

HOUSE BILL REPORT

ESHB 1843

As Passed House:

March 14, 2003

Title: An act relating to crimes involving drivers' licenses and identicards.

Brief Description: Prohibiting manufacture or sale of fraudulent drivers' licenses and identicards.

Sponsors: By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Benson, Schual-Berke, Moeller, Bush, Simpson, Mielke and Rockefeller).

Brief History:

Committee Activity:

Financial Institutions & Insurance: 2/19/03, 3/5/03 [DPS].

Floor Activity:

Passed House: 3/14/03, 94-0.

Brief Summary of Engrossed Substitute Bill

- Makes it a criminal offense to manufacture, sell, or deliver a forged, stolen, fictitious, counterfeit, fraudulently altered or unlawfully issued driver's license or identicard.
- Classifies the offense as either a class C felony, gross misdemeanor, or misdemeanor, depending upon the intent and the age of the perpetrator.

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Schual-Berke, Chair; Simpson, Vice Chair; Benson, Ranking Minority Member; Newhouse, Assistant Ranking Minority Member; Cairnes, Carrell, Cooper, Hatfield, Hunter, Roach and Santos.

Staff: Thamas Osborn (786-7129).

Background:

Financial fraud: Driver's licenses are a citizen's primary means of identification with

respect to commercial financial transactions related to banking, credit card use, check cashing, and loan acquisition. The ready availability of forged and stolen driver's licenses has significantly contributed to the epidemic of identity theft crimes and other types of financial fraud.

Current criminal penalties: Under current law, the simple possession or display of a forged or altered driver's license is a misdemeanor. The manufacture or alteration of a driver's license, or the use of a fictitious or altered driver's license, constitutes the crime of forgery when done with the intent to injure or defraud. Forgery is a class C felony. Furthermore, the use of a stolen or forged driver's license with fraudulent intent can also constitute the crime of identity theft. Identity theft can be either a class B or class C felony, depending upon the amount of the loss suffered by the victim.

Summary of Engrossed Substitute Bill:

Creation of new offense: It is unlawful to manufacture, sell, or deliver a forged, stolen, fictitious, counterfeit, fraudulently altered or unlawfully issued driver's license or identicard. This same prohibition applies to the unlawful manufacture, sale, or delivery of a blank driver's license or identicard.

Offense classification: The offense is a class C felony if done for financial gain or with the intent to commit forgery, theft or identity theft. Absent such intent, the offense is classified as a gross misdemeanor.

However, subject to specified conditions, an exception is created with respect to some offenders who are under 21 years of age. When the offense is committed for the sole purpose of enabling a person to misrepresent his or her age, it is a misdemeanor for any person under 21 years old to manufacture or deliver fewer than four forged, fictitious, counterfeit or fraudulently altered driver's licenses or identicards.

Jurisdictional provision: When this offense occurs in connection with the crime of identity theft, the jurisdiction for purposes of prosecution may be either the place of the victim's residence or the locality in which any part of the offense took place.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: (Original bill) Financial fraud is epidemic in Washington and causes

losses of \$110 million per year. This state ranks among the top 10 in the nation with respect to identity theft crimes. Smaller merchants are increasingly bearing the brunt of this offense. Current law does not explicitly address the unlawful manufacturing or forging of drivers licenses, thus this bill is needed in order to prevent this sort of fraud. Retailers experience major losses stemming from the use of fake identification. The bill is not intended to target underage drinkers who utilize false identification. Rather, it is intended as a tool to go after real criminals.

Testimony Against: None.

Testified: (In support) Representative Benson, prime sponsor; Denny Eliason, Washington Banker's Association; and Dedi Hitchens, Washington Retail Association.