

SENATE BILL REPORT

SHB 1682

As Reported by Senate Committee On:
Ways & Means, March 21, 2023

Title: An act relating to the Washington auto theft prevention authority account.

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

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Maycumber, Chapman, Barnard, Reeves, Riccelli, Bateman, Springer, Volz, Chambers, Mosbrucker, Robertson, Leavitt, Jacobsen, Christian and Rule).

Brief History: Passed House: 3/7/23, 94-1.

Committee Activity: Ways & Means: 3/13/23, 3/21/23 [DPA].

Brief Summary of Amended Bill

- Stops revenues from the traffic infraction surcharge from being deposited into the Washington Auto Theft Prevention Authority Account.
- Requires beginning July 1, 2023, and each July 1st thereafter, the Office of the State Treasurer must deposit \$7 million of the insurance premium tax into the Washington Auto Theft Prevention Authority Account.
- Removes state confinement costs as an allowable use of the Washington Auto Theft Prevention Authority Account funds.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Rolfes, Chair; Robinson, Vice Chair, Operating & Revenue; Mullet, Vice Chair, Capital; Wilson, L., Ranking Member, Operating; Gildon, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Rivers, Assistant Ranking Member, Capital; Warnick, Assistant Ranking Member, Capital; Billig, Boehnke,

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Braun, Conway, Dhingra, Hunt, Keiser, Muzzall, Nguyen, Pedersen, Saldaña, Torres, Wagoner and Wellman.

Staff: Sarian Scott (786-7729)

Background: Washington Auto Theft Prevention Authority Account. The Washington Auto Theft Prevention Authority 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 for activities relating to motor vehicle theft, including education, prevention, law enforcement, investigation, prosecution, and confinement costs.

Washington Auto Theft Prevention Authority. 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.

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

- 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 for enforcing motor vehicle theft laws; and
- for programs designed to educate and assist the public in the prevention of motor vehicle theft.

Traffic Infractions. In addition to any other penalties imposed, 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 in the Account. Traffic surcharges are the primary source of revenue for the Account.

Insurance Taxation. With some exceptions, insurance companies must pay a 2 percent insurance premium tax to the state. The tax is imposed on the total amount of all premiums and prepayments for health care services collected or received by the insurer during the preceding calendar year. Insurers must prepay their tax obligations. By June 15th insurers must pay 45 percent of their tax obligations. On September 15th and December 15th they must pay 25 percent. Revenues from the tax are deposited in the state general fund. Dental plans and benefits provided by health care services contractors are exempt from the

premium tax.

Summary of Amended Bill: Effective July 1, 2023, revenue into the Account will no longer be from the traffic infraction surcharge. Effective July 1, 2023, and each July 1st thereafter, \$7 million in revenue from the insurance premium tax collections must be deposited into Account, instead of the state general fund. The amount deposited from the tax must be adjusted by the most current seasonally adjusted index of the consumer price index for all urban consumers. State confinement costs are removed as allowable uses of the Account.

The bill is effective July 1, 2023.

EFFECT OF WAYS & MEANS COMMITTEE AMENDMENT(S):

- Revenues from the traffic infraction surcharge will no longer be deposited into the Account and instead will be deposited into the general fund.
- Beginning July 1, 2023, and July 1st of each year thereafter, the state treasurer shall deposit \$7 million in moneys collected for premium taxes into the Account.
- Removes state confinement costs as an allowable use of the Account. The act takes effect July 1, 2023.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill takes effect on July 1, 2023.

Staff Summary of Public Testimony on Substitute House Bill: *The committee recommended a different version of the bill than what was heard.* PRO: We support combatting auto theft. Auto theft increased nationally by about 12.3%. In Washington, auto theft increased 31.6%. We are struggling. Washington State is now ranked the third worst state in the nation for auto theft. Senator Wilson's bill passed unanimously, and we understood the Department of Corrections has already been receiving in their underlying caseload funding from you from the 2007 bill. We were surprised to see the fiscal note on this bill, SHB 1628. The text of Senator Wilson's bill might also fit nicely into this bill. The Court's control the Auto Theft Prevention Account. The Auto Theft Prevention Account Authority is a subdivision of the Washington Association of Sheriff's & Police Chiefs. The Auto Theft Prevention Account Authority gives out grants for task forces, and the funding has consistently gone down since 2007. Funds are primarily for enforcement grants, prevention grants, the club, and auto theft prevention campaigns.

Persons Testifying: PRO: James McMahan, WA Assoc Sheriffs & Police Chiefs.

Persons Signed In To Testify But Not Testifying: No one.