

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1682

68th Legislature
2023 Regular Session

Passed by the House April 18, 2023
Yeas 97 Nays 0

**Speaker of the House of
Representatives**

Passed by the Senate April 12, 2023
Yeas 49 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1682** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1682

AS AMENDED BY THE SENATE

Passed Legislature - 2023 Regular Session

State of Washington 68th Legislature 2023 Regular Session

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

READ FIRST TIME 02/22/23.

1 AN ACT Relating to the Washington auto theft prevention authority
2 account; amending RCW 46.63.110, 46.66.080, and 48.14.020; creating a
3 new section; providing an effective date; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The Washington auto theft prevention
6 authority account was created in 2007 to provide dedicated funding
7 from traffic infraction collections to support programs designed to
8 prevent and prosecute motor vehicle theft. The legislature finds that
9 over the years, funding from the account has been diverted to other
10 nonauto theft uses such as department of corrections' operations and
11 youth gang prevention programs. The legislature further finds that
12 revenues from traffic infractions have decreased as more drivers
13 access diversion and deferral programs designed to assist people with
14 retaining their licenses. Fund diversions and decreasing traffic
15 infraction revenue threaten the viability of motor vehicle theft
16 prevention programs at a time when the number of motor vehicle thefts
17 have increased 88 percent between the year 2021 and 2022. In order to
18 provide more secure funding to combat and prevent motor vehicle
19 theft, the legislature intends each fiscal year to deposit into the
20 Washington auto theft prevention authority account \$7,000,000 of
21 insurance premium tax collections that would otherwise be deposited

1 to the general fund and to have this deposit grow by inflation. The
2 legislature further intends for moneys collected from the traffic
3 infraction surcharge in RCW 46.63.110(7)(b) to be deposited into the
4 state general fund.

5 **Sec. 2.** RCW 46.63.110 and 2021 c 240 s 3 are each amended to
6 read as follows:

7 (1)(a) A person found to have committed a traffic infraction
8 shall be assessed a monetary penalty. No penalty may exceed (~~two~~
9 ~~hundred and fifty dollars~~) \$250 for each offense unless authorized
10 by this chapter or title.

11 (b) The court may waive or remit any monetary penalty, fee, cost,
12 assessment, or other monetary obligation associated with a traffic
13 infraction unless the specific monetary obligation in question is
14 prohibited from being waived or remitted by state law.

15 (2) The monetary penalty for a violation of (a) RCW 46.55.105(2)
16 is (~~two hundred fifty dollars~~) \$250 for each offense; (b) RCW
17 46.61.210(1) is (~~five hundred dollars~~) \$500 for each offense. No
18 penalty assessed under this subsection (2) may be reduced.

19 (3) The supreme court shall prescribe by rule a schedule of
20 monetary penalties for designated traffic infractions. This rule
21 shall also specify the conditions under which local courts may
22 exercise discretion in assessing fines and penalties for traffic
23 infractions. The legislature respectfully requests the supreme court
24 to adjust this schedule every two years for inflation.

25 (4) There shall be a penalty of (~~twenty-five dollars~~) \$25 for
26 failure to respond to a notice of traffic infraction except where the
27 infraction relates to parking as defined by local law, ordinance,
28 regulation, or resolution or failure to pay a monetary penalty
29 imposed pursuant to this chapter. A local legislative body may set a
30 monetary penalty not to exceed (~~twenty-five dollars~~) \$25 for
31 failure to respond to a notice of traffic infraction relating to
32 parking as defined by local law, ordinance, regulation, or
33 resolution. The local court, whether a municipal, police, or district
34 court, shall impose the monetary penalty set by the local legislative
35 body.

36 (5) Monetary penalties provided for in chapter 46.70 RCW which
37 are civil in nature and penalties which may be assessed for
38 violations of chapter 46.44 RCW relating to size, weight, and load of

1 motor vehicles are not subject to the limitation on the amount of
2 monetary penalties which may be imposed pursuant to this chapter.

3 (6) Whenever a monetary penalty, fee, cost, assessment, or other
4 monetary obligation is imposed by a court under this chapter, it is
5 immediately payable and is enforceable as a civil judgment under
6 Title 6 RCW. If the court determines that a person is not able to pay
7 a monetary obligation in full, the court shall enter into a payment
8 plan with the person in accordance with RCW 46.63.190 and standards
9 that may be set out in court rule.

10 (7) In addition to any other penalties imposed under this section
11 and not subject to the limitation of subsection (1) of this section,
12 a person found to have committed a traffic infraction shall be
13 assessed:

14 (a) A fee of (~~five dollars~~) \$5 per infraction. Under no
15 circumstances shall this fee be reduced or waived. Revenue from this
16 fee shall be forwarded to the state treasurer for deposit in the
17 emergency medical services and trauma care system trust account under
18 RCW 70.168.040;

19 (b) A fee of (~~ten dollars~~) \$10 per infraction. Under no
20 circumstances shall this fee be reduced or waived. Revenue from this
21 fee shall be forwarded to the state treasurer for deposit in the
22 (~~Washington auto theft prevention authority account~~) general fund;
23 and

24 (c) A fee of (~~five dollars~~) \$5 per infraction. Under no
25 circumstances shall this fee be reduced or waived. Revenue from this
26 fee shall be forwarded to the state treasurer for deposit in the
27 traumatic brain injury account established in RCW 74.31.060.

28 (8)(a) In addition to any other penalties imposed under this
29 section and not subject to the limitation of subsection (1) of this
30 section, a person found to have committed a traffic infraction other
31 than of RCW 46.61.527 or 46.61.212 shall be assessed an additional
32 penalty of \$24. The court may not reduce, waive, or suspend the
33 additional penalty unless the court finds the offender to be
34 indigent. If a court authorized community restitution program for
35 offenders is available in the jurisdiction, the court shall allow
36 offenders to offset all or a part of the penalty due under this
37 subsection (8) by participation in the court authorized community
38 restitution program.

39 (b) \$12.50 of the additional penalty under (a) of this subsection
40 shall be remitted to the state treasurer. The remaining revenue from

1 the additional penalty must be remitted under chapters 2.08, 3.46,
2 3.50, 3.62, 10.82, and 35.20 RCW. Money remitted under this
3 subsection to the state treasurer must be deposited as follows: \$8.50
4 in the state general fund and \$4 in the driver licensing technology
5 support account created under RCW 46.68.067. The moneys deposited
6 into the driver licensing technology support account must be used to
7 support information technology systems used by the department to
8 communicate with the judicial information system, manage driving
9 records, and implement court orders. The balance of the revenue
10 received by the county or city treasurer under this subsection must
11 be deposited into the county or city current expense fund. Moneys
12 retained by the city or county under this subsection shall constitute
13 reimbursement for any liabilities under RCW 43.135.060.

14 (9) If a legal proceeding, such as garnishment, has commenced to
15 collect any delinquent amount owed by the person for any penalty
16 imposed by the court under this section, the person may request a
17 payment plan pursuant to RCW 46.63.190.

18 (10) The monetary penalty for violating RCW 46.37.395 is: (a)
19 (~~Two hundred fifty dollars~~) \$250 for the first violation; (b)
20 (~~five hundred dollars~~) \$500 for the second violation; and (c)
21 (~~seven hundred fifty dollars~~) \$750 for each violation thereafter.

22 (11) The additional monetary penalty for a violation of RCW
23 46.20.500 is not subject to assessments or fees provided under this
24 section.

25 (12) The additional monetary fine for a violation of RCW
26 46.61.110, 46.61.145, 46.61.180, 46.61.185, 46.61.190, and 46.61.205
27 is not subject to assessments or fees provided under this section.

28 (13) The additional monetary penalties for a violation of RCW
29 46.61.165 are not subject to assessments or fees provided under this
30 section.

31 **Sec. 3.** RCW 46.66.080 and 2015 3rd sp.s. c 4 s 964 are each
32 amended to read as follows:

33 (1) The Washington auto theft prevention authority account is
34 created in the state treasury, subject to appropriation. (~~All~~
35 ~~revenues from the traffic infraction surcharge in RCW~~
36 ~~46.63.110(7)(b))~~ Revenues consist of deposits to the account under
37 RCW 48.14.020(1)(b) and all receipts from gifts, grants, bequests,
38 devises, or other funds from public and private sources to support
39 the activities of the auto theft prevention authority must be

1 deposited into the account. Expenditures from the account may be used
2 only for activities relating to motor vehicle theft, including
3 education, prevention, law enforcement, investigation, prosecution,
4 and confinement. (~~During the 2011-2013, 2013-2015, and 2015-2017~~
5 ~~fiscal biennia, the legislature may appropriate moneys from the~~
6 ~~Washington auto theft prevention authority account for criminal~~
7 ~~justice purposes and community building and may transfer funds to the~~
8 ~~state general fund such amounts as reflect the excess fund balance of~~
9 ~~the account.~~)

10 (2) The authority shall allocate moneys appropriated from the
11 account to public agencies for the purpose of establishing,
12 maintaining, and supporting programs that are designed to prevent
13 motor vehicle theft, including:

14 (a) Financial support to prosecution agencies to increase the
15 effectiveness of motor vehicle theft prosecution;

16 (b) Financial support to a unit of local government or a team
17 consisting of units of local governments to increase the
18 effectiveness of motor vehicle theft enforcement;

19 (c) Financial support for the procurement of equipment and
20 technologies for use by law enforcement agencies for the purpose of
21 enforcing motor vehicle theft laws; and

22 (d) Financial support for programs that are designed to educate
23 and assist the public in the prevention of motor vehicle theft.

24 (3) The costs of administration shall not exceed (~~ten~~) 10
25 percent of the moneys in the account in any one year so that the
26 greatest possible portion of the moneys available to the authority is
27 expended on combating motor vehicle theft.

28 (4) Prior to awarding any moneys from the Washington auto theft
29 prevention authority account for motor vehicle theft enforcement, the
30 auto theft prevention authority must verify that the financial award
31 includes sufficient funding to cover proposed activities (~~(, which~~
32 ~~include, but are not limited to: (a) State, municipal, and county~~
33 ~~offender and juvenile confinement costs; (b) administration costs;~~
34 ~~(c) law enforcement costs; (d) prosecutor costs; and (e) court costs,~~
35 ~~with a priority being given to ensuring that sufficient funding is~~
36 ~~available to cover state, municipal, and county offender and juvenile~~
37 ~~confinement costs)).~~

38 (5) Moneys expended from the Washington auto theft prevention
39 authority account under subsection (2) of this section shall be used

1 to supplement, not supplant, other moneys that are available for
2 motor vehicle theft prevention.

3 (6) Grants provided under subsection (2) of this section
4 constitute reimbursement for purposes of RCW 43.135.060(1).

5 **Sec. 4.** RCW 48.14.020 and 2021 c 281 s 7 are each amended to
6 read as follows:

7 (1)(a) Subject to other provisions of this chapter, each
8 authorized insurer except title insurers and registered eligible
9 captive insurers as defined in RCW 48.201.020 shall on or before the
10 first day of March of each year pay to the state treasurer through
11 the commissioner's office a tax on premiums. Except as provided in
12 subsection (3) of this section, such tax shall be in the amount of
13 two percent of all premiums, excluding amounts returned to or the
14 amount of reductions in premiums allowed to holders of industrial
15 life policies for payment of premiums directly to an office of the
16 insurer, collected or received by the insurer under RCW 48.14.090
17 during the preceding calendar year other than ocean marine and
18 foreign trade insurances, after deducting premiums paid to
19 policyholders as returned premiums, upon risks or property resident,
20 situated, or to be performed in this state. For tax purposes, the
21 reporting of premiums shall be on a written basis or on a paid-for
22 basis consistent with the basis required by the annual statement. For
23 the purposes of this section the consideration received by an insurer
24 for the granting of an annuity shall not be deemed to be a premium.

25 (b) Beginning July 1, 2023, and July 1st of each year thereafter,
26 the state treasurer shall deposit \$7,000,000 in moneys collected for
27 premium taxes pursuant to this section into the Washington auto theft
28 prevention authority account created in RCW 46.66.080. Beginning July
29 1, 2023, the amount deposited under this subsection must be adjusted
30 by the most current seasonally adjusted index of the consumer price
31 index for all urban consumers as published by the bureau of labor
32 statistics of the United States department of labor.

33 (2)(a) The taxes imposed in this section do not apply to amounts
34 received by any life and disability insurer for health care services
35 included within the definition of practice of dentistry under RCW
36 18.32.020 except amounts received for pediatric oral services that
37 qualify as coverage for the minimum essential coverage requirement
38 under P.L. 111-148 (2010), as amended, and for stand-alone family
39 dental plans as defined in RCW 43.71.080(4)(a), only when offered in

1 the individual market, as defined in RCW 48.43.005, or to a small
2 group, as defined in RCW 48.43.005.

3 (b) Beginning January 1, 2014, moneys collected for premiums
4 written on qualified health benefit plans and qualified dental plans
5 offered through the health benefit exchange under chapter 43.71 RCW
6 must be deposited in the health benefit exchange account under RCW
7 43.71.060.

8 (3) In the case of insurers which require the payment by their
9 policyholders at the inception of their policies of the entire
10 premium thereon in the form of premiums or premium deposits which are
11 the same in amount, based on the character of the risks, regardless
12 of the length of term for which such policies are written, such tax
13 shall be in the amount of two percent of the gross amount of such
14 premiums and premium deposits upon policies on risks resident,
15 located, or to be performed in this state, in force as of the thirty-
16 first day of December next preceding, less the unused or unabsorbed
17 portion of such premiums and premium deposits computed at the average
18 rate thereof actually paid or credited to policyholders or applied in
19 part payment of any renewal premiums or premium deposits on one-year
20 policies expiring during such year.

21 (4) Each authorized insurer shall with respect to all ocean
22 marine and foreign trade insurance contracts written within this
23 state during the preceding calendar year, on or before the first day
24 of March of each year pay to the state treasurer through the
25 commissioner's office a tax of ninety-five one-hundredths of one
26 percent on its gross underwriting profit. Such gross underwriting
27 profit shall be ascertained by deducting from the net premiums (i.e.,
28 gross premiums less all return premiums and premiums for reinsurance)
29 on such ocean marine and foreign trade insurance contracts the net
30 losses paid (i.e., gross losses paid less salvage and recoveries on
31 reinsurance ceded) during such calendar year under such contracts. In
32 the case of insurers issuing participating contracts, such gross
33 underwriting profit shall not include, for computation of the tax
34 prescribed by this subsection, the amounts refunded, or paid as
35 participation dividends, by such insurers to the holders of such
36 contracts.

37 (5) The state does hereby preempt the field of imposing excise or
38 privilege taxes upon insurers or their appointed insurance producers,
39 other than title insurers, and no county, city, town or other

1 municipal subdivision shall have the right to impose any such taxes
2 upon such insurers or these insurance producers.

3 (6) If an authorized insurer collects or receives any such
4 premiums on account of policies in force in this state which were
5 originally issued by another insurer and which other insurer is not
6 authorized to transact insurance in this state on its own account,
7 such collecting insurer shall be liable for and shall pay the tax on
8 such premiums.

9 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
10 preservation of the public peace, health, or safety, or support of
11 the state government and its existing public institutions, and takes
12 effect July 1, 2023.

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