

SENATE BILL REPORT

SB 6270

As Reported by Senate Committee On:
Financial Institutions, Housing & Insurance, February 6, 2014

Title: An act relating to transferring the insurance and financial responsibility program.

Brief Description: Transferring the insurance and financial responsibility program.

Sponsors: Senators Fain and Hobbs; by request of State Treasurer.

Brief History:

Committee Activity: Financial Institutions, Housing & Insurance: 1/28/14, 2/04/14 [DP] (notice given to reconsider); 2/06/14 [DPS].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

Majority Report: That Substitute Senate Bill No. 6270 be substituted therefor, and the substitute bill do pass.

Signed by Senators Angel, Co-Chair; Hobbs, Co-Chair; Benton, Vice Co-Chair; Mullet, Vice Co-Chair; Fain, Hatfield, Nelson and Roach.

Staff: Edward Redmond (786-7471)

Background: Under Washington law, certain individuals must provide proof that they have a way to pay for any damages that they may cause while driving; this is referred to as financial responsibility (SR-22). Such individuals include anyone that has been convicted of, or forfeited bail for, certain offenses; failed to pay judgments; or driven or owned a vehicle involved in an accident which results in bodily injury, death, or property damage. Currently, the minimum required bodily injury and property damage liability limits in Washington are 25/50/10.

Acceptable proof of financial responsibility include an SR-22 certificate of automobile insurance which can be obtained from most auto insurance providers; certificate of deposit issued by the Washington State Treasurer (Treasurer) showing the person deposited \$60,000 in cash or securities; or a liability bond for at least \$60,000 obtained from any surety or bonding company authorized to do business in Washington. The Treasurer may only issue a certificate of deposit and the Department of Licensing (DOL) may only accept such certificate if all judgments against the depositor in the county where the depositor resides have been satisfied.

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.

Generally, proof of financial responsibility is required for a period of three years from the date an individual is eligible to reinstate their license.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Recommended Substitute): The insurance and financial responsibility program is transferred from the Treasurer to DOL. DOL is responsible for issuing a certificate of deposit upon a satisfactory showing that the individual has met the statutory requirements for such issuance.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: The bill simply moves the entire program over to DOL. This should streamline the process and make it more efficient for individuals. The proposed substitute fixes a drafting error by the Treasurer's office. There was an original proposal to raise the bond from \$60,000 to \$65,000 since it had not been raised in quite some time. However, this would have resulted in current bond holders needing to get new bonds reissued which was not the intent.

Persons Testifying: PRO: Scott Merriman, Treasurer's office.