
Appropriations Committee

SSB 5672

Brief Description: Concerning the Washington auto theft prevention authority account.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Wilson, L., Rolfes, Conway, Dozier, Gildon, Kuderer and Nobles).

Brief Summary of Substitute Bill

- Requires the Office of the State Treasurer to annually deposit \$7 million of the insurance premium tax into the Washington Auto Theft Prevention Authority Account.
- Ceases the deposit of revenue from traffic infraction surcharges from being deposited in the Washington Auto Theft Prevention Authority Account.

Hearing Date: 3/16/23

Staff: Yvonne Walker (786-7841).

Background:

The Washington Auto Theft Prevention Authority (WATPA) was established within the Washington Association of Sheriffs and Police Chiefs to review and make recommendations to the Legislature and the Governor regarding motor vehicle theft crimes in Washington.

Washington Auto Theft Prevention Account.

The Washington Auto Theft Prevention Account (Account) is an appropriated account created in the custody of the State Treasurer. All receipts from gifts, grants, bequests, devises, or other funds from public and private sources (specifically traffic infraction surcharges) to support its activities must be deposited into the Account. Expenditures from the Account may be used only

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for activities relating to motor vehicle theft, including education, prevention, law enforcement, investigation, prosecution, and confinement costs.

The WATPA must allocate moneys in the Account to public agencies for the purpose of establishing, maintaining, and supporting programs that are designed to prevent motor vehicle theft, including providing financial support:

- to prosecution agencies to increase the effectiveness of motor vehicle theft prosecution;
- to a unit of local government or a team consisting of units of local governments to increase the effectiveness of motor vehicle theft enforcement;
- for the procurement of equipment and technologies for use by law enforcement agencies to enforce motor vehicle theft laws; and
- for programs that are designed to educate and assist the public in the prevention of motor vehicle theft.

Traffic Infractions.

In addition to any other penalties imposed by law, a person found to have committed a traffic infraction must be assessed a \$10 surcharge per infraction. Revenue from this fee must be remitted to the State Treasurer for deposit into the Account. Traffic surcharges are the primary source of revenue for the WAPTA.

Insurance Taxation.

All net premiums collected and received by authorized insurers are subject to the state's insurance premiums tax except for title insurers and fraternal benefit societies. The insurance premiums tax rate is 2 percent, except for ocean marine and foreign trade which pay 0.95 percent. For property and casualty insurance in which Washington is the insured's home state, the tax is computed upon the entire premium regardless of whether the policy covers risks or exposures within the state. For all other lines of insurance, the tax is computed upon the proportion of the premium that is properly allocable to the risks or exposures located in the state.

Summary of Bill:

Beginning on July 1, 2023, and annually thereafter, the State Treasurer must deposit \$7 million collected in revenue from insurance taxes into the Washington Auto Theft Prevention Account (Account). The amount deposited into the Account from the premium tax revenue must be adjusted by the most current seasonally adjusted index of the consumer price index for all urban consumers. The Account will no longer consist of surcharges from traffic infractions.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2023.