

HOUSE BILL REPORT

SSB 5191

As Reported By House Committee On:
Transportation

Title: An act relating to motor carriers operating without a permit.

Brief Description: Penalizing motor carriers that operate without a permit.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators Goings, Benton, Haugen, Sellar, Patterson, Winsley, T. Sheldon and Costa).

Brief History:

Committee Activity:

Transportation: 3/22/99, 3/30/99 [DP].

Brief Summary of Substitute Bill

- Penalty for failure to obtain a Utilities and Transportation Commission (UTC) for-hire operating permit is increased from \$500 to \$1,500.
- UTC's ability to take administrative action against an illegal carrier is streamlined.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 22 members: Representatives Fisher, Democratic Co-Chair; K. Schmidt, Republican Co-Chair; Cooper, Democratic 1st Vice Chair; Ericksen, Republican Vice Chair; Hankins, Republican Vice Chair; Buck; G. Chandler; Haigh; Hatfield; Hurst; Lovick; McDonald; Mitchell; Morris; Murray; Ogden; Radcliff; Romero; Schual-Berke; Scott; Skinner and Wood.

Minority Report: Do not pass. Signed by 5 members: Representatives DeBolt; Fortunato; Mielke; Pflug and Schindler.

Staff: Mary McLaughlin (786-7309).

Background:

Any for-hire motor freight carrier performing intrastate movements within the state of Washington must receive operating authority from the Utilities and Transportation Commission (UTC) prior to conducting business in the state. An operating permit is granted if the applicant is financially able to provide the service and presents proof of insurance. The insurance must be kept current in order for the permit to be valid. The application/operating permit fee is \$275. The penalty for operating on a highway without a permit carries a fine of \$500.

When the commission discovers an illegal carrier, a letter is sent asking the illegal carrier to obtain operating authority and file proof of insurance. If the carrier continues to operate without a permit, the commission issues a cease and desist order and offers the carrier the opportunity for a hearing. A show cause hearing examines the nature of the transportation service and whether that service falls within the commission's jurisdiction. If the carrier does not respond, the commission seeks an injunction in Thurston County Superior Court to enforce the cease and desist order. Because a show cause hearing or an injunction is a fairly lengthy process, the commission is sometimes prevented from responding in a timely manner.

Summary of Bill:

The penalty for failure to obtain a for-hire intrastate operating permit from the UTC is increased from \$500 to \$1,500. Language is added that improves and makes more efficient the commission's ability to take administrative action against illegal carriers, and then pursues injunctions in superior court once a cease and desist order is issued.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Substantially increasing the fine will act as a deterrent and encourage illegal carriers to obtain operating authority.

Testimony Against: The UTC should not be able to issue operating permits.

Testified: (Support) Larry Pursley, Washington Trucking Association.

(Opposed) Lowell Haugen, Medical Waste Management Systems.