

HOUSE BILL REPORT

SHB 1682

As Passed Legislature

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:

Committee Activity:

Appropriations: 2/9/23, 2/20/23 [DPS].

Floor Activity:

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

Senate Amended.

Passed Senate: 4/12/23, 49-0.

House Concurred.

Passed House: 4/18/23, 97-0.

Passed Legislature.

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.

HOUSE COMMITTEE ON APPROPRIATIONS

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.

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 29 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Stokesbary, Ranking Minority Member; Corry, Assistant Ranking Minority Member; Berg, Chandler, Chopp, Connors, Couture, Davis, Dye, Fitzgibbon, Hansen, Lekanoff, Pollet, Riccelli, Rude, Ryu, Sandlin, Schmick, Senn, Simmons, Slatter, Springer, Steele, Stonier and Tharinger.

Minority Report: Do not pass. Signed by 1 member: Representative Harris.

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

The Account is subject to allotment procedures under the state budgeting, accounting, and reporting system statute but an appropriation is not required for expenditures. 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 for the purpose of enforcing motor vehicle theft laws; and
- for programs that are designed to educate and assist the public in the prevention of motor vehicle theft.

The costs of administration must not exceed 10 percent of the moneys in the Account in any one year so that the greatest possible portion of the moneys available to the WAPTA are expended on combating motor vehicle theft.

Prior to awarding moneys from the Account for motor vehicle theft enforcement or prosecution efforts, the WAPTA must verify that the financial award includes sufficient funding to cover proposed activities which include, but are not limited to, administration, law enforcement, prosecutor, court, and state and local offender confinement costs. Moneys expended from the Account must be used to supplement, not supplant, other moneys that are available for motor vehicle theft prevention.

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 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 Substitute 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.

Staff Summary of Public Testimony:

(In support) The Washington Auto Theft Prevention Authority (WATPA) was created within the Washington Association of Sheriffs and Police Chiefs as part of legislation in response to the increase of auto thefts. Auto thefts continue to remain a problem for Washingtonians today and they have reached an all-time high. The Washington Auto Theft

Prevention Account (Account) is currently funded from a percentage of a surcharge imposed on traffic fines. However, traffic infraction revenue is down, and it makes funding for the Account unreliable. As a result, the WATPA has not been in a position to execute its goals of prevention and education. Historically, the Department of Corrections and the Juvenile Rehabilitation Administration have been receiving funding from both the Account and from general fund dollars. By eliminating those agencies as recipients of Account funds, this will free up extra money for the WATPA.

(Opposed) None.

Persons Testifying: Taylor Gardner, Washington Association of Sheriffs and Police Chiefs.

Persons Signed In To Testify But Not Testifying: None.