

SENATE BILL REPORT

SSB 5504

As Amended by House, April 10, 2023

Title: An act relating to open motor vehicle safety recalls.

Brief Description: Addressing open motor vehicle safety recalls.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators Saldaña, Lias, Valdez and Wilson, C.).

Brief History:

Committee Activity: Transportation: 1/31/23, 2/23/23 [DPS].

Floor Activity: Passed Senate: 3/8/23, 49-0.

Passed House: 4/10/23, 96-0.

Brief Summary of First Substitute Bill

- Requires the Department of Licensing (DOL) to check whether a vehicle is subject to an open safety recall, and provide written notice to the vehicle owner as part of the vehicle registration process.
- Directs motor vehicle inspectors to provide the owner of an inspected vehicle with written notice of open safety recalls.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5504 be substituted therefor, and the substitute bill do pass.

Signed by Senators Lias, Chair; Lovick, Vice Chair; Shewmake, Vice Chair; King, Ranking Member; Holy, Assistant Ranking Member; Cleveland, Kauffman, Lovelett, MacEwen, Nobles, Padden, Randall, Valdez, Wilson, C. and Wilson, J..

Staff: Bryon Moore (786-7726)

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

Background: Vehicle Registration. Vehicles, unless specifically exempt, must be registered with the state to be operated on public roadways. It is unlawful for a person to operate any vehicle, unless specifically exempt, on public highways in Washington without a current and proper vehicle registration. Vehicle registrations are issued by the Department of Licensing (DOL), county auditors or other agents, or subagents as appointed by DOL, and are typically valid for one year from the date of purchase. Registrations are indicated with dated license tabs placed in a designated area on the vehicle license plate.

Vehicle Inspections. The Washington State Patrol is required to complete a vehicle identification number (VIN) inspection when a vehicle:

- is declared a total loss or salvaged and not kept by the registered owner;
- has been rebuilt after the certificate of title was returned to the state; or
- has been presented to the state with documents that show the vehicle was a total loss or salvaged in another state and has not been reissued a valid registration certificate.

A VIN inspection is also required when certain kinds of vehicles are being titled in the state for the first time, including a kit vehicle, a homemade vehicle, a street rod, a custom vehicle, or a vehicle where there is question about the VIN documentation on the vehicle.

The inspection must verify that the VIN is genuine and agrees with the number shown on the certificate of title and registration certificate. As part of the inspection, a VIN specialist must ensure that all major component parts used for the reconstruction of a salvage or rebuilt vehicle were obtained legally.

Motor Vehicle Safety Recalls. Under federal law, the National Highway Traffic Safety Administration (NHTSA) has the authority to issue vehicle safety standards and to require manufacturers to recall vehicles that have safety-related defects or do not meet these federal safety standards. Manufacturers voluntarily initiate some recalls, while others are either influenced by NHTSA investigations or ordered by NHTSA via the courts. If a safety defect is discovered, the manufacturer must notify NHTSA, as well as vehicle or equipment owners, dealers, and distributors. The manufacturer is then required to remedy the problem at no charge to the owner. NHTSA is responsible for monitoring the manufacturer's corrective action to ensure successful completion of the recall campaign.

Summary of First Substitute Bill: Vehicle Registration. Prior to issuing a motor vehicle registration or mailing a motor vehicle registration renewal notice, DOL is required to determine whether a vehicle is subject to an open NHTSA safety recall, as defined in applicable federal law, and provide written notice to the vehicle owner as part of the vehicle registration process. The notice must include:

- a statement that the vehicle has one or more open safety recalls; and
- a statement that open safety recalls must be repaired by a motor vehicle dealer approved by the manufacturer at no cost to the vehicle owner, except as provided by federal law.

Vehicle Inspections. All motor vehicle inspectors are required to determine and provide the owner of an inspected vehicle with written notice of any open NHTSA safety recalls, as defined in applicable federal law. The notice must include:

- a description of each open safety recall; and
- a statement that open safety recalls must be repaired by a motor vehicle dealer approved by the manufacturer at no cost to the vehicle owner, except as provided by federal law.

Liability. The DOL director and director's designees including, county auditors, agents, and subagents, are not liable for any act or omission related to the provision of an open safety recall notice and are immune from any related civil suit or action. Certain motor vehicle inspectors, are not liable for any act or omission related to an open safety recall notice, except in the case of gross negligence.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 23, 2023.

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

Effective Date: The bill takes effect on July 1, 2024.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Many people are unaware that vehicle safety recalls can be fixed at no cost to them. By creating a mechanism that provides greater notification and awareness of any open safety recalls at the time of vehicle registration, this will encourage people to get the needed repairs and improve traffic safety. There are over 1.1 million open safety recalls and therefore this is a major public safety risk for not only the vehicle owners, but the public at large. The risk posed by people not addressing vehicle safety repairs disproportionately impacts low income and communities of color. The changes being proposed by this legislation are a proven method of addressing this important issue. Vehicle manufactures are committed to fulfilling their obligations to address vehicle safety recalls and we need a mechanism to better encourage consumers to make the needed repairs to their vehicles. Any changes needed to clarify any liability concerns for sub-agents or the Department of Licensing can be made. The vehicle registration process is the logical place to provide greater attention to open vehicle safety recalls, particularly since this will provide notification to the current owner of the vehicle at their current place of residence.

OTHER: This is a significant change to the vehicle recall process and it will have a large workload impact on sub-agents to the Department of Licensing. This will have impacts at the vehicle licensing office and to the customer as they come in to renew the tabs on their vehicles. Additional clarity needs to be made to the liability provisions.

Persons Testifying: PRO: Senator Rebecca Saldaña, Prime Sponsor; Curt Augustine, Alliance for Automotive Innovation; Tom McBride, American Honda Motor Company; Craig Orlan, American Honda Motor Company; Chris Freeman, Stellantis.

OTHER: Thad Duvall, Washington State Association of County Auditors; Beau Perschbacher, WA Dept. of Licensing.

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

EFFECT OF HOUSE AMENDMENT(S):

- Provides the Washington State Patrol with immunity from civil action for acts or omissions related to the provision of open safety recall notices.