
SUBSTITUTE SENATE BILL 5326

State of Washington

68th Legislature

2023 Regular Session

By Senate Transportation (originally sponsored by Senators Lovick, King, Mullet, and C. Wilson)

READ FIRST TIME 02/10/23.

1 AN ACT Relating to verification of motor vehicle insurance;
2 amending RCW 46.16A.130, 46.30.020, 46.63.110, and 46.68.067; adding
3 a new section to chapter 46.30 RCW; creating new sections; and
4 providing an effective date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 46.30
7 RCW to read as follows:

8 (1) The department must establish an accessible common carrier-
9 based system for online verification of liability insurance or other
10 financial responsibility required under RCW 46.30.020. The
11 verification system must:

12 (a) Be accessible, upon request, only to authorized personnel of
13 the department or any other entities authorized by the department,
14 the courts, law enforcement, and insurers on a limited basis as
15 required to comply with this section, and be interfaced, wherever
16 appropriate, with existing state data systems;

17 (b) Send requests to insurers for verification of liability
18 insurance or other financial responsibility through web services
19 established by the insurers, the internet, or a similar proprietary
20 or common carrier electronic system as required by the department in
21 rule; and

1 (c) Include information that enables the department to make
2 requests for proof of financial responsibility to insurers by using
3 multiple data elements for greater matching accuracy, including NAIC
4 company code, vehicle identification number, policy number, or as
5 described by the department in rule.

6 (2) The department must secure system data against unauthorized
7 access, and maintain a historical record of the system data for a
8 period of six to 12 months from the date of any request and response.

9 (3) (a) The department must have its verification system respond
10 to each request within a time period established by the department in
11 rule. An insurer's data system must respond to each request within a
12 time period established by the department in rule. The department may
13 offer insurers that write fewer policies than the industry average in
14 Washington state an alternative method for reporting insurance policy
15 data instead of establishing web services.

16 (b) An insurer must cooperate with the department in establishing
17 and maintaining the verification system and provide access to
18 liability insurance or other financial responsibility status
19 information as provided by the department in rule.

20 (4) The department may contract with a private service provider
21 or providers who have successfully implemented similar verification
22 systems in other states to assist in establishing and maintaining the
23 verification system. The department must consult with representatives
24 of the insurance industry and private service providers to determine
25 the objectives, details, and deadlines related to the verification
26 system. The department must publish for comment, then issue, a
27 detailed guide of its verification system. The department and its
28 private service provider, if any, must each maintain a contact person
29 for insurers during the establishment, implementation, and operation
30 of the verification system.

31 (5) (a) Except as provided in (b) of this subsection, every
32 insurer licensed to issue motor vehicle liability insurance in
33 Washington must comply with this section for verification of evidence
34 of liability insurance or other financial responsibility for every
35 vehicle insured by the insurer in Washington as required by
36 department in rule. Every insurer must maintain a historical record
37 of verification system data for a maximum period of six months from
38 the date of any request and response. An insurer may use the services
39 of a third-party vendor for facilitating compliance with this
40 section.

1 (b) This section does not apply to vehicles insured under a
2 commercial motor vehicle liability insurance policy; however,
3 insurers of such vehicles may participate on a voluntary basis. If
4 participating in the verification system, insurers must provide
5 commercial motor vehicle operators with evidence reflecting that the
6 vehicle is insured under a commercial motor vehicle liability
7 insurance policy including, but not limited to, an insurance
8 identification card consistent with RCW 46.30.030.

9 (6) An insurer is immune from civil and administrative liability
10 for good faith efforts to comply with this section.

11 (7) Within the first 12 months after the effective date of this
12 section, the department may test or pilot the verification system
13 without taking any enforcement action under RCW 46.16A.130(2)(b). By
14 January 1, 2026, the verification system must be installed and fully
15 operational.

16 (8) For the purposes of this section, "NAIC" means national
17 association of insurance commissioners.

18 **Sec. 2.** RCW 46.16A.130 and 2010 c 161 s 429 are each amended to
19 read as follows:

20 ~~((The))~~ (1) Until January 1, 2026, the department shall notify
21 motor vehicle owners of the liability insurance requirements
22 described in RCW 46.30.020 through 46.30.040 at the time of issuance
23 of an original motor vehicle registration and when the department
24 sends a motor vehicle registration renewal notice.

25 (2)(a) Beginning January 1, 2026, the department may verify if a
26 vehicle owner has liability insurance or other financial
27 responsibility required under RCW 46.30.020 at the time of original
28 motor vehicle registration or registration renewal for vehicles
29 subject to license fees under RCW 46.17.350(1) (a), (c), (d), (e),
30 (g), (h), (j), (k), (n), (o), (p), and (q) through any of the
31 following methods:

32 (i) The online, common carrier-based motor vehicle insurance
33 verification system established under section 1 of this act;

34 (ii) In-person presentation of the vehicle owner's insurance
35 identification card, or other proof of financial responsibility, with
36 a vehicle licensing agent; or

37 (iii) Physical or electronic receipt of a copy of proof of
38 financial responsibility accompanying a vehicle registration renewal.

1 (b) If the online verification system provides that a vehicle
2 owner does not have liability insurance or other financial
3 responsibility or the vehicle owner fails to provide proof of
4 financial responsibility under (a) of this subsection, the department
5 may not issue an original or renewed vehicle registration until the
6 department receives verification or proof that the vehicle owner has
7 liability insurance or other financial responsibility required under
8 RCW 46.30.020.

9 (c) The department must adopt any rules necessary to implement
10 this subsection (2). When adopting such rules, the department must
11 consider equity and environmental justice principles and impacts to
12 overburdened communities.

13 **Sec. 3.** RCW 46.30.020 and 2019 c 60 s 1 are each amended to read
14 as follows:

15 (1)(a) No person may operate a motor vehicle subject to
16 registration under chapter 46.16A RCW in this state unless the person
17 is insured under a motor vehicle liability policy with liability
18 limits of at least the amounts provided in RCW 46.29.090, is self-
19 insured as provided in RCW 46.29.630, is covered by a certificate of
20 deposit in conformance with RCW 46.29.550, or is covered by a
21 liability bond of at least the amounts provided in RCW 46.29.090.
22 Proof of financial responsibility for motor vehicle operation must be
23 provided on the request of a law enforcement officer in the format
24 specified under RCW 46.30.030.

25 (b) A person who drives a motor vehicle that is required to be
26 registered in another state that requires drivers and owners of
27 vehicles in that state to maintain insurance or financial
28 responsibility shall, when requested by a law enforcement officer,
29 provide evidence of financial responsibility or insurance as is
30 required by the laws of the state in which the vehicle is registered.

31 (c) When asked to do so by a law enforcement officer, failure to
32 display proof of financial responsibility for motor vehicle operation
33 as specified under RCW 46.30.030 creates a presumption that the
34 person does not have motor vehicle insurance.

35 (d) Failure to provide proof of motor vehicle insurance is a
36 traffic infraction and is subject to penalties as set by the supreme
37 court under RCW 46.63.110 or community restitution. Enforcement of
38 the infraction of failing to provide proof of motor vehicle insurance
39 may be accomplished only as a secondary action when a driver of a

1 motor vehicle has been detained for a suspected violation of a
2 separate traffic infraction or an equivalent local ordinance.

3 (e) For the purposes of this section, when a person uses a
4 portable electronic device to display proof of financial security to
5 a law enforcement officer, the officer may only view the proof of
6 financial security and is otherwise prohibited from viewing any other
7 content on the portable electronic device.

8 (f) Whenever a person presents a portable electronic device
9 pursuant to this section, that person assumes all liability for any
10 damage to the portable electronic device.

11 (2) If a person cited for a violation of subsection (1) of this
12 section appears in person before the court or a violations bureau and
13 provides written evidence that at the time the person was cited, he
14 or she was in compliance with the financial responsibility
15 requirements of subsection (1) of this section, the citation shall be
16 dismissed and the court or violations bureau may assess court
17 administrative costs of (~~twenty-five dollars~~) \$25 at the time of
18 dismissal. In lieu of personal appearance, a person cited for a
19 violation of subsection (1) of this section may, before the date
20 scheduled for the person's appearance before the court or violations
21 bureau, submit by mail to the court or violations bureau written
22 evidence that at the time the person was cited, he or she was in
23 compliance with the financial responsibility requirements of
24 subsection (1) of this section, in which case the citation shall be
25 dismissed without cost, except that the court or violations bureau
26 may assess court administrative costs of (~~twenty-five dollars~~) \$25
27 at the time of dismissal.

28 (3) The provisions of this chapter shall not govern:

29 (a) The operation of a motor vehicle registered under RCW
30 46.18.220 or 46.18.255, governed by RCW 46.16A.170, or registered
31 with the Washington utilities and transportation commission as common
32 or contract carriers; or

33 (b) The operation of a motor-driven cycle as defined in RCW
34 46.04.332, a moped as defined in RCW 46.04.304, or a wheeled all-
35 terrain vehicle as defined in RCW 46.09.310.

36 (4) RCW 46.29.490 shall not be deemed to govern all motor vehicle
37 liability policies required by this chapter but only those certified
38 for the purposes stated in chapter 46.29 RCW.

1 **Sec. 4.** RCW 46.63.110 and 2021 c 240 s 3 are each amended to
2 read as follows:

3 (1)(a) A person found to have committed a traffic infraction
4 shall be assessed a monetary penalty. No penalty may exceed (~~two~~
5 ~~hundred and fifty dollars~~) \$250 for each offense unless authorized
6 by this chapter or title.

7 (b) The court may waive or remit any monetary penalty, fee, cost,
8 assessment, or other monetary obligation associated with a traffic
9 infraction unless the specific monetary obligation in question is
10 prohibited from being waived or remitted by state law.

11 (2) The monetary penalty for a violation of (a) RCW 46.55.105(2)
12 is (~~two hundred fifty dollars~~) \$250 for each offense; (b) RCW
13 46.61.210(1) is (~~five hundred dollars~~) \$500 for each offense. No
14 penalty assessed under this subsection (2) may be reduced.

15 (3) The supreme court shall prescribe by rule a schedule of
16 monetary penalties for designated traffic infractions. This rule
17 shall also specify the conditions under which local courts may
18 exercise discretion in assessing fines and penalties for traffic
19 infractions. The legislature respectfully requests the supreme court
20 to adjust this schedule every two years for inflation.

21 (4) There shall be a penalty of (~~twenty-five dollars~~) \$25 for
22 failure to respond to a notice of traffic infraction except where the
23 infraction relates to parking as defined by local law, ordinance,
24 regulation, or resolution or failure to pay a monetary penalty
25 imposed pursuant to this chapter. A local legislative body may set a
26 monetary penalty not to exceed (~~twenty-five dollars~~) \$25 for
27 failure to respond to a notice of traffic infraction relating to
28 parking as defined by local law, ordinance, regulation, or
29 resolution. The local court, whether a municipal, police, or district
30 court, shall impose the monetary penalty set by the local legislative
31 body.

32 (5) Monetary penalties provided for in chapter 46.70 RCW which
33 are civil in nature and penalties which may be assessed for
34 violations of chapter 46.44 RCW relating to size, weight, and load of
35 motor vehicles are not subject to the limitation on the amount of
36 monetary penalties which may be imposed pursuant to this chapter.

37 (6) Whenever a monetary penalty, fee, cost, assessment, or other
38 monetary obligation is imposed by a court under this chapter, it is
39 immediately payable and is enforceable as a civil judgment under
40 Title 6 RCW. If the court determines that a person is not able to pay

1 a monetary obligation in full, the court shall enter into a payment
2 plan with the person in accordance with RCW 46.63.190 and standards
3 that may be set out in court rule.

4 (7) In addition to any other penalties imposed under this section
5 and not subject to the limitation of subsection (1) of this section,
6 a person found to have committed a traffic infraction shall be
7 assessed:

8 (a) A fee of (~~five dollars~~) \$5 per infraction. Under no
9 circumstances shall this fee be reduced or waived. Revenue from this
10 fee shall be forwarded to the state treasurer for deposit in the
11 emergency medical services and trauma care system trust account under
12 RCW 70.168.040;

13 (b) A fee of (~~ten dollars~~) \$10 per infraction. Under no
14 circumstances shall this fee be reduced or waived. Revenue from this
15 fee shall be forwarded to the state treasurer for deposit in the
16 Washington auto theft prevention authority account; and

17 (c) A fee of (~~five dollars~~) \$5 per infraction. Under no
18 circumstances shall this fee be reduced or waived. Revenue from this
19 fee shall be forwarded to the state treasurer for deposit in the
20 traumatic brain injury account established in RCW 74.31.060.

21 (8)(a) In addition to any other penalties imposed under this
22 section and not subject to the limitation of subsection (1) of this
23 section, a person found to have committed a traffic infraction other
24 than of RCW 46.61.527 or 46.61.212 shall be assessed an additional
25 penalty of \$24. The court may not reduce, waive, or suspend the
26 additional penalty unless the court finds the offender to be
27 indigent. If a court authorized community restitution program for
28 offenders is available in the jurisdiction, the court shall allow
29 offenders to offset all or a part of the penalty due under this
30 subsection (8) by participation in the court authorized community
31 restitution program.

32 (b) \$12.50 of the additional penalty under (a) of this subsection
33 shall be remitted to the state treasurer. The remaining revenue from
34 the additional penalty must be remitted under chapters 2.08, 3.46,
35 3.50, 3.62, 10.82, and 35.20 RCW. Money remitted under this
36 subsection to the state treasurer must be deposited as follows: \$8.50
37 in the state general fund and \$4 in the driver licensing technology
38 support account created under RCW 46.68.067. The moneys deposited
39 into the driver licensing technology support account must be used to
40 support initial and ongoing costs of the online motor vehicle

1 insurance verification system under section 1 of this act and to
2 support information technology systems used by the department to
3 communicate with the judicial information system, manage driving
4 records, and implement court orders. The balance of the revenue
5 received by the county or city treasurer under this subsection must
6 be deposited into the county or city current expense fund. Moneys
7 retained by the city or county under this subsection shall constitute
8 reimbursement for any liabilities under RCW 43.135.060.

9 (9) If a legal proceeding, such as garnishment, has commenced to
10 collect any delinquent amount owed by the person for any penalty
11 imposed by the court under this section, the person may request a
12 payment plan pursuant to RCW 46.63.190.

13 (10) The monetary penalty for violating RCW 46.37.395 is: (a)
14 (~~Two hundred fifty dollars~~) \$250 for the first violation; (b)
15 (~~five hundred dollars~~) \$500 for the second violation; and (c)
16 (~~seven hundred fifty dollars~~) \$750 for each violation thereafter.

17 (11) The additional monetary penalty for a violation of RCW
18 46.20.500 is not subject to assessments or fees provided under this
19 section.

20 (12) The additional monetary fine for a violation of RCW
21 46.61.110, 46.61.145, 46.61.180, 46.61.185, 46.61.190, and 46.61.205
22 is not subject to assessments or fees provided under this section.

23 (13) The additional monetary penalties for a violation of RCW
24 46.61.165 are not subject to assessments or fees provided under this
25 section.

26 **Sec. 5.** RCW 46.68.067 and 2022 c 157 s 2 are each amended to
27 read as follows:

28 The driver licensing technology support account is created in the
29 highway safety fund under RCW 46.68.060. Moneys in the account may be
30 spent only after appropriation. Expenditures from the account may be
31 used only for initial and ongoing costs of the online motor vehicle
32 insurance verification system under section 1 of this act and for
33 supporting information technology systems used by the department to
34 communicate with the judicial information system, manage driving
35 records, and implement court orders.

36 NEW SECTION. **Sec. 6.** By October 1, 2027, the department of
37 licensing, after consultation with insurers, must report to the

1 appropriate committees of the legislature the following concerning
2 the verification system established in section 1 of this act:

3 (1) Costs incurred by the department of licensing, participating
4 insurers, and the public; and

5 (2) Effectiveness of the verification system in reducing the
6 number of uninsured motor vehicles.

7 NEW SECTION. **Sec. 7.** By January 1, 2025, the department of
8 licensing must adopt rules necessary to implement an online, common
9 carrier-based motor vehicle insurance verification system required
10 under this act. In adopting such rules, the department must consider
11 guidelines and standards for such verification systems developed by
12 the insurance industry committee on motor vehicle administration, and
13 consider equity and environmental justice principles and impacts to
14 overburdened communities.

15 NEW SECTION. **Sec. 8.** Sections 1 through 6 of this act take
16 effect January 1, 2025.

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