

HOUSE BILL REPORT

HB 1269

As Reported by House Committee On:
Transportation

Title: An act relating to motor vehicle transporter license plates.

Brief Description: Addressing motor vehicle transporter license plates.

Sponsors: Representatives Kirby, Barkis, Robertson and Chambers.

Brief History:

Committee Activity:

Transportation: 2/8/21, 2/11/21 [DPS].

Brief Summary of Substitute Bill

- Limits the number of license plate sets for the purpose of a vehicle transporter business to no more than 10.
- Increases the fees for a vehicle transporter license and transporter license plates.
- Requires the loss, theft, or damaging of transporter license plates or indicator tabs to be reported within 10 days.
- Restricts the use of transporter license plates and indicator tabs to Washington public highways and authorizes the Director of the Department of Licensing to deny, suspend, or revoke a transporter license if the holder uses transporter license plates on public highways outside the state.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 25 members: Representatives Fey, Chair; Wylie, 1st Vice Chair; Bronoske, 2nd Vice Chair; Ramos, 2nd Vice Chair; Barkis, Ranking Minority Member; Eslick, Assistant

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Ranking Minority Member; Robertson, Assistant Ranking Minority Member; Volz, Assistant Ranking Minority Member; Berry, Chapman, Duerr, Entenman, Goehner, Griffey, Hackney, Klicker, Lovick, Paul, Ramel, Riccelli, Slatter, Taylor, Valdez, Walsh and Wicks.

Minority Report: Without recommendation. Signed by 4 members: Representatives Dent, McCaslin, Orcutt and Sutherland.

Staff: Mark Matteson (786-7145).

Background:

A motor vehicle transporter (transporter) is a business that delivers or moves vehicles as a service to persons or other businesses or entities for a fee. The transporter may move the vehicle either by driving it from one location to another or else by towing it. Types of businesses or entities that are transporters include: auto detail shops; towers that move vehicles for persons that are members of an automobile association; car haulers; auction houses; and some tow truck operators. Auto repair shops are also eligible for transporter licenses for the purposes of evaluating vehicles in need of repair or that have been repaired. The function of transporters is considered distinct from that of registered tow truck operators that tow abandoned vehicles or improperly parked vehicles, and from that of motor freight carriers that haul vehicles on trailers or semitrailers.

State law requires that a transporter business procure a special business license known as a transporter license. To apply for the license, the person representing the business must submit an application to the Department of Licensing (DOL) along with a fee of \$25. To receive special transporter license plates or, in the case of a registered tow truck operator, special indicator tabs, the applicant must submit a fee of \$2 for each set of plates or indicator tabs; there is no limit to the number of plate sets or indicator tabs that may be requested. If the application is in order, the DOL must issue a certificate of license along with any plate sets or indicator tabs requested. The plates or indicator tabs must be attached to and conspicuously displayed on all vehicles being delivered in the conduct of business. The plates or indicator tabs provide the holder of the license the authority to drive or tow any motor vehicle upon the public roads of the state.

A transporter license may be renewed annually for a fee of \$15.

The Director of the DOL may deny, suspend, or revoke the license of a transporter if the licensee: uses the transporter plates or indicator tabs on a vehicle owned by the transporter business; loans the transporter plates or indicator tabs to another entity or person; uses the plates or indicator tabs for a purpose other than delivering or moving vehicles as a service to others; is knowingly in possession of a stolen vehicle or a vehicle with an altered or missing vehicle identification number; or otherwise violates the provisions of the chapter of law regulating transporters.

Violation of any provision of the laws governing transporters is a traffic infraction.

Summary of Substitute Bill:

The number of license plate sets for the purpose of a vehicle transporter business is limited to three, unless the business demonstrates a sufficient business need, in which case the limit is 10. The limit does not apply to indicator tabs requested by a registered tow truck operator. The authority to use such plates or an indicator tab is restricted to Washington public highways only. The fee for an original transporter's license is increased from \$25 to \$150 and the renewal fee is increased to \$100. The fee for a set of plates is increased from \$2 to \$50. The holder of a transporter license is required to report the loss, theft, or damaging of a transporter license plate or indicator tab to the DOL within 10 days of the event of loss, theft, or damage. The DOL Director is given the authority to deny, suspend, or revoke a transporter license if the holder uses transporter license plates on public highways outside Washington.

Substitute Bill Compared to Original Bill:

The substitute bill removes the limit that applies to the number of indicator tabs that may be obtained by a registered tow truck operator. The substitute bill reduces the fee per indicator tab from \$50 to \$2. The substitute bill corrects a drafting error.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 15, 2021.

Effective Date of Substitute Bill: The bill takes effect on January 1, 2022.

Staff Summary of Public Testimony:

(In support) In other parts of the country, criminals are committing crimes, which should not surprise anyone, because that is what criminals do. During the interim, it turned up that some were doing so with the help of the State of Washington: the state was literally handing out transporter licenses to just about anybody. Now the good news is this was not done deliberately—nobody needs to start contacting their defense attorneys. But last year the DOL started getting hundreds of complaints from law enforcement in other states: the Washington transporter plates were turning up in the hands of criminal rings, helping to facilitate illicit activity around the country. They have been setting up fake businesses in Washington and literally ordering transporter plates by the dozens. Because of reciprocity agreements with other states, they can be used legally there. The DOL has tried to deal with this issue through the rulemaking process, but they need legislative authority to get out in

front of this issue. The problem is not about people doing business in this state. The problem is that criminals around the country are being given a license to steal. This bill addresses the problem.

The DOL has been dealing with issues of abuse and misuse of transporter license plates. This bill will help by allowing the DOL to better regulate transporters and bring fees up to levels commensurate with other licenses and license plates. Part of the challenge is that these businesses are very distributed. In a way, the problem is similar to the wholesale auto dealer license issue from a few years back. Registered tow trucks are not part of the problem here; they should be removed from the bill.

(Opposed) None.

Persons Testifying: Representative Kirby, prime sponsor; and Beau Perschbacher, Department of Licensing.

Persons Signed In To Testify But Not Testifying: None.