

NO FISCAL IMPACT



Drafting Number: LLS 14-0852
Prime Sponsor(s): Rep. Gerou
 Sen. Lambert

Date: February 12, 2014
Bill Status: House Finance
Fiscal Analyst: Bill Zepernick (303-866-4777)

SHORT TITLE: DIVERSION OF INSURANCE PREMIUM TAXES TO CASH FUNDS

Summary of Legislation

Under current law, the Division of Insurance in the Department of Regulatory Agencies collects insurance premium taxes, penalties, and fines, which are deposited in the General Fund. A portion of these funds is transferred to various cash funds. The bill, **recommended by the Joint Budget Committee**, clarifies that the General Assembly controls the amount of money from this revenue that is transferred to the Division of Insurance Cash Fund, the Wildfire Preparedness Fund, and the Wildfire Emergency Response Fund.

Background

Prior to 1992, the Division of Insurance was funded from the General Fund. Then, in 1992, the division became cash funded with moneys transferred from the General Fund to the Division of Insurance Cash Fund, with funding not to exceed five percent of the amount of insurance premium tax collected. Senate Bill 13-270 added a similar provision, without the five percent limit, to transfer funds to the two wildfire cash funds in the Department of Public Safety.

Assessment

The bill codifies existing practice and clarifies the authority of the General Assembly to control the amount of funding transferred from the General Fund to various cash funds from the taxes, penalties, and fines collected by the Division of Insurance. This bill will not change the amounts transferred to these funds.

Effective Date

The bill takes effect July 1, 2014.

State and Local Government Contacts

Regulatory Agencies

Public Safety

JBC Staff