

SENATE BILL REPORT

SB 5147

As of January 23, 2007

Title: An act relating to creating a surcharge on vehicle liability insurance policies to be used for additional emphasis patrols in high-accident-corridor locations.

Brief Description: Creating a surcharge on vehicle liability insurance policies to be used for emphasis patrols in high-accident-corridors.

Sponsors: Senators Haugen and Swecker.

Brief History:

Committee Activity: Transportation: 1/22/07.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Dory Nicpon (786-7321)

Background: No person may operate a motor vehicle that is subject to registration in Washington unless the person is insured under an automobile insurance policy with certain minimum liability limits.

Summary of Bill: Each insurer engaged in writing automobile insurance policies is required to pay to the Department of Revenue a surcharge of two dollars per motor vehicle insured. The surcharge must be paid to the insurer by the policyholder, but is not included in the policyholder's insurance premium. The surcharge is subject to neither state nor municipal business and occupation taxes.

Two-thirds of the surcharge is deposited into the State Patrol Highway Account, and used for additional emphasis patrols to be conducted by State Patrol in high-accident-corridor locations on state routes. The remaining one-third is deposited into the highway safety fund, and used to create a county road high-accident-corridor emphasis patrol program administered by the Washington State Traffic Safety Commission (Commission).

County sheriffs may apply to the Commission for emphasis patrols on specific high-accident-corridors within their county. According to criteria established by the Commission, the Commission prioritizes county requests for emphasis patrols, which are performed by State Patrol at no cost to the county.

Appropriation: None.

Fiscal Note: Available.

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.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on August 1, 2007.

Staff Summary of Public Testimony: PRO: This bill provides important additional resources to improve safety on our most dangerous roads.

CON: The goal of improving safety along dangerous corridors is worthwhile, but the funding mechanism proposed by this bill poses difficulties. Concerns about retaliatory taxes could be avoided, and the same amount of revenue collected, if the fee were shifted from insurance policies to motor vehicle registrations.

Persons Testifying: PRO: Chief John Batiste, Washington State Patrol; Steve Lind, Washington Traffic Safety Commission; Julie Murray, Washington State Association of Counties.

CON: Mel Sorensen, Property Casualty Insurers, Allstate, & American Family Insurance; Gary Strannigan, Safeco; Cliff Webster, American Insurance Association.