

SHB 1682 - S COMM AMD

By Committee on Ways & Means

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The Washington auto theft prevention
4 authority account was created in 2007 to provide dedicated funding
5 from traffic infraction collections to support programs designed to
6 prevent and prosecute motor vehicle theft. The legislature finds that
7 over the years, funding from the account has been diverted to other
8 nonauto theft uses such as department of corrections' operations and
9 youth gang prevention programs. The legislature further finds that
10 revenues from traffic infractions have decreased as more drivers
11 access diversion and deferral programs designed to assist people with
12 retaining their licenses. Fund diversions and decreasing traffic
13 infraction revenue threaten the viability of motor vehicle theft
14 prevention programs at a time when the number of motor vehicle thefts
15 have increased 88 percent between the year 2021 and 2022. In order to
16 provide more secure funding to combat and prevent motor vehicle
17 theft, the legislature intends each fiscal year to deposit into the
18 Washington auto theft prevention authority account \$7,000,000 of
19 insurance premium tax collections that would otherwise be deposited
20 to the general fund and to have this deposit grow by inflation. The
21 legislature further intends for moneys collected from the traffic
22 infraction surcharge in RCW 46.63.110(7)(b) to be deposited into the
23 state general fund.

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

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

30 (b) The court may waive or remit any monetary penalty, fee, cost,
31 assessment, or other monetary obligation associated with a traffic

1 infraction unless the specific monetary obligation in question is
2 prohibited from being waived or remitted by state law.

3 (2) The monetary penalty for a violation of (a) RCW 46.55.105(2)
4 is (~~two hundred fifty dollars~~) \$250 for each offense; (b) RCW
5 46.61.210(1) is (~~five hundred dollars~~) \$500 for each offense. No
6 penalty assessed under this subsection (2) may be reduced.

7 (3) The supreme court shall prescribe by rule a schedule of
8 monetary penalties for designated traffic infractions. This rule
9 shall also specify the conditions under which local courts may
10 exercise discretion in assessing fines and penalties for traffic
11 infractions. The legislature respectfully requests the supreme court
12 to adjust this schedule every two years for inflation.

13 (4) There shall be a penalty of (~~twenty-five dollars~~) \$25 for
14 failure to respond to a notice of traffic infraction except where the
15 infraction relates to parking as defined by local law, ordinance,
16 regulation, or resolution or failure to pay a monetary penalty
17 imposed pursuant to this chapter. A local legislative body may set a
18 monetary penalty not to exceed (~~twenty-five dollars~~) \$25 for
19 failure to respond to a notice of traffic infraction relating to
20 parking as defined by local law, ordinance, regulation, or
21 resolution. The local court, whether a municipal, police, or district
22 court, shall impose the monetary penalty set by the local legislative
23 body.

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

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

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

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

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

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

15 (8)(a) In addition to any other penalties imposed under this
16 section and not subject to the limitation of subsection (1) of this
17 section, a person found to have committed a traffic infraction other
18 than of RCW 46.61.527 or 46.61.212 shall be assessed an additional
19 penalty of \$24. The court may not reduce, waive, or suspend the
20 additional penalty unless the court finds the offender to be
21 indigent. If a court authorized community restitution program for
22 offenders is available in the jurisdiction, the court shall allow
23 offenders to offset all or a part of the penalty due under this
24 subsection (8) by participation in the court authorized community
25 restitution program.

26 (b) \$12.50 of the additional penalty under (a) of this subsection
27 shall be remitted to the state treasurer. The remaining revenue from
28 the additional penalty must be remitted under chapters 2.08, 3.46,
29 3.50, 3.62, 10.82, and 35.20 RCW. Money remitted under this
30 subsection to the state treasurer must be deposited as follows: \$8.50
31 in the state general fund and \$4 in the driver licensing technology
32 support account created under RCW 46.68.067. The moneys deposited
33 into the driver licensing technology support account must be used to
34 support information technology systems used by the department to
35 communicate with the judicial information system, manage driving
36 records, and implement court orders. The balance of the revenue
37 received by the county or city treasurer under this subsection must
38 be deposited into the county or city current expense fund. Moneys
39 retained by the city or county under this subsection shall constitute
40 reimbursement for any liabilities under RCW 43.135.060.

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

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

9 (11) The additional monetary penalty for a violation of RCW
10 46.20.500 is not subject to assessments or fees provided under this
11 section.

12 (12) The additional monetary fine for a violation of RCW
13 46.61.110, 46.61.145, 46.61.180, 46.61.185, 46.61.190, and 46.61.205
14 is not subject to assessments or fees provided under this section.

15 (13) The additional monetary penalties for a violation of RCW
16 46.61.165 are not subject to assessments or fees provided under this
17 section.

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

20 (1) The Washington auto theft prevention authority account is
21 created in the state treasury, subject to appropriation. (~~All~~
22 ~~revenues from the traffic infraction surcharge in RCW~~
23 ~~46.63.110(7)(b)) Revenues consist of deposits to the account under
24 RCW 48.14.020(1)(b) and all receipts from gifts, grants, bequests,
25 devises, or other funds from public and private sources to support
26 the activities of the auto theft prevention authority must be
27 deposited into the account. Expenditures from the account may be used
28 only for activities relating to motor vehicle theft, including
29 education, prevention, law enforcement, investigation, prosecution,
30 and local confinement. (~~During the 2011-2013, 2013-2015, and~~
31 ~~2015-2017 fiscal biennia, the legislature may appropriate moneys from~~
32 ~~the Washington auto theft prevention authority account for criminal~~
33 ~~justice purposes and community building and may transfer funds to the~~
34 ~~state general fund such amounts as reflect the excess fund balance of~~
35 ~~the account.))~~~~

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

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

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

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

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

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

15 (4) Prior to awarding any moneys from the Washington auto theft
16 prevention authority account for motor vehicle theft enforcement, the
17 auto theft prevention authority must verify that the financial award
18 includes sufficient funding to cover proposed activities (~~(, which~~
19 ~~include, but are not limited to: (a) State, municipal, and county~~
20 ~~offender and juvenile confinement costs; (b) administration costs;~~
21 ~~(c) law enforcement costs; (d) prosecutor costs; and (e) court costs,~~
22 ~~with a priority being given to ensuring that sufficient funding is~~
23 ~~available to cover state, municipal, and county offender and juvenile~~
24 ~~confinement costs)).~~

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

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

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

33 (1) (a) Subject to other provisions of this chapter, each
34 authorized insurer except title insurers and registered eligible
35 captive insurers as defined in RCW 48.201.020 shall on or before the
36 first day of March of each year pay to the state treasurer through
37 the commissioner's office a tax on premiums. Except as provided in
38 subsection (3) of this section, such tax shall be in the amount of
39 two percent of all premiums, excluding amounts returned to or the

1 amount of reductions in premiums allowed to holders of industrial
2 life policies for payment of premiums directly to an office of the
3 insurer, collected or received by the insurer under RCW 48.14.090
4 during the preceding calendar year other than ocean marine and
5 foreign trade insurances, after deducting premiums paid to
6 policyholders as returned premiums, upon risks or property resident,
7 situated, or to be performed in this state. For tax purposes, the
8 reporting of premiums shall be on a written basis or on a paid-for
9 basis consistent with the basis required by the annual statement. For
10 the purposes of this section the consideration received by an insurer
11 for the granting of an annuity shall not be deemed to be a premium.

12 (b) Beginning July 1, 2023, and July 1st of each year thereafter,
13 the state treasurer shall deposit \$7,000,000 in moneys collected for
14 premium taxes pursuant to this section into the Washington auto theft
15 prevention authority account created in RCW 46.66.080. Beginning July
16 1, 2023, the amount deposited under this subsection must be adjusted
17 by the most current seasonally adjusted index of the consumer price
18 index for all urban consumers as published by the bureau of labor
19 statistics of the United States department of labor.

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

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

34 (3) In the case of insurers which require the payment by their
35 policyholders at the inception of their policies of the entire
36 premium thereon in the form of premiums or premium deposits which are
37 the same in amount, based on the character of the risks, regardless
38 of the length of term for which such policies are written, such tax
39 shall be in the amount of two percent of the gross amount of such
40 premiums and premium deposits upon policies on risks resident,

1 located, or to be performed in this state, in force as of the thirty-
2 first day of December next preceding, less the unused or unabsorbed
3 portion of such premiums and premium deposits computed at the average
4 rate thereof actually paid or credited to policyholders or applied in
5 part payment of any renewal premiums or premium deposits on one-year
6 policies expiring during such year.

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

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

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

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

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1 On page 1, line 2 of the title, after "account;" strike the
2 remainder of the title and insert "amending RCW 46.63.110, 46.66.080,
3 and 48.14.020; creating a new section; providing an effective date;
4 and declaring an emergency."

EFFECT: Revenues from the traffic infraction surcharge will no longer be deposited into the Washington auto theft prevention authority 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 \$7,000,000 in moneys collected for premium taxes into the Washington auto theft prevention authority account. Removes state confinement costs as an allowable use of the Washington auto theft prevention authority account. The act takes effect July 1, 2023.

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