

---

## Transportation Committee

---

### HB 1940

**Brief Description:** Requiring proof of financial responsibility before the issuance of vehicle registrations.

**Sponsors:** Representatives Goodman, Orcutt, Springer, Klippert, Lovick, Orwall, Appleton, Hayes, Hargrove, Muri, Pollet and Ormsby.

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Requires drivers to provide proof of financial responsibility before being issued an original or renewal vehicle registration.</li></ul>
--



**Hearing Date:** 2/20/17

**Staff:** Patricia Hasan (786-7292).

**Background:**

Drivers of vehicles that require registration must be either insured under a motor vehicle liability policy, self-insured by certificate issued by the Department of Licensing (DOL), covered by a certificate of deposit, or covered by a liability bond.

- Vehicle liability policies and liability bonds must have: (1) a bodily injury liability limit of \$25,000 for bodily injury or death of one person in any one accident and a limit of \$50,000 for bodily injury or death of two or more persons in any one accident, and (2) a property damage liability limit of \$10,000 for injury or destruction of another person's property in any one accident.
- A person who has more than 25 vehicles registered to their name may qualify as a self-insurer and may apply for a certificate of self-insurance from the DOL. The certificate authorizes the person to act as a self-insurer for either property damage or bodily injury, or both, resulting from an accident.
- A person may obtain a certificate of deposit from the DOL upon depositing \$60,000 in cash or securities; the DOL may only issue a certificate of deposit if there are no unsatisfied judgments of character against the depositor in their county of residence.

---

*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.*

Proof of this insurance must be provided upon request of any law enforcement officer. Failure to provide proof creates the presumption that the person does not have motor vehicle insurance and is a traffic infraction. It is a criminal offense for knowingly providing false evidence of financial responsibility, and any person doing so is guilty of a misdemeanor.

Exceptions to this insurance requirement include vehicles registered as collector vehicles, state and publicly owned vehicles, vehicles registered with the Washington Utilities and Transportation Commission as common or contract carriers, motorcycles, motor-driven cycles, mopeds, and wheeled all-terrain vehicles.

Vehicles that are exempt from the registration requirement, and thus exempt from the financial responsibility requirement include: converter gears used to increase the number of axles of a vehicle; electric-assisted bicycles; farm vehicles, tractors, or trailers used exclusively to support farming operations; forklifts; golf carts operating within a golf cart zone; motor vehicles operated solely within a national recreation area not accessible by state highway; motorized foot scooters; nurse rigs not used or designed primarily for transportation uses; off-road vehicles; special highway construction equipment; dump trucks and tractor-dump trailers used primarily for highway construction; spray or fertilizer applicator rigs; tow dollies; vehicles used by state parks exclusively for park maintenance and operations; and trams used for transporting people to and from facilities related to the horse racing industry so long as the routes are no more than one mile long.

The DOL is required to notify motor vehicle owners of the liability insurance requirements at the time of issuance of an original motor vehicle registration and when sending out a registration renewal notice. The DOL is not required to verify a person's liability insurance at the time of issuing an original or renewal motor vehicle registration.

**Summary of Bill:**

The DOL may not issue an original or renewal vehicle registration unless the applicant provides proof of meeting the financial responsibility requirements for operating a motor vehicle. The DOL is required to include a field designating the applicant's liability insurance policy information on both the paper and electronic versions of the original and renewal registration application forms. The DOL must reimburse its agents, including county auditors, for the costs associated with returning original or renewal registration applications that are submitted without proof of insurance. The misdemeanor for knowingly providing false evidence of financial responsibility is extended to include providing false proof to the DOL on an application for an original or renewal registration.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on July 1, 2018.