

FINAL BILL REPORT

SHB 2005

C 146 L 91
Synopsis As Enacted

Brief Description: Regulating freight brokers and forwarders.

By House Committee on Transportation (originally sponsored by Representatives Jones, Wilson, R. Fisher and Schmidt).

House Committee on Transportation
Senate Committee on Transportation

Background: A broker arranges transportation in exchange for compensation, and a forwarder consolidates freight for a fee. Currently brokers and forwarders who perform intrastate services are required to obtain operating authority from the Utilities & Transportation Commission (UTC) and post a bond or other security. However, the amount of financial security required varies, with the amount being established at the time authority is granted.

In 1989 legislation was enacted which required all brokers and forwarders conducting business in this state to register with the UTC and post a bond. In 1990 implementation of the bonding and registration requirements were delayed until June 30, 1991. The delay was intended to give the brokers and trucking industry time to reach a compromise on the type of broker that would be affected by the bonding and registration requirements.

Summary: A minimum of \$5,000 bond or deposit of security is established for brokers or forwarders engaged in intrastate commerce.

A broker or forwarder who conducts business in this state is required to register, pay a one-time \$25 fee, and provide satisfactory proof of financial responsibility with the UTC. Brokers and forwarders registered with the Interstate Commerce Commission (ICC) may file a copy of their ICC-approved surety bond or trust fund as proof of financial responsibility. "Conducting business in this state" means a broker or forwarder who is physically present in the state when acting as a broker or forwarder.

Votes on Final Passage:

House	98	0
Senate	39	0

Effective: July 28, 1991