

HOUSE BILL REPORT

SSB 5716

As Reported by House Committee On:

Financial Institutions & Insurance

Title: An act relating to crimes involving drivers' licenses and identicards.

Brief Description: Prohibiting manufacture or sale of fraudulent drivers' licenses and identicards.

Sponsors: Senate Committee on Financial Services, Insurance & Housing (originally sponsored by Senators Prentice, Winsley, Benton, Kline, McCaslin and Rasmussen).

Brief History:

Committee Activity:

Financial Institutions & Insurance: 3/26/03, 4/1/03 [DPA].

Brief Summary of Substitute Bill (As Amended by House Committee)

- Makes it a criminal offense to manufacture, sell, or deliver a forged, stolen, fictitious, counterfeit, fraudulently altered, or unlawfully issued driver's license or identicard.
- Classifies the offense as either a class C felony, gross misdemeanor, or misdemeanor, depending upon the intent and the age of the perpetrator.

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass as amended. Signed by 11 members: Representatives Schual-Berke, Chair; Simpson, Vice Chair; Benson, Ranking Minority Member; Newhouse, Assistant Ranking Minority Member; Cairnes, Carrell, Cooper, Hatfield, Hunter, Roach and Santos.

Staff: Thamas Osborn (786-7129).

Background:

Financial fraud. Driver's licenses are a citizen's primary means of identification with respect to commercial financial transactions related to banking, credit card use, check cashing, and loan acquisition. The ready availability of forged and stolen driver's

licenses has significantly contributed to the epidemic of identity theft crimes and other types of financial fraud.

Current criminal penalties. Under current law, the simple possession or display of a forged or altered driver's license is a misdemeanor. The manufacture or alteration of a driver's license, or the use of a fictitious or altered driver's license, constitutes the crime of forgery when done with the intent to injure or defraud. Forgery is a class C felony. Furthermore, the use of a stolen or forged driver's license with fraudulent intent can also constitute the crime of identity theft. Identity theft can be either a class B or class C felony, depending upon the amount of the loss suffered by the victim.

Summary of Amended Bill:

Creation of new offense. It is unlawful to manufacture, sell, or deliver a forged, stolen, fictitious, counterfeit, fraudulently altered or unlawfully issued driver's license or identicard. This same prohibition applies to the unlawful manufacture, sale, or delivery of a blank driver's license or identicard.

Offense classification. The offense is a class C felony if done for financial gain or with the intent to commit forgery, theft, or identity theft. Absent such intent, the offense is classified as a gross misdemeanor.

Exception for persons under 21. Subject to specified conditions, an exception is created with respect to some offenders who are under 21 years old. When the offense is committed for the sole purpose of enabling a person to misrepresent his or her age, it is a misdemeanor for any person under 21 years of age to manufacture or deliver fewer than four forged, fictitious, counterfeit, or fraudulently altered driver's licenses or identicards.

Jurisdictional provision. When this offense occurs in connection with the crime of identity theft, the jurisdiction for purposes of prosecution may be either the place of the victim's residence or the locality in which any part of the offense took place.

Amended Bill Compared to Substitute Bill:

The amendment makes the manufacture, sale, or delivery of a forged, fictitious, counterfeit, fraudulently altered, or unlawfully issued driver's license or identicard a class C felony only if done with the intent of obtaining financial gain or with the intent to commit forgery, theft, or identity theft. Absent such intent, the amendment classifies the offense as a gross misdemeanor.

For persons under 21 years of age, the amendment makes the offense of manufacturing or delivering fewer than four forged, fictitious, counterfeit, or fraudulently altered driver's

licenses or identicards a misdemeanor, provided such manufacture or delivery is done for the sole purpose of enabling a person to misrepresent his or her age.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: (Original bill) This bill is the end product of the Senate's Financial Fraud Task Force, which met during the 2002 legislative interim. The companion House bill was based on the Senate bill. This legislation is needed to combat financial fraud and will benefit both consumers and business.

Testimony Against: None.

Testified: Senator Winsely, co-prime sponsor; Denny Eliason, Washington Banker's Association; and Dave Horn, Office of the Attorney General.