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**HOUSE BILL 1669**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Representatives Chambers, Riccelli, Robertson, Leavitt, Jacobsen, Graham, Stonier, Reeves, Christian, Chapman, Schmidt, Rule, Eslick, Taylor, and Paul

Read first time 01/30/23. Referred to Committee on Appropriations.

1 AN ACT Relating to the Washington auto theft prevention authority  
2 account; amending RCW 48.14.020, 46.66.080, and 46.63.110; 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 legislature finds that motor vehicle  
6 thefts continue to plague Washingtonians and intends to clarify and  
7 enhance state funding to combat and prevent motor vehicle theft. The  
8 legislature further finds that incarceration costs anticipated by the  
9 department of corrections and the juvenile rehabilitation  
10 administration pursuant to chapter 199, Laws of 2007 have not been  
11 realized, and such costs actually realized are already funded as part  
12 of each agency's general fund caseload allotments. As such, the  
13 legislature intends to provide \$5,000,000 in funding to the  
14 Washington auto theft prevention authority each fiscal year by  
15 diverting a portion of premium taxes collected pursuant to RCW  
16 48.14.020, redesignate the Washington auto theft prevention authority  
17 account as a nonappropriated account, eliminate Washington auto theft  
18 prevention authority account appropriations to the department of  
19 corrections and juvenile rehabilitation administration, and deposit  
20 moneys collected from the traffic infraction surcharge in RCW  
21 46.63.110(7)(b) to the state general fund.

1       **Sec. 2.** RCW 48.14.020 and 2021 c 281 s 7 are each amended to  
2 read as follows:

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

21       (2)(a) The taxes imposed in this section do not apply to amounts  
22 received by any life and disability insurer for health care services  
23 included within the definition of practice of dentistry under RCW  
24 18.32.020 except amounts received for pediatric oral services that  
25 qualify as coverage for the minimum essential coverage requirement  
26 under P.L. 111-148 (2010), as amended, and for stand-alone family  
27 dental plans as defined in RCW 43.71.080(4)(a), only when offered in  
28 the individual market, as defined in RCW 48.43.005, or to a small  
29 group, as defined in RCW 48.43.005.

30       (b) Beginning January 1, 2014, moneys collected for premiums  
31 written on qualified health benefit plans and qualified dental plans  
32 offered through the health benefit exchange under chapter 43.71 RCW  
33 must be deposited in the health benefit exchange account under RCW  
34 43.71.060.

35       (c) Beginning July 1, 2023, and July 1st of each year thereafter,  
36 the state treasurer shall deposit \$5,000,000 in moneys collected for  
37 premium taxes pursuant to this section into the Washington auto theft  
38 prevention authority account created in RCW 46.66.080.

39       (3) In the case of insurers which require the payment by their  
40 policyholders at the inception of their policies of the entire

1 premium thereon in the form of premiums or premium deposits which are  
2 the same in amount, based on the character of the risks, regardless  
3 of the length of term for which such policies are written, such tax  
4 shall be in the amount of two percent of the gross amount of such  
5 premiums and premium deposits upon policies on risks resident,  
6 located, or to be performed in this state, in force as of the thirty-  
7 first day of December next preceding, less the unused or unabsorbed  
8 portion of such premiums and premium deposits computed at the average  
9 rate thereof actually paid or credited to policyholders or applied in  
10 part payment of any renewal premiums or premium deposits on one-year  
11 policies expiring during such year.

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

28 (5) The state does hereby preempt the field of imposing excise or  
29 privilege taxes upon insurers or their appointed insurance producers,  
30 other than title insurers, and no county, city, town or other  
31 municipal subdivision shall have the right to impose any such taxes  
32 upon such insurers or these insurance producers.

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

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

3       (1) The Washington auto theft prevention authority account is  
4 created in the ~~((state treasury, subject to appropriation))~~ custody  
5 of the state treasurer. All revenues ~~((from the traffic infraction~~  
6 ~~surcharge in RCW 46.63.110(7)(b))~~) and all receipts from gifts,  
7 grants, bequests, devises, or other funds from public and private  
8 sources to support the activities of the auto theft prevention  
9 authority must be deposited into the account. The account is subject  
10 to allotment procedures under chapter 43.88 RCW, but an appropriation  
11 is not required for expenditures from the account. Expenditures from  
12 the account may be used only for activities relating to motor vehicle  
13 theft, including education, prevention, law enforcement,  
14 investigation, prosecution, and confinement. ~~((During the 2011-2013,~~  
15 ~~2013-2015, and 2015-2017 fiscal biennia, the legislature may~~  
16 ~~appropriate moneys from the Washington auto theft prevention~~  
17 ~~authority account for criminal justice purposes and community~~  
18 ~~building and may transfer funds to the state general fund such~~  
19 ~~amounts as reflect the excess fund balance of the account.))~~

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

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

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

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

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

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

38       (4) Prior to awarding any moneys from the Washington auto theft  
39 prevention authority account for motor vehicle theft enforcement, the  
40 auto theft prevention authority must verify that the financial award

1 includes sufficient funding to cover proposed activities (~~(, which~~  
2 ~~include, but are not limited to: (a) State, municipal, and county~~  
3 ~~offender and juvenile confinement costs; (b) administration costs;~~  
4 ~~(c) law enforcement costs; (d) prosecutor costs; and (e) court costs,~~  
5 ~~with a priority being given to ensuring that sufficient funding is~~  
6 ~~available to cover state, municipal, and county offender and juvenile~~  
7 ~~confinement costs)).~~

8 (5) Moneys expended from the Washington auto theft prevention  
9 authority account under subsection (2) of this section shall be used  
10 to supplement, not supplant, other moneys that are available for  
11 motor vehicle theft prevention.

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

14 **Sec. 4.** RCW 46.63.110 and 2021 c 240 s 3 are each amended to  
15 read as follows:

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

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

24 (2) The monetary penalty for a violation of (a) RCW 46.55.105(2)  
25 is (~~two hundred fifty dollars~~) \$250 for each offense; (b) RCW  
26 46.61.210(1) is (~~five hundred dollars~~) \$500 for each offense. No  
27 penalty assessed under this subsection (2) may be reduced.

28 (3) The supreme court shall prescribe by rule a schedule of  
29 monetary penalties for designated traffic infractions. This rule  
30 shall also specify the conditions under which local courts may  
31 exercise discretion in assessing fines and penalties for traffic  
32 infractions. The legislature respectfully requests the supreme court  
33 to adjust this schedule every two years for inflation.

34 (4) There shall be a penalty of (~~twenty-five dollars~~) \$25 for  
35 failure to respond to a notice of traffic infraction except where the  
36 infraction relates to parking as defined by local law, ordinance,  
37 regulation, or resolution or failure to pay a monetary penalty  
38 imposed pursuant to this chapter. A local legislative body may set a  
39 monetary penalty not to exceed (~~twenty-five dollars~~) \$25 for

1 failure to respond to a notice of traffic infraction relating to  
2 parking as defined by local law, ordinance, regulation, or  
3 resolution. The local court, whether a municipal, police, or district  
4 court, shall impose the monetary penalty set by the local legislative  
5 body.

6 (5) Monetary penalties provided for in chapter 46.70 RCW which  
7 are civil in nature and penalties which may be assessed for  
8 violations of chapter 46.44 RCW relating to size, weight, and load of  
9 motor vehicles are not subject to the limitation on the amount of  
10 monetary penalties which may be imposed pursuant to this chapter.

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

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

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

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

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

36 (8)(a) In addition to any other penalties imposed under this  
37 section and not subject to the limitation of subsection (1) of this  
38 section, a person found to have committed a traffic infraction other  
39 than of RCW 46.61.527 or 46.61.212 shall be assessed an additional  
40 penalty of \$24. The court may not reduce, waive, or suspend the

1 additional penalty unless the court finds the offender to be  
2 indigent. If a court authorized community restitution program for  
3 offenders is available in the jurisdiction, the court shall allow  
4 offenders to offset all or a part of the penalty due under this  
5 subsection (8) by participation in the court authorized community  
6 restitution program.

7 (b) \$12.50 of the additional penalty under (a) of this subsection  
8 shall be remitted to the state treasurer. The remaining revenue from  
9 the additional penalty must be remitted under chapters 2.08, 3.46,  
10 3.50, 3.62, 10.82, and 35.20 RCW. Money remitted under this  
11 subsection to the state treasurer must be deposited as follows: \$8.50  
12 in the state general fund and \$4 in the driver licensing technology  
13 support account created under RCW 46.68.067. The moneys deposited  
14 into the driver licensing technology support account must be used to  
15 support information technology systems used by the department to  
16 communicate with the judicial information system, manage driving  
17 records, and implement court orders. The balance of the revenue  
18 received by the county or city treasurer under this subsection must  
19 be deposited into the county or city current expense fund. Moneys  
20 retained by the city or county under this subsection shall constitute  
21 reimbursement for any liabilities under RCW 43.135.060.

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

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

30 (11) The additional monetary penalty for a violation of RCW  
31 46.20.500 is not subject to assessments or fees provided under this  
32 section.

33 (12) The additional monetary fine for a violation of RCW  
34 46.61.110, 46.61.145, 46.61.180, 46.61.185, 46.61.190, and 46.61.205  
35 is not subject to assessments or fees provided under this section.

36 (13) The additional monetary penalties for a violation of RCW  
37 46.61.165 are not subject to assessments or fees provided under this  
38 section.

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

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