

IN THE SENATE

SENATE BILL NO. 1265

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1 RELATING TO INSURANCE PREMIUM TAX FUNDING FOR THE IDAHO INDIVIDUAL HIGH RISK  
2 REINSURANCE POOL; AMENDING SECTION 41-406, IDAHO CODE, TO APPROPRIATE  
3 ONE-QUARTER OF THE INSURANCE PREMIUM TAX EXCEEDING FORTY-FIVE MILLION  
4 DOLLARS TO THE IDAHO INDIVIDUAL HIGH RISK REINSURANCE POOL; DECLARING  
5 AN EMERGENCY AND PROVIDING RETROACTIVE APPLICATION.  
6

7 Be It Enacted by the Legislature of the State of Idaho:

8 SECTION 1. That Section 41-406, Idaho Code, be, and the same is hereby  
9 amended to read as follows:

10 41-406. DEPOSIT AND REPORT OF FEES, LICENSES AND TAXES. (1) The direc-  
11 tor shall transmit all taxes, fines and penalties collected by him to the  
12 state treasurer as provided under section 59-1014, Idaho Code. The director  
13 shall file with the state controller a statement of each deposit thus made.  
14 All such funds received shall be deposited into the department of insurance  
15 suspense account.

16 Such funds shall be distributed as follows:

17 (a) The director may deposit up to twenty percent (20%) of the funds  
18 received in the insurance refund account which is hereby created for  
19 the purpose of repaying overpayments of any taxes, fines, and penalties  
20 or other erroneous receipts. There is hereby appropriated out of the  
21 insurance refund account so much thereof as shall be necessary for the  
22 payment of refunds. Any unencumbered balance remaining in the insur-  
23 ance refund account on June 30 of each and every year in excess of forty  
24 thousand dollars (\$40,000) shall be transferred to the general fund and  
25 the state controller is hereby authorized and directed on such dates to  
26 make such transfers unless the board of examiners, which is hereby au-  
27 thorized to do so, changes the date of transfer or sum to be transferred.

28 (b) That portion of the premium tax, payable to the public employee re-  
29 tirement fund as provided in section 59-1394, Idaho Code, shall be dis-  
30 tributed to that fund.

31 (c) That portion of the premium tax necessary to cover administrative  
32 costs incurred by the department in placing insurance companies or any  
33 other insurance entities into receivership or under administrative su-  
34 pervision, and such costs cannot be satisfied from the assets of these  
35 companies or entities, shall be distributed to the insurance insolvency  
36 administrative fund which is hereby created. There is hereby appro-  
37 priated out of the insurance insolvency administrative fund so much  
38 thereof as shall be necessary, but not to exceed two hundred thousand  
39 dollars (\$200,000) in any one (1) fiscal year, for the payment of the  
40 department's administrative expenses incurred in carrying out such re-  
41 ceiverships or supervision. A balance of one hundred thousand dollars  
42 (\$100,000) shall be maintained in this fund on June 30 of each year.

1        (d) After all other deductions authorized in this section have been  
2        made, if the premium tax remaining exceeds forty-five million dollars  
3        (\$45,000,000), one-fourth (1/4) of such excess is hereby appropriated  
4        and shall be paid to the Idaho individual high risk reinsurance pool  
5        established in chapter 55, title 41, Idaho Code.

6        (e) The balance of the premium tax, fines and penalties shall be dis-  
7        tributed to the general fund of the state of Idaho.

8        (f) All moneys received for fees, licenses and miscellaneous charges  
9        collected shall be distributed to the insurance administrative ac-  
10       count.

11       (2) The director shall make and file with the state controller an item-  
12       ized statement of the fees, licenses, taxes, fines and penalties collected  
13       by him during the preceding month.

14       SECTION 2. An emergency existing therefor, which emergency is hereby  
15       declared to exist, this act shall be in full force and effect on and after its  
16       passage and approval, and retroactively to October 1, 2015.