

HOUSE BILL REPORT

ESSB 5095

As Passed House:
April 15, 2013

Title: An act relating to providing proof required documents for motor vehicle operation electronically.

Brief Description: Concerning proof of required documents for motor vehicle operation.

Sponsors: Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senators Roach, Tom, Rivers, Becker, Holmquist Newbry, Schoesler, Ericksen, Padden, Bailey, Hill and Honeyford).

Brief History:

Committee Activity:

Transportation: 3/20/13, 3/28/13 [DP].

Floor Activity:

Passed House: 4/15/13, 94-1.

Brief Summary of Engrossed Substitute Bill

- Allows drivers to provide proof of insurance and the vehicle's registration certificate in an electronic format.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 27 members: Representatives Clibborn, Chair; Fey, Vice Chair; Liias, Vice Chair; Moscoso, Vice Chair; Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Overstreet, Assistant Ranking Minority Member; Angel, Bergquist, Farrell, Freeman, Habib, Hayes, Johnson, Kochmar, Kretz, Kristiansen, Moeller, Morris, Riccelli, Rodne, Ryu, Sells, Shea, Takko, Tarleton and Zeiger.

Minority Report: Do not pass. Signed by 1 member: Representative Klippert.

Staff: Andrew Russell (786-7143).

Background:

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.

Most drivers in Washington are subject to a financial responsibility requirement. One acceptable form of financial responsibility is an insurance policy. A motor vehicle liability insurance policy must cover \$25,000 for any accident that has caused bodily injury or the death of one person, \$50,000 for bodily injury or the death of two or more persons in any one accident, and \$10,000 for any damage to property. The financial responsibility requirement does not apply, however, to motorcycles, vehicles registered with the Utilities and Transportation Commission as common or contract carriers, or vehicles registered as a "horseless carriage."

The Department of Licensing (DOL) must notify owners of the financial responsibility requirement at the time of a vehicle's registration and when the DOL sends a renewal notice. Additionally, an insurance company must provide to a policyholder an identification card as specified by the DOL. When asked to do so by a law enforcement officer, a driver must provide proof of motor vehicle insurance. A failure to provide this proof is a traffic infraction that carries a fine of \$250.

Finally, it is also a traffic infraction to operate a vehicle without first registering the vehicle and obtaining a registration certificate. This certificate must be carried in the vehicle for which it is issued and provided to law enforcement upon demand.

Summary of Bill:

Insurance companies may provide to a policy holder proof of liability insurance in either a written or an electronic format. Additionally, upon request of a law enforcement officer or court, a driver may produce proof of liability insurance in either a written or an electronic format. When using a portable electronic device to provide proof of liability insurance to a law enforcement officer, a person assumes all liability for any damage to the device. Moreover, an officer is prohibited from viewing any other content on the device. Finally, drivers are also permitted to provide a vehicle registration certificate in an electronic format.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Insurance companies are already advertising this as an option to get consumers to buy their products. The state needs to have a vehicle to address the technology that is coming. The Washington State Patrol concerns regarding the technology can be addressed by the DOL. There is also a safety aspect to this bill; it makes it harder for thieves to determine a person's address from the registration certificate in the car's glove compartment.

The insurance industry in Washington is in support of this bill because the bill makes it easier for insurance holders to comply with state law requirements. This bill makes it clear that law enforcement may view only the insurance and registration information on the device and that

the owner is liable for any resulting damages to the device. Washington would be joining several other states that have already adopted a similar law.

(With concerns) This version of the bill addresses concerns about officer safety and liability; however, vehicle registration information still presents a problem. When presented electronically, the registration barcode cannot be accurately read by law enforcement's current technology.

(Information only) The DOL has researched this issue in the past and some stakeholders had concerns. The DOL interprets this bill as only allowing citizens to scan or take a picture of their vehicle registration certificates. Requiring the DOL to provide electronic copies would require some statute changes.

(Opposed) None.

Persons Testifying: (In support) Senator Roach, prime sponsor; and Mel Sorenson, Property Casualty Insurance Association of America.

(With concerns) Rob Huss, Washington State Patrol.

(Information only) Tony Sermonti, Department of Licensing.

Persons Signed In To Testify But Not Testifying: None.