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Amendments to House Bill No. 152
1st Reading Copy

Requested by Representative Sue Dickenson

For the House State Administration Committee

Prepared by Sheri Heffelfinger
January 21, 2005 (10:17am)

1. Title, page 1, line 7.

Following: " ; "

Insert: "INCREASING THE TAX ON FIRE INSURANCE PREMIUMS AND
ALLOCATING A PORTION OF THE TAX TO FUND THE BENEFIT
ADJUSTMENT; AMENDING SECTIONS 19-13-604, 33-2-708, AND 50-3-
109, MCA;"

Strike: "IMMEDIATE"

2. Page 1.

Following: line 20

Insert: "Section 2. Section 19-13-604, MCA, is amended to read:

"19-13-604. **State contribution.** (1) The state shall make
its contributions ~~from the general fund~~ as provided in this
section. The ~~general fund~~ contributions must be made annually
after the end of each fiscal year but no later than November 1.

(2) The board shall notify the state auditor by September 1
of each fiscal year of the annual compensation, excluding
overtime, holiday payments, shift differential payments,
compensatory time payments, and payments in lieu of sick leave,
paid to all active members during the preceding fiscal year.

(3) ~~The state's contribution is~~ The state shall contribute
to the retirement system's trust fund:

(a) 32.61% of this total compensation, which must be made
from the general fund; and

(b) 0.94% of this total compensation, which must be made
from the fire insurance premium tax collected and allocated
pursuant to 50-3-109 to pay for the benefits provided in [section
11.

(4) The contributions are statutorily appropriated, as
provided in 17-7-502."

{ Internal References to 19-13-604:

x17-7-502 x19-13-601 x19-17-301 }"

Insert: "Section 3. Section 33-2-708, MCA, is amended to read:

"33-2-708. **Fees and licenses.** (1) (a) Except as provided in
33-17-212(2), the commissioner shall collect a fee of \$1,900 from
each insurer applying for or annually renewing a certificate of
authority to conduct the business of insurance in Montana.

(b) The commissioner shall collect certain additional fees as follows:

- (i) nonresident insurance producer's license:
 - (A) application for original license, including issuance of license, if issued, \$100;
 - (B) biennial renewal of license, \$50;
 - (C) lapsed license reinstatement fee, \$100;
- (ii) resident insurance producer's license lapsed license reinstatement fee, \$100;
- (iii) surplus lines insurance producer's license:
 - (A) application for original license and for issuance of license, if issued, \$50;
 - (B) biennial renewal of license, \$100;
 - (C) lapsed license reinstatement fee, \$200;
- (iv) insurance adjuster's license:
 - (A) application for original license, including issuance of license, if issued, \$50;
 - (B) biennial renewal of license, \$100;
 - (C) lapsed license reinstatement fee, \$200;
- (v) insurance consultant's license:
 - (A) application for original license, including issuance of license, if issued, \$50;
 - (B) biennial renewal of license, \$100;
 - (C) lapsed license reinstatement fee, \$200;
- (vi) resident and nonresident rental car entity producer's license:
 - (A) application for original license, including issuance of license, if issued, \$100;
 - (B) quarterly filing fee, \$25;
- (vii) 50 cents for each page for copies of documents on file in the commissioner's office.

(c) The commissioner may adopt rules to determine the date by which a nonresident insurance producer, a surplus lines insurance producer, an insurance adjuster, or an insurance consultant is required to pay the fee for the biennial renewal of a license.

(2) (a) The commissioner shall charge a fee of \$75 for each course or program submitted for review as required by 33-17-1204 and 33-17-1205, but may not charge more than \$1,500 to a sponsoring organization submitting courses or programs for review in any biennium.

(b) Insurers and associations composed of members of the insurance industry are exempt from the charge in subsection (2) (a).

(3) The the commissioner shall promptly deposit with the state treasurer to the credit of the general fund all fines and penalties and those amounts received pursuant to 33-2-311, 33-2-705, and 33-28-201, ~~and 50-3-109~~. All other fees collected by the commissioner pursuant to Title 33 and the rules adopted under Title 33 must be deposited in the state special revenue

fund to the credit of the state auditor's office.

(4) All fees are considered fully earned when received. In the event of overpayment, only those amounts in excess of \$10 will be refunded."

{ Internal References to 33-2-708:

x33-2-115	x33-2-117	x33-2-117	x33-2-305
x33-2-1217	x33-4-101	x33-17-211	x33-17-211
x33-17-211	x33-17-219	x33-17-301	x33-17-301
x33-17-401	x33-17-503	x33-17-1002	x33-17-1204
x33-20-1315	x33-30-311	a50-3-109	}

Insert: "Section 4. Section 50-3-109, MCA, is amended to read:

"50-3-109. Tax on fire insurance premiums. (1) Each insurer authorized to effect insurance on risks enumerated in subsection (2) that is doing business in this state shall pay to the state auditor during the month of February or March in each year, in addition to the taxes on premiums required by law to be paid by it, taxes on the fire portion of the direct premiums on the enumerated risks received during the previous calendar year after deducting cancellations and return premiums. A The tax of is ~~2-1/2%~~ 2.67%, which must be deposited in the general fund, except that a portion of the tax must be allocated to the firefighters' unified retirement system as provided in ~~33-2-708~~ 19-13-604 to pay for the benefits provided in [section 1].

(2) The risks referred to in subsection (1) are:

(a) insurance of houses, buildings, and all other kinds of property against loss or damage by fire or other casualty;

(b) all kinds of insurance on goods, merchandise, or other property in the course of transportation, whether by land, water, or air;

(c) insurance against loss or damage to motor vehicles resulting from accident, collision, or marine and inland navigation and transportation perils;

(d) insurance of growing crops against loss or damage resulting from hail or the elements;

(e) insurance against loss or damage by water to any goods or premises arising from the breakage or leakage of sprinklers, pumps, or other apparatus;

(f) insurance against loss or legal liability for loss because of damage to property caused by the use of teams or vehicles, whether by accident or collision or by explosion of any engine, tank, boiler, pipe, or tire of any vehicle; and

(g) insurance against theft of the whole or any part of a vehicle."

{ Internal References to 50-3-109:

x19-17-301	x33-2-705	x33-2-708	}
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Renumber: subsequent sections

3. Page 1, line 26.

Strike: "on passage and approval"

Insert: "July 1, 2005"