

SENATE BILL REPORT

SB 5153

As Reported by Senate Committee On:
Transportation, February 2, 2017

Title: An act relating to proof of financial responsibility before the issuance of vehicle registrations.

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

Sponsors: Senators Fain, Liias, Hobbs and Zeiger.

Brief History:

Committee Activity: Transportation: 1/24/17, 2/02/17 [w/oRec-FI].

Brief Summary of Bill

- Requires drivers to provide proof of motor vehicle insurance when initially registering their vehicle and at renewal.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That it be referred without recommendation and be referred to Committee on Financial Institutions & Insurance.

Signed by Senators King, Chair; Sheldon, Vice Chair; Hobbs, Ranking Minority Member; Liias, Assistant Ranking Minority Member; Cleveland, Ericksen, Hawkins, O'Ban, Saldaña, Takko, Walsh and Wilson.

Staff: Kellee Keegan (786-7429)

Background: Persons operating vehicles in Washington are required to carry proof that they are covered by a motor vehicle liability insurance policy, self-insurance, a certificate of deposit, or a liability bond. Insurance companies that issue or renew motor vehicle liability insurance policies must provide the policyholder with an insurance identification card.

The motor vehicle liability insurance policy must have limits of:

- \$25,000 of bodily injury or death of one person in one accident;
- \$50,000 of bodily injury or death of any two people in any one accident; and

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.

- \$10,000 of injury to, or destruction of, property of others in any one accident.

Each year the owner of a motor vehicle is required to renew the vehicle license and pay the applicable fees and taxes. Currently, there is no requirement that a vehicle owner offer proof of insurance at the time the vehicle registration is issued or renewed.

Failure to provide proof of insurance when requested to do so by a law enforcement officer creates a presumption that the person does not have insurance. Failure to provide proof of insurance is a traffic infraction. Any person who knowingly provides false evidence regarding their motor vehicle liability insurance to an enforcement officer or the courts is guilty of a misdemeanor.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Proposed Substitute): The Department of Licensing (DOL) must not issue an original vehicle registration, or a renewal, without an attestation by the applicant of having motor vehicle liability insurance as required by law. The application must include a field designating the applicant's motor vehicle liability insurance policy information. The DOL is directed to reimburse agents, including county auditors, for the costs associated with returning original vehicle registration applications that are submitted without proof of insurance.

Motor vehicle owners shall be notified by the DOL in either paper or in electronic form of the liability insurance requirements required by law.

Knowingly providing false evidence regarding motor vehicle liability insurance to the DOL on an application for an original vehicle registration or a renewal is a misdemeanor.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Proposed Substitute: PRO: There are a high number of uninsured motorists on the road. This is a simple piece of legislation as people who have insurance would just need to attest to that at renewal. There is typically an insurance card for your car and one to keep on your person. This is a no-brainer that someone should have insurance information on their person. As a motorcyclist who has lost friends to drivers who do not have insurance, this concept is a good one. It is already mandated.

CON: This is not the right vehicle or place to deal with this issue. The postal reimbursement is allowed but does not address the additional man-hours for people who send in information without their insurance information or come-in to the office without their insurance card. There is no guarantee that the driver would keep their insurance current. A person could

apply for, get, and cancel insurance within a few days. This would not be a deterrent for not having insurance.

OTHER: There is a problem with timing and access. When a person buys a car, providing vehicle insurance information is impossible for someone to show on a car they have not purchased yet. Providing proof of insurance at initial registration adds complexity to the situation.

Persons Testifying: PRO: Senator Joe Fain, Prime Sponsor; Brian Lange, citizen.

CON: Charlene Winzler, Washington Association of Vehicle Sub agents; Kevin David, Package Express; Monty Cobb, County Auditors/WACO.

OTHER: Scott Hazlegrove, Washington State Auto Dealers.

Persons Signed In To Testify But Not Testifying: No one.