

# HOUSE BILL REPORT

## HB 1581

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**As Reported by House Committee On:**  
Transportation

**Title:** An act relating to vehicle licensing subagents.

**Brief Description:** Revising the authority of a vehicle licensing subagent to recommend a successor.

**Sponsors:** Representatives O'Brien, Schindler, Jarrett, Dunn, Woods, McCune, Wood, Ericksen and Rodne.

**Brief History:**

**Committee Activity:**

Transportation: 3/2/05, 3/5/05 [DP].

**Brief Summary of Bill**

- Modifying the process for the appointment of a vehicle licensing subagent successor.

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### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass. Signed by 21 members: Representatives Wallace, Vice Chair; Woods, Ranking Minority Member; Skinner, Assistant Ranking Minority Member; Buck, Campbell, Curtis, Dickerson, Ericksen, Hankins, Jarrett, Kilmer, Lovick, Morris, Nixon, Rodne, Sells, Shabro, Simpson, B. Sullivan, Takko and Wood.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Murray, Chair; Appleton, Hudgins and Upthegrove.

**Staff:** Teresa Berntsen (786-7301).

**Background:**

Under current law, the Department of Licensing (DOL) appoints county auditors to perform vehicle licensing services. The DOL may also appoint subagents within a county. Currently there are 39 county auditor and 136 subagent vehicle licensing offices throughout the state.

Subagents are appointed through an open, competitive process conducted by the county auditor. At a minimum, the process must include a written business proposal and oral interview in order for the county auditor to determine the applicants' qualifications. The county auditor submits all subagent proposals to the director of the DOL and recommends the

appointment of one or more subagents. The director of the DOL has the final appointment authority.

A subagent may recommend a successor who is a sibling, spouse, child, or employee, who must participate in the open, competitive process.

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**Summary of Bill:**

A subagent may recommend his or her successor who is either the subagent's sibling, spouse, child, or subagency employee. If the subagency is an entity, the recommended successor must be the sibling, spouse, or employee of an individual having a controlling interest in the subagency.

The county auditor must forward the subagent successor recommendation to the director of the DOL. The director must appoint the recommended successor if the person is otherwise qualified to be a subagent.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** Currently, established subagents must resign their appointment before a family member or long-time employee can be considered as a successor and be a part of the open competitive process. This process does not allow for planning or security for the owner or service continuity for the public. Subagents invest in their business and serve the community, and should be able to have security.

**Testimony Against:** The current model of a competitive process for appointing a subagent has a system of checks and balances. The proposed changes eliminate the county auditor's role in the process, and shifts the determination of qualifications to the DOL. Also, the proposed process does not allow county auditors to reassess service delivery needs.

**Persons Testifying:** (In support) Ian Novak, Dan R. Autori, Donald S. McCalam, and Patrick McMahan Jr., Washington Association of Vehicle Subagents; and Neal Lockett, White Center License Agency and Washington Association of Vehicle Subagents.

(Opposed) Mike Gable and Deb McCorley, Department of Licensing; Thad Duval, and Washington State Association of County Auditors Co-Chair and Douglas County Auditor.

**Persons Signed In To Testify But Not Testifying:** None.