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## Transportation Committee

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### HB 1803

**Brief Description:** Concerning financial responsibility requirements for registered vehicle owners.

**Sponsors:** Representative Orcutt.

#### Brief Summary of Bill

- Establishes a random sampling program to determine if motor vehicle owners meet mandatory financial responsibility requirements.
- Creates an account in which penalties from this program are deposited and expenditures from which may be used only for public information campaigns to educate the public regarding financial responsibility requirements for motor vehicle owners.

**Hearing Date:** 2/20/13

**Staff:** Andrew Russell (786-7143).

#### Background:

Most drivers in Washington are subject to a financial responsibility requirement. In most cases, this requirement can be fulfilled by either an insurance policy, a certificate of deposit, or a liability bond. The insurance policy or liability bond must cover \$25,000 for any accident that has caused bodily injury or the death of one person, \$50,000 for bodily injury or the death of two or more persons in any one accident, and \$10,000 for any damage to property. Alternatively, the certificate of deposit must be in an amount not less than \$60,000. The financial responsibility requirement does not apply, however, to motorcycles, vehicles registered with the Utilities and Transportation Commission as common or contract carriers, or vehicles registered as a "horseless carriage."

The Department of Licensing (DOL) must notify owners of the financial responsibility requirement at the time of a vehicle's registration and when the DOL sends a renewal notice.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Additionally, when asked to do so by a law enforcement officer, a driver must provide proof of motor vehicle insurance. A failure to provide this proof is a traffic infraction that carries a fine of \$250.

**Summary of Bill:**

The DOL must establish a program through which registered vehicle owners are randomly selected to provide proof of financial responsibility. This program may survey up to 3 percent of registered vehicles each year. In conducting this program, the DOL must send a form to the owners of the selected vehicles requesting proof of financial responsibility. If the owner fails to respond to the request within 45 days, the DOL will assess a \$50 penalty, which must be paid before the owner may renew the vehicle's registration. The DOL must then deposit this penalty, less any administration and collection expenses, into a newly created account—the Financial Responsibility Education Account. Funds in this account may be used only for public information campaigns to educate the public regarding the financial responsibility requirement.

When sending a registration renewal notice to a registered owner who failed to respond to a request under the program, the DOL must also include a notice that the owner must provide proof of financial responsibility and pay the \$50 penalty in order to renew the registration. The DOL must not renew the registration of an owner who failed to respond to a request under the program unless the owner provides proof of financial responsibility and pays the \$50 penalty. The penalty will be waived, however, if the failure to respond was beyond the control of the applicant, for example, due to an extended hospitalization.

**Appropriation:** None.

**Fiscal Note:** Available.

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