

SENATE BILL REPORT

SB 5231

As Reported By Senate Committee On:
Transportation, March 2, 1995

Title: An act relating to the tort liability account.

Brief Description: Separating payment of transportation agency tort liabilities.

Sponsors: Senators Owen and Prince; by request of Department of Transportation.

Brief History:

Committee Activity: Transportation: 1/25/95, 3/2/95 [DPS].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5231 be substituted therefor, and the substitute bill do pass.

Signed by Senators Owen, Chair; Heavey, Vice Chair; Fairley, Haugen, Kohl, Morton, Oke, Prince, Rasmussen, Schow, Sellar and Wood.

Staff: Jeff Doyle (786-7322)

Background: The liability account was created in 1989 and covers all state agencies, boards and commissions except the University of Washington and the Marine Division of the Department of Transportation. All participating agencies are charged a premium, which is retained in a single account for payment of claims. This results in risk sharing among all the agencies, without respect to historical tort exposure levels between the various departments.

Summary of Substitute Bill: A new transportation account is created within the tort liability account. The transportation account is comprised only of motor vehicle or transportation fund monies. Any interest earned on the account must remain in the account.

A risk management advisory committee is established to provide guidance in the administration of the transportation account.

Substitute Bill Compared to Original Bill: The substitute bill creates a separate account in the State Treasury, rather than a subaccount. The effective date is changed to June 1, 1995, thus avoiding potential conflict with Initiative 601.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect June 1, 1995.

Testimony For: This will allow transportation-related agencies to better track their tort claims and risk exposures. Also, the interest earnings are retained in the transportation tort liability accounts, thus avoiding potential legal problems involving the 18th Amendment.

Testimony Against: None.

Testified: Bill Henselman, Risk Management Supervisor, WSDOT (pro).