

HOUSE BILL REPORT

SSB 5274

As Reported by House Committee On:
Transportation

Title: An act relating to motor vehicle licensing subagents.

Brief Description: Revising the appointment of vehicle licensing subagents.

Sponsors: By Senate Committee on Transportation (originally sponsored by Senators Gardner, Haugen and McCaslin).

Brief History:

Committee Activity:

Transportation: 3/28/01, 3/29/01 [DPA].

**Brief Summary of Substitute Bill
(As Amended by House Committee)**

- A retiring subagent may nominate a sibling, spouse, child, or employee as a successor to the subagency.
- No subagent may receive any compensation in recognition of a nomination or appointment.
- The county auditor must use an open-competitive process to select two possible successor names for submittal to the Department of Licensing (DOL), requiring that one of the names be the nominated successor.
- Increases the subagent fee for title work from \$7.50 to \$8.50, increases the subagent fee for non-title work from \$3 to \$3.50, and adds an additional 50 cents to the filing fee to fund agent and subagent support.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass as amended. Signed by 27 members: Representatives Fisher, Democratic Co-Chair; Mitchell, Republican Co-Chair; Cooper, Democratic Vice Chair; Hankins, Republican Vice Chair; Lovick, Democratic Vice Chair; Ahern, Anderson, Armstrong, G. Chandler, Edmonds, Haigh, Hatfield, Hurst, Jackley, Jarrett, Marine, Mielke, Morell, Murray, Ogden, Rockefeller, Schindler, Simpson, Skinner, Sump, Wood

and Woods.

Minority Report: Without recommendation. Signed by 2 members: Representatives Doug Ericksen, Republican Vice Chair; and Romero.

Staff: Reema Griffith (786-7301).

Background:

Under current law, the appointment of a subagency is accomplished via a request for proposal process conducted by the county auditor. The county auditor is required to submit all subagent proposals received to the director of the Department of Licensing (DOL) for final appointment. The auditor must also provide a recommendation on the appointment of one or more of the subagent applicants, but the director retains final appointment authority. There is no process in current law which would allow for a subagent to recommend a successor or transfer their business to an individual of their choice.

Newly appointed subagents must enter into a contract with the county auditor to conduct vehicle licensing functions on behalf of the auditor and the department. In carrying out their licensing responsibilities, subagents are authorized under current law to collect a service fee of \$7.50 for title related work and \$3 for non-title related work which includes vehicle registration renewals.

Summary of Amended Bill:

In selecting a subagent, the county auditor must use an open-competitive process which must include both a written proposal and an oral interview to determine the qualifications of all applicants. The current subagent may recommend a successor who is either their sibling, spouse, child or employee, but the recommended successor must participate in the open competitive process. No subagent may receive any direct or indirect compensation for a nomination or appointment.

If it is determined that the recommended successor is qualified, the auditor must include in his or her recommendation to the director, not only the name recommended by the subagent, but also the name of one other applicant selected through the open-competitive process. The director will make the final appointment.

The service fees collected by subagents are increased as follows:

- 1) The fee for title related work is increased \$1, from the current \$7.50 to \$8.50;
and
- 2) The fee for non-title related work, such as vehicle registration renewals, is

increased \$.50, from the current \$3 to \$3.50.

An additional 50 cents is added to the current \$3 filing fee assessed on all licensing transactions. The revenue from the 50 cent fee is required to be deposited into the Licensing Services Account for the support of agents and subagents.

Amended Bill Compared to Substitute Bill:

The amended bill has the following changes: a) retains the final appointment authority with the DOL's director; b) the auditor must submit to the DOL two names for consideration with no exception; c) no subagent can receive any compensation for a nomination or appointment; and d) includes a 50 cent additional fee on the current \$3 filing fee dedicated to agent and subagent support.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: This will allow subagents to have some impact on the filling of vacancies.

Testimony Against: None.

Testified: Jackie Burnett, Washington State Auditor's Office; Rueben Flores, Washington Association of Vehicle Subagents; Don McCallum, Washington Association of Vehicle Subagents; Bob Terwilliger, Washington Association of County Auditors; George Cohee, Washington Association of Vehicle Subagents; and Don Burrell, Washington Association of Vehicle Subagents.