.



**Jeremy Miller, PMP**

**Director of Facilities | Carlile Transportation Systems, Inc.**

Email: [jmiller@carlile.biz](mailto:jmiller@carlile.biz)

Anchorage Office: (907) 276-7797

Cellular: (907) 632-2427

Web: [www.carlile.biz](http://www.carlile.biz)



**From:** George Lowery [<mailto:george.lowery@totemocean.com>]

**Sent:** Tuesday, February 11, 2014 4:30 PM

**To:** Sen. Cathy Giessel

**Subject:** SB 127 - Vehicle transaction agents

Dear Senator Giessel,

The Department of Motor Vehicles has Contract Partners that provide registration and titling services at non state owned locations. These partners provide a valuable service to our company in handling our title, registration, motor vehicle records, lost titles, lost plates and a whole host of other services. For these services, these contractors receive nothing from the state except some of the paper supplies and forms. These shops do charge their customers a nominal service fee and that is the only income they receive for their services.

This bill provides for a small commission fee for the work that they do. We feel that this is a matter of fairness to compensate them for the work they do for the state and allow them to grow their businesses.

For these reasons, we support SB 127.

Thank you.

**George Lowery** | Alaska Director | **Totem Ocean Trailer Express, Inc. (Totem Ocean)**

2511 Tidewater Road Anchorage, AK 99501 | O: 907-265-7233 | C: 907-242-7293 |  
[www.totemocean.com](http://www.totemocean.com)

**From:** Lee McKenzie [mailto:leem@trailercraft.com]

**Sent:** Wednesday, February 12, 2014 7:48 AM

**To:** Sen. Cathy Giessel

**Subject:** Senate Bill 127

Dear Senator Giessel,

Please reference SB 127 VEHICLE TRANSACTION AGENTS.

DMV has Contract Partners that provide registration and titling services at non state owned locations. These shops provide a valuable service to our company in handling our title, registration, motor vehicle records, lost titles, lost plates and a whole host of other services. For these services, these contractors receive nothing from the state except some of the paper supplies and forms. These shops do charge their customers a nominal service fee and that is the only income they receive for their services. This bill provides for a small commission fee for the work that they do. We feel that this is a matter of fairness to compensate them for the work they do for the state and allow them to grow their businesses.

For these reasons, we support SB 127.

Thank you.

*Lee Mckenzie*

*President*

*TrailerCraft Inc./Freightliner of Alaska*

*907-563-3238 (office)*

*907-561-4995 (fax)*

*907-440-8785 (cell)*

See us on the web @ [www.trailercraft.com](http://www.trailercraft.com)

## Nancy Manly

---

**From:** Colette Frank <colettefrank@hotmail.com>  
**Sent:** Friday, March 28, 2014 5:06 PM  
**To:** Rep. Bob Lynn; Rep. Wes Keller; Rep. Lynn Gattis; Rep. Shelley Hughes; Rep. Doug Isaacson; Rep. Charisse Millett; Rep. Jonathan Kreiss-Tomkins  
**Subject:** Bill 127

I am in full support of SB 127 allowing DMV Contractors to be fairly compensated for the support work they do for DMV services. The Contract/Partners provide a valuable service in handling title, registration, motor vehicle records, lost titles, lost plates and a whole host of other services. These vendors provide timely services that state DMV offices cannot provide. I understand that there is an additional fee am willing to pay the fee for the convenience of their services. I do understand that this is the only income they receive and feel it is a matter of fairness for the State of Alaska to compensate them for work they do.... that would otherwise have to be handled by the State DMV offices. I urge you to support these small business contractors that are providing a great service to Alaskans.

For these reasons, I support SB 127

Colette Frank



## Nancy Manly

---

**From:** Nancy Manly  
**Sent:** Thursday, March 27, 2014 12:23 PM  
**To:** Forrest Wolfe  
**Subject:** RE: CS for SB127

Hi Forrest – would you also draft a statement of what the changes were. Thanks!

Nancy Manly, Chief of Staff and  
House State Affairs Committee Aide *for*  
**Representative Bob Lynn**  
**House District 23**  
907-465-2794 Fax: 907-465-4316

---

**From:** Forrest Wolfe  
**Sent:** Thursday, March 27, 2014 11:34 AM  
**To:** Nancy Manly  
**Subject:** CS for SB127

The CS for SB127 is attached.

## Nancy Manly

---

**From:** Nancy Manly  
**Sent:** Friday, March 21, 2014 8:07 AM  
**To:** Forrest Wolfe  
**Subject:** RE: Amendment to SB127

Great! Thanks for the update!!

Nancy Manly, Chief of Staff and  
House State Affairs Committee Aide *for*  
**Representative Bob Lynn**  
**House District 23**  
907-465-2794 Fax: 907-465-4316

---

**From:** Forrest Wolfe  
**Sent:** Friday, March 21, 2014 8:06 AM  
**To:** Nancy Manly  
**Subject:** RE: Amendment to SB127

Nancy,

This is a friendly amendment. I will have a CS drafted.

---

**From:** Nancy Manly  
**Sent:** Friday, March 21, 2014 7:53 AM  
**To:** Forrest Wolfe  
**Subject:** FW: Amendment to SB127

Forrest – please review the proposed amendment by Aves Thompson and give us your take on it. If you think this is a good amendment, please have your boss have legal draft a blank CS to this and keep me in the loop on it. Thanks.

Nancy Manly, Chief of Staff and  
House State Affairs Committee Aide *for*  
**Representative Bob Lynn**  
**House District 23**  
907-465-2794 Fax: 907-465-4316

---

**From:** Rep. Bob Lynn  
**Sent:** Friday, March 21, 2014 7:50 AM  
**To:** Nancy Manly  
**Subject:** FW: Amendment to SB127

---

**From:** Aves Thompson [<mailto:aves@aktrucks.org>]  
**Sent:** Thursday, March 20, 2014 3:44 PM  
**To:** Rep. Bob Lynn; Rep. Wes Keller; Rep. Lynn Gattis; Rep. Shelley Hughes; Rep. Doug Isaacson; Rep. Charisse Millett;  
Rep. Jonathan Kreiss-Tomkins  
**Subject:** Amendment to SB127

Chairman Lynn and Members of the House State Affairs Committee,

SB127 provides the ability for DMV to pay a modest commission to private sector DMV Business Partners for the work they do on behalf of the DMV. We are a Business Partner with DMV and we support this bill and respectfully request that you consider the attached proposed amendment to SB127 VEHICLE TRANSACTION AGENTS. There is proposed language and a proposed sponsor statement. I'm sure that both need some improvement but it is a start. If there are questions, pls ask your staff to contact me. Thank you. Aves

Aves Thompson | Executive Director | Alaska Trucking Association | [www.aktrucks.org](http://www.aktrucks.org)

Office 907 276-1149 | Mobile 907 240-0114 | Fax 907 274-1946



**Amendment to SB127  
House State Affairs Committee Substitute  
Page 1, Line 6**

**Sec. 28.05.024. Agreements with agents to perform title and registration services.** (a) The commissioner may enter into an agreement with an agent to perform vehicle title and registration services. An agent shall meet the qualifications and requirements set by the department by regulation. The regulations must require, at a minimum, that the agent be bonded, have an Alaska Business license under AS 43.70, and have been in existence for a minimum of one year before entering into the agreement with the commissioner. [SUBJECT TO REGULATIONS ADOPTED BY THE DEPARTMENT,] [t]The commissioner [MAY] shall, in the agreement, allow the agent to retain [UP TO] 15 percent of the proceeds beginning with the effective date, excluding any taxes or fees imposed by a municipality, collected on behalf of the department as compensation under the agreement.

**Agreements in place at the time of the effective date shall remain in effect, modified to reflect the retained commission of 15%, until the new regulations are effective. This does not preclude the department from terminating an agreement for cause under the terms of the existing agreement.** The commissioner shall provide....

.....

Sponsor Statement

This amendment will allow DMV to honor current agreements during the time it takes for the department to promulgate and adopt regulations covering the agreement prerequisites and provisions set out in this statute. The amendment does not prevent the department from terminating an agreement for cause under the terms of the existing agreements. It will allow the department to begin the 15% retained commissions at the effective date of the bill without waiting for enabling regulations as the intent is clear to begin the retentions on the effective date of this bill. This language is clear in that all proceeds with the exception of municipal taxes or other fees are eligible for the 15% retained commissions. These changes also require the department to provide a 15% retained commission rather than a sliding scale from 0 to 15% which will be completely in the discretion of the department.

## Nancy Manly

---

**From:** Rep. Bob Lynn  
**Sent:** Friday, March 21, 2014 7:50 AM  
**To:** Nancy Manly  
**Subject:** FW: Amendment to SB127  
**Attachments:** HSE STA Amendment to SB127.docx

---

**From:** Aves Thompson [<mailto:aves@aktrucks.org>]

**Sent:** Thursday, March 20, 2014 3:44 PM

**To:** Rep. Bob Lynn; Rep. Wes Keller; Rep. Lynn Gattis; Rep. Shelley Hughes; Rep. Doug Isaacson; Rep. Charisse Millett; Rep. Jonathan Kreiss-Tomkins

**Subject:** Amendment to SB127

Chairman Lynn and Members of the House State Affairs Committee,

SB127 provides the ability for DMV to pay a modest commission to private sector DMV Business Partners for the work they do on behalf of the DMV. We are a Business Partner with DMV and we support this bill and respectfully request that you consider the attached proposed amendment to SB127 VEHICLE TRANSACTION AGENTS. There is proposed language and a proposed sponsor statement. I'm sure that both need some improvement but it is a start. If there are questions, pls ask your staff to contact me. Thank you. Aves

Aves Thompson | Executive Director | Alaska Trucking Association | [www.aktrucks.org](http://www.aktrucks.org)

Office 907 276-1149 | Mobile 907 240-0114 | Fax 907 274-1946



## Nancy Manly

---

**From:** Nancy Manly  
**Sent:** Friday, March 21, 2014 7:53 AM  
**To:** Forrest Wolfe  
**Subject:** FW: Amendment to SB127  
**Attachments:** HSE STA Amendment to SB127.docx

Forrest – please review the proposed amendment by Aves Thompson and give us your take on it. If you think this is a good amendment, please have your boss have legal draft a blank CS to this and keep me in the loop on it. Thanks.

Nancy Manly, Chief of Staff and  
House State Affairs Committee Aide *for*  
**Representative Bob Lynn**  
**House District 23**  
907-465-2794 Fax: 907-465-4316

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**From:** Rep. Bob Lynn  
**Sent:** Friday, March 21, 2014 7:50 AM  
**To:** Nancy Manly  
**Subject:** FW: Amendment to SB127

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**From:** Aves Thompson [<mailto:aves@aktrucks.org>]  
**Sent:** Thursday, March 20, 2014 3:44 PM  
**To:** Rep. Bob Lynn; Rep. Wes Keller; Rep. Lynn Gattis; Rep. Shelley Hughes; Rep. Doug Isaacson; Rep. Charisse Millett;  
Rep. Jonathan Kreiss-Tomkins  
**Subject:** Amendment to SB127

Chairman Lynn and Members of the House State Affairs Committee,

SB127 provides the ability for DMV to pay a modest commission to private sector DMV Business Partners for the work they do on behalf of the DMV. We are a Business Partner with DMV and we support this bill and respectfully request that you consider the attached proposed amendment to SB127 VEHICLE TRANSACTION AGENTS. There is proposed language and a proposed sponsor statement. I'm sure that both need some improvement but it is a start. If there are questions, pls ask your staff to contact me. Thank you. Aves

Aves Thompson | Executive Director | Alaska Trucking Association | [www.aktrucks.org](http://www.aktrucks.org)

Office 907 276-1149 | Mobile 907 240-0114 | Fax 907 274-1946

# DEWITT & DEWITT LLC

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H-STATE OFF

AUTO DEALER ASSOCIATION WITNESSES  
ON SB 127

Tim Toth, Worthington Ford  
267-5300  
ttoth@calworthington.com

Troy Jarvis, Lithia Auto Motors  
441-0707  
tjarvis@lithia.com

Denny  
Brought in  
letter 3/28/14

# ALASKA STATE LEGISLATURE

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Juneau, Alaska 99801-1182  
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SENATOR CATHY GIESSEL

## MEMORANDUM

**DATE:** March 4, 2014

**TO:** Representative Bob Lynn, Chair, House State Affairs Committee

**FROM:** Senator Cathy Giessel *CG*

**RE:** Request Hearing, SB 127 Vehicle Transaction Agents

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I respectfully request for **Senate Bill # 127 "Vehicle Transaction Agents"** to be heard in the House State Affairs Committee at your earliest convenience.

SB 127 authorizes the Commissioner of the Department of Administration to enter into agreements with Advance Business Partnership (ABPs) to provide vehicle title and registration services. The department will set qualification requirements through regulation for such agents to enter into this agreement. Lastly, these regulations may permit the agent to retain up to 15% of the proceeds collected on behalf of the department, excluding taxes or fees collected by a municipality.

Attached you will find:

1. SB 127 Ver A
2. SB 127 Sponsor Statement
3. Sectional Analysis
4. Letters of Support
5. Supporting Documents

Please contact Forrest Wolfe, 465-4843, in my office if you need any further information.