

HOUSE BILL REPORT

HB 1046

As Reported by House Committee On:
Transportation

Title: An act relating to proof of financial responsibility or motor vehicle liability insurance.

Brief Description: Meeting financial responsibility requirements for automobiles.

Sponsors: Representatives Takko, Campbell, Lovick, O'Brien, Pettigrew, Springer, Blake, Morrell, Dunn and Moeller.

Brief History:

Committee Activity:

Transportation: 2/6/08 [DP2S].

Brief Summary of Second Substitute Bill

- Establishes a sampling program which requires a randomly selected 3 percent of registered vehicle owners to provide proof of financial responsibility.
- Requires owners who fail to provide proof of financial responsibility to pay a \$50 penalty and provide proof of financial responsibility the next time the owner registers the vehicle.
- Makes knowingly providing false information to the Department of Licensing on an application for renewal of a vehicle license a misdemeanor.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass. Signed by 15 members: Representatives Clibborn, Chair; Flannigan, Vice Chair; Appleton, Campbell, Dickerson, Eddy, Jarrett, Loomis, Sells, Simpson, Springer, Takko, Wallace, Williams and Wood.

Minority Report: Do not pass. Signed by 11 members: Representatives Ericksen, Ranking Minority Member; Schindler, Assistant Ranking Minority Member; Armstrong, Herrera, Hudgins, Kristiansen, Rodne, Rolfes, Smith, Upthegrove and Warnick.

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.

Staff: David Munnecke (786-7315).

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.

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.

Summary of Second Substitute Bill:

A sampling program is established under which no more than 3 percent of registered vehicles are selected each year. The registered owner of the selected vehicle is notified by mail and required to provide proof of financial responsibility for the vehicle within 45 days.

A registered owner who fails to respond within 45 days is assessed a \$50 penalty and required to pay the penalty and provide proof of meeting the financial responsibility requirements the next time the registered owner seeks to renew the vehicle license.

The Department of Licensing (DOL) is required to use any proceeds from the penalty, after payment of the administration and collection costs of the program, to fund public information campaigns regarding the financial responsibility requirements.

Knowingly providing false information to the DOL on an application for renewal of a vehicle license is made a misdemeanor.

Second Substitute Bill Compared to Original Bill:

A sampling program is added, under which no more than 3 percent of registered vehicles are selected each year. The registered owner of the selected vehicle is notified by mail and required to provide proof of financial responsibility for the vehicle within 45 days. A registered owner who fails to respond within 45 days is assessed a \$50 penalty and required to pay the penalty and provide proof of meeting the financial responsibility requirements the next time the registered owner seeks to renew the vehicle license.

The DOL must use any proceeds from the penalty, after payment of the administration and collection costs of the program, to fund public information campaigns regarding the financial responsibility requirements.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Second Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) People are very concerned about the issue of uninsured motorists, and want to know what can be done. It is time to do something, and this bill would not affect insurance companies -- only the uninsured drivers themselves.

It is estimated that between 17 and 20 percent of drivers in Washington are uninsured. This bill is modeled after a program in Illinois where the rate of uninsured motorists fell from approximately 17 to 4.5 percent after the program was implemented.

Everyone is supposed to have insurance when they drive, regardless of income level. If a person involved in an accident doesn't have insurance, then all citizens can ultimately end up paying the costs. Driving is a privilege, not a right, and with privileges come responsibilities.

(Opposed) None.

Persons Testifying: Representative Takko, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.