

SENATE BILL REPORT

SB 5672

As Reported by Senate Committee On:
Ways & Means, February 20, 2023

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

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

Sponsors: Senators Wilson, L., Rolfes, Conway, Dozier, Gildon, Kuderer and Nobles.

Brief History:

Committee Activity: Ways & Means: 2/13/23, 2/20/23 [DPS].

Brief Summary of First Substitute Bill

- Stops revenues from the traffic infraction surcharge from being deposited into the Washington Auto Theft Prevention Authority Account.
- Requires that 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.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5672 be substituted therefor, and the substitute bill do pass.

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, Braun, Conway, Dhingra, Hasegawa, Hunt, Keiser, Muzzall, Nguyen, Pedersen, Saldaña, Torres, Van De Wege, Wagoner and Wellman.

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.

Staff: Sarian Scott (786-7729)

Background: 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 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 the following 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 for enforcing 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 in the Account. Traffic surcharges are the primary source of revenue for WAPTA.

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 Bill (First Substitute): Effective July 1, 2023, revenue into WAPTA 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 WATPA, 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.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):

- Beginning July 1, 2023, and July 1st of each year thereafter, the state treasurer shall deposit \$7,000,000 in moneys collected for insurance premium taxes into the Washington auto theft prevention authority account.

Appropriation: None.

Fiscal Note: Available.

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

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

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: It was a good source of income in prior fiscal periods. Car thefts have sky rocketed. Money from the accounts go out in grants. Auto theft crisis. Less cops on the street. Insurance premiums would be more predictable and successful revenue. Auto thefts have risen from 290 in 2021, to 769 in 2022, and we need WAPTA funding.

Persons Testifying: PRO: Senator Lynda Wilson, Prime Sponsor; Jeffrey Carroll, Puget Sound Auto Theft Task Force; Steve Strachan, WA Assn of Sheriffs and Police Chiefs; Chris Guerrero, Kennewick Police Department.

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