

SENATE BILL REPORT

SB 5432

As of February 10, 2025

Title: An act relating to addressing license plate production issues.

Brief Description: Addressing license plate production issues.

Sponsors: Senators Liias, Wilson, J., Conway, Chapman, Wilson, C., Shewmake, Goehner, MacEwen, Nobles and Riccelli.

Brief History:

Committee Activity: Transportation: 2/10/25.

Brief Summary of Bill

- Directs the Department of Licensing (DOL) to adopt rules establishing extensions of the expiration date for DOL temporary license plates in cases of shortages of permanent license plates.
- Prescribes that the rules must prioritize reducing customer return trips and putting into place a communication plan with state and local law enforcement agencies regarding the implementation of the extensions.
- Specifies the actions that DOL and the Department of Corrections must take when there is a projected license plate shortage statewide or in particular locations.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Bryon Moore (786-7726)

Background: The Department of Licensing (DOL) has historically purchased most license plates from the Correctional Industries (CI) Program operated by the Department of Corrections (DOC). The license plates are produced by inmates at the Washington State Penitentiary in Walla Walla.

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.

During the last five years, DOL has experienced license plate shortages due to CI license plate production issues. In the 2023-25 biennial omnibus transportation appropriations act, DOL received \$742,000 for a license plate cost increase due to the CI's planned equipment replacement and other upgrades related to the production of license plates.

To address increasing license plate shortages, DOC and CI contracted with a third-party vendor for the production of some license plates. In September 2024, DOL authorized CI to temporarily transition all license plate types to flat, non-embossed plates.

One method for providing temporary license plates is a DOL temporary license plate which are typically issued by county auditors or other agents, and subagents. The DOL temporary license plate is valid for up to 60 days and the fee associated with the plate is \$0.50.

Another method by which temporary license plates are issued is through an auto dealer while the new car owner is awaiting receipt of permanent license plates. The dealer temporary plate is valid for up to 45 days and the fee associated with plate is \$40.

Summary of Bill: By December 1, 2025, DOL must adopt rules implementing contingency extensions of the expiration date for DOL temporary license plates in cases of shortages of permanent license plates. The rules must prioritize reducing customer return trips for DOL temporary license plates and include a communication plan with state and local law enforcement agencies regarding the implementation of the contingency extensions.

When DOC and DOL anticipate a projected license plate shortage statewide or in particular locations, DOL must promptly communicate the information to county auditors or other agents, and subagents. DOC and DOL must also develop and implement a mitigation plan to address the shortage that may include contracting with a third-party vendor for the production of license plates until such time as the shortage is eliminated and a sufficient license plate inventory is available for the subsequent 90-day period. The use of a third-party vendor may be initiated by DOC, DOL, or the two agencies jointly.

Appropriation: None.

Fiscal Note: Available.

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

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: During the pandemic, most states had problems with producing license plates because of supply chain issues, but the problem lasted much longer than in those other states. This meant many people had to wait for

sometimes up to a year for the license plate they paid for and that is problematic and bad customer service. One of the lessons learned from the recent shortage is that current law didn't allow for a longer term temporary plate. This meant people had to come back into the licensing offices multiple times to get extensions. This bill puts a policy into place that if license plate shortages occur in the future there is a longer time window for temporary plates. One of the most crucial aspects of this legislation is the ability of DOL unilaterally to initiate orders from outside vendors which should mitigate future license plate shortages.

Persons Testifying: PRO: Senator Marko Liias, Prime Sponsor; Thad Duvall, Douglas County Auditor, Co-Chair of WSACA Licensing Committee; Brian Cullinane, Washington Association of Vehicle Subagents.

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