

SB

127

<TARGET><BILL>SB 127</BILL><SUBJECT>SB
127</SUBJECT><COMM>SSTA28</COMM></TARGET>

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 1/22/14

Date of 5-Day Notice: 2-13-14
 (in accordance with Uniform Rule 23)

FURTHER: RULES - FIN REF?
 DATE TURNED IN TO OFFICE: 2-20-14

State Affairs Committee considered SENATE BILL NO. 127.

SB 127-VEHICLE TRANSACTION AGENTS

"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."

and recommends:

- be replaced with CS _____ (_____) Same Title New Title
- adopt previous CS _____ (_____) Same Title New Title
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to Finance Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
<u>ADM</u>	<u>✓</u>			<u>1</u>

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	<u>Giessel</u>	<u>✓</u>			
	<u>Coghill</u>	<u>✓</u>			
	<u>Wielechowski</u>		<u>✓</u>		
CHAIR:	<u>Dysal</u>	<u>✓</u>			

ALASKA STATE LEGISLATURE

Session
State Capitol Building
Juneau, Alaska 99801-1182
Phone: (907) 465-4843
Fax: (907) 465-3871



District
716 West 4th Avenue
Anchorage, Alaska 99501-2133
Phone: (907) 269-0181
Fax: (907) 269-0184

SENATOR CATHY GIESSEL

MEMORANDUM

DATE: January 28, 2014

TO: Senator Fred Dyson
Chair, Senate State Affairs Committee

FROM: Senator Cathy Giessel *CG*

RE: Request for Hearing, SB 127

I respectfully request that **Senate Bill # 127 "Vehicle Transaction Agents"** be scheduled for the Senate 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 (a sponsor CS forthcoming)
2. SB 127 Sponsor Statement
3. Sectional Analysis
4. Letters of Support (forthcoming)
5. Testimony List

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

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
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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 licenses 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.

Sen.Cathy.Giessel@akleg.gov

CS FOR SENATE BILL NO. 127()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY

**Offered:
Referred:**

Sponsor(s): SENATOR GIESSEL

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 powers and 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. The commissioner shall provide in the agreement
13 for regular audits of the agent and penalties for failure to submit timely the report
14 required by (b)(2) of this section and remit the proceeds to the department as required

1 by (b)(1) of this section. Subject to regulations adopted by the department, the
2 commissioner may, in the agreement, allow the agent to

3 (1) retain up to 15 percent of the proceeds, excluding any taxes or fees
4 imposed by a municipality, collected on behalf of the department as compensation
5 under the agreement; and

6 (2) use the acronym "DMV" or a similar reference to the division of
7 the department responsible for vehicle title and registration in the agent's marketing.

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

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

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

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

15 * **Sec. 2.** This Act takes effect July 1, 2014.

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

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

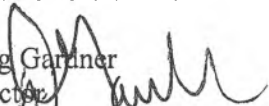
State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

February 19, 2014

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

TO: Senator Cathy Giessel
Attn: Forrest Wolfe

FROM: Doug Gardner
Director 

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

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

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

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

Senator Cathy Giessel
February 19, 2014
Page 2

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

DDG:lem
14-081.lem

Fiscal Note

State of Alaska
2014 Legislative Session

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

Identifier: SB127-DOA-DMV-02-07-2014
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 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues	(1,223.5)		(1,223.5)	(1,223.5)	(1,223.5)	(1,223.5)	(1,223.5)
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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:

Not applicable, initial version.

Prepared By:	Amy Erickson, Director	Phone:	(907)269-5574
Division:	Motor Vehicles	Date:	02/07/2014 12:19 PM
Approved By:	Curtis Thayer, Commissioner	Date:	02/07/14
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:

DMV currently contracts with 11 businesses who conduct vehicle title and registration services.

In fiscal year 2013 the 11 business partners processed 193,679 transactions and collected a total of \$11,413,669. The collected fees breakdown as follows:

\$8,097,804 - Motor vehicle registrations
\$23,550 - Driver's License information/look-up fee
\$34,699 - Miscellaneous fees (personalized plates, replacement tabs, temporary permits, etc.)
\$3,256,745 - Motor vehicle registration tax*
\$746 - Other trust funds (related to funds associated with specific license plates)
\$125 - Under/over pay adjustments by DMV staff
\$11,413,669

$\$11,413,669 - \$3,256,745 = \$8,156,924$

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

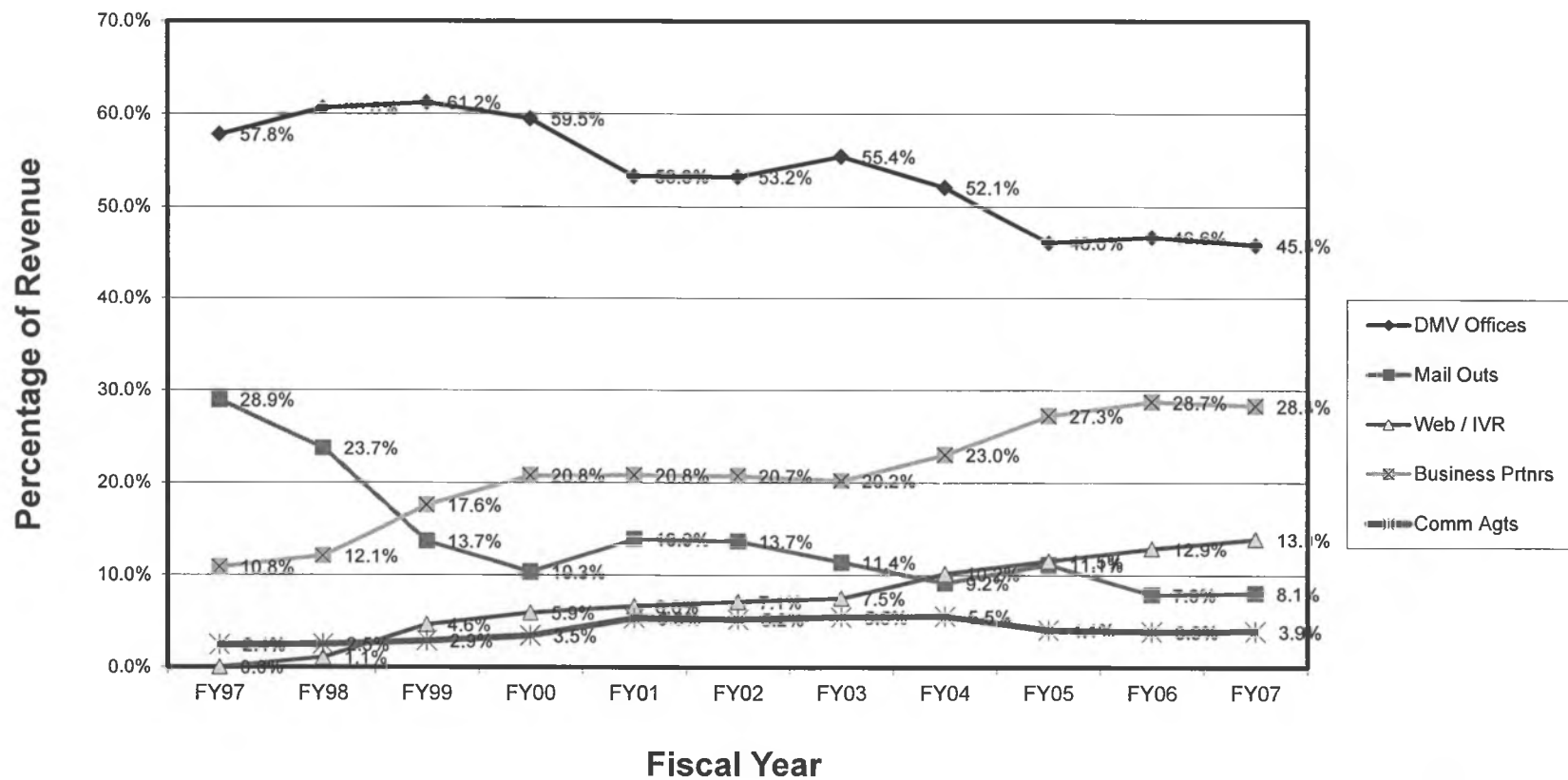
After subtracting the MVRT from the total amount collected, \$8,156,924 would be available to retain. Assuming the full 15% is retained from the available collected fees, a loss of \$1,223,539 in revenue would result.

Additional information:

Business partners may charge a service fee in addition to the required registration fee. The amount of this 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.

DMV Revenue Sources FY97 - FY07



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.

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 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

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> 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)



ALASKA AUTO DEALERS ASSOCIATION

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

January 23, 2014

The Honorable Cathy Giessel
Alaska State Legislature
120 4th 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.

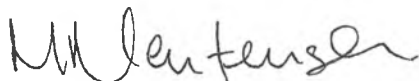
The state has invited auto dealers to perform DMV work required for their sales (i.e. the new Alaska Title and Registration) rather than rely solely on additional staff and increased labor costs. This was done to improve customer service at the DMV and shorten the amount of time customers spent waiting 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: W.E. (Bill) Northrup [<mailto:logmgmt@mosquitonet.com>]

Sent: Friday, February 07, 2014 6:40 PM

To: Sen. Cathy Giessel

Cc: Governor Sean Parnell; Sen. John Coghill; Sen. Pete Kelly; Rep. David Guttenberg; Rep. Doug Isaacson; Rep. Scott Kawasaki; Rep. Tammie Wilson

Subject: SB 127, Letter of Support

Alaska Transportation Unlimited, LLC is the largest cab company in Fairbanks, with 35 cars on the road, and over 90 drivers on our drivers list. We also maintain a car dealership, Eagle Used Autos, to supplement our procurement of less-costly used cars to convert into taxi cabs and to provide drivers, friends and the public a means to purchase a decent vehicle at a reasonable price. (The primary reason for the Dealer's License is admission to Dealer Auctions where we get the best deal on cars to make into cabs)

Consequently, we use DMV services... A LOT. Of course, with a 100,000 people in the area, there are lots of vehicle transactions as well as I.D./Driver's License transactions the year round. A couple summers ago the average wait time @ the Fairbanks DMV was about 4 hours. This really takes a lot out of someone's day if you have anything to

Be done at DMV. Then we got the DMV contractor program going... not only was there Alaska Tags and Titles, but the Jiffy Lubes, Auto Dealerships, and a couple repair businesses got into the act and the traffic flow @ DMV / Fairbanks got to be workable... now the wait time can be anywhere from 10 minutes to 1 Hour, a much more reasonable situation.

SB127, as I read it, will improve the cash flow of the DMV contractor in such that they don't have to add a lot of extra fees to pay their expenses, which would hurt the paying

Customer, the public. This will allow these businesses a stable environment in order to provide professional, efficient service. The wait times are minimal, if any, and the service is great.

I wholly support the passage of SB 127.

Thanks,

W.E. (Bill) Northrup
Ops/Admin Manager
Alaska Transportation Unlimited, LLC
Db: Eagle Cab & Yellow Cab
543 Front St
Fairbanks, Alaska 99701-3435
(907) 456-8536 (T) (866) 875-6406 (F)

logmgmt@mosquitonet.com

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

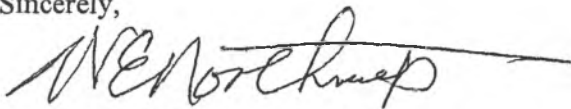
Dear Senator Giessel,

Thank you for sponsoring SB 127. We at 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
Db: Eagle Cab & Yellow Cab
Fairbanks, Alaska
T / (907) 456-8536
F / (866) 875-6406
logmgmt@mosquitonet.com

Cc: File

Governor Sean Parnell [sean.parnell@alaska.gov]
Senator John Coghill [Senator.John.Coghill@akleg.gov]
Senator Pete Kelly [Senator.Pete.Kelly@akleg.gov]
Representative David Guttenberg [Representative.David.Guttenberg@akleg.gov]
Representative Doug Isaacson [Representative.Doug.Isaacson@akleg.gov]
Representative Scott Kawasaki [Representative.Scott.Kawasaki@akleg.gov]
Representative Tammie Wilson [Representative.Tammie.Wilson@akleg.gov]

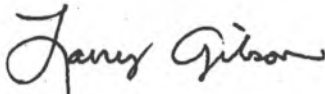
State Capitol Room 427
Juneau AK, 99801
senator.cathy.giessel@akleg.gov
Phone: 907-465-4843

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: Tom Hendrix [<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

Visit us at www.carlile.biz

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



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Agent for United Van Lines

940 Raspberry Road

Anchorage, AK 99518

Direct: (907)348-2616

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

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

From: Michael Moeller [<mailto:moellermichael@hotmail.com>]
Sent: Wednesday, February 12, 2014 8:07 AM
To: Sen. Cathy Giessel
Cc: 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: Jeremy Miller [<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

Anchorage Office: (907) 276-7797

Cellular: (907) 632-2427

Web: www.carlile.biz

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

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

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
907-488-3004 Office
907-388-4541 Cell
leslie@whitespruce.com

From: Jim Scherieble [<mailto:ischerieble@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

SB 127 Testimony list

1. Duane Bannock – former Director of DMV
2. Krista Gonder