

WEST VIRGINIA LEGISLATURE

2021 REGULAR SESSION

Introduced

House Bill 2846

**FISCAL
NOTE**

BY DELEGATES KEATON AND HAYNES

[Introduced March 02, 2021; Referred to the
Committee on Banking and Insurance then Finance]

1 A BILL to amend and reenact §33-3-14 of the Code of West Virginia, 1931, as amended, relating
2 to dedicating 25 percent of the annual insurance premium tax to the PEIA Rainy Day Fund.

Be it enacted by the Legislature of West Virginia:

ARTICLE 3. LICENSING, FEES AND TAXATION OF INSURERS.

§33-3-14. Annual financial statement and premium tax return; remittance by insurer of premium tax, less certain deductions; special revenue fund created.

1 (a) Every insurer transacting insurance in West Virginia shall file with the commissioner,
2 on or before March 1, each year, a financial statement made under oath of its president or
3 secretary and on a form prescribed by the commissioner. The insurer shall also, on or before
4 March 1 of each year subject to ~~the provisions of §33-3-14c of this code~~, under the oath of its
5 president or secretary, make a premium tax return for the previous calendar year on a form
6 prescribed by the commissioner showing the gross amount of direct premiums, whether
7 designated as a premium or by some other name, collected and received by it during the previous
8 calendar year on policies covering risks resident, located or to be performed in this state and
9 compute the amount of premium tax chargeable to it in accordance with the provisions of this
10 article, deducting the amount of quarterly payments as required to be made pursuant to ~~the~~
11 ~~provisions of §33-3-14c of this code~~, if any, less any adjustments to the gross amount of the direct
12 premiums made during the calendar year, if any, and transmit with the return to the commissioner
13 a remittance in full for the tax due. The tax is the sum equal to two percent of the taxable premium
14 and also includes any additional tax due under §33-3-14c of this code. All taxes, except those
15 received on write your own federal flood insurance premium taxes, received by the commissioner
16 shall be paid into the insurance tax fund created in subsection (b) of this section: *Provided*, That
17 no later than June 30 of each year, 1,667,000 of the portion of taxes received by the commissioner
18 from insurance policies for medical liability insurance as defined in §33-20F-3 of this code and
19 from any insurer on its medical malpractice line shall be temporarily dedicated to replenishing
20 moneys appropriated from the tobacco settlement account pursuant to §4-11A-2 (c) of this code.

21 Upon determination by the commissioner that these moneys have been fully replenished to the
22 tobacco settlement account, the commissioner shall resume depositing taxes received from
23 medical malpractice premiums as provided in subsection (b) of this section.

24 (b) There is created in the state Treasury a special revenue fund, administered by the
25 treasurer, designated the "insurance tax fund". This fund is not part of the General Revenue Fund
26 of the state. It consists of all amounts deposited in the fund pursuant to subsection (a) of this
27 section, §33-3-15 and §33-3-17 of this code, except those received on write your own federal
28 flood insurance premium taxes, any appropriations to the fund, all interest earned from investment
29 of the fund and any gifts, grants or contributions received by the fund.

30 (c) After the transfers authorized in this section, the treasurer shall, no later than the last
31 business day of each month, transfer amounts the treasurer determines are not necessary for
32 making refunds under this article to the credit of the General Revenue Fund.

33 (d) There is created in the state Treasury a special revenue fund, administered by the
34 treasurer, designated the "flood insurance tax fund". This fund is not part of the General Revenue
35 Fund of the state. All taxes collected pursuant to subsection (a) of this section from federal flood
36 insurance policy premium taxes shall be deposited into the flood insurance tax fund. The flood
37 insurance tax fund shall contain collections, any appropriations to the fund and any gifts, grants
38 and contributions received.

39 (e) The treasurer is restricted to, and shall distribute from, the flood insurance tax fund for
40 activities which promote and enhance flood plain management issues and for subgrants to local
41 units of government and other eligible entities after full consideration of the recommendations of
42 the Office of Emergency Services

43 (f) Effective July 1, 2021, there shall be transferred, from the "insurance tax fund" to the
44 PEIA Rainy Day Fund created by §11B-2-15 of the code, 25 percent of the tax collected under
45 this section.

NOTE: The purpose of this bill is to dedicate 25 percent of the annual insurance premium tax to the PEIA Rainy Day Fund.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.