

WEST VIRGINIA LEGISLATURE

2023 REGULAR SESSION

Introduced

House Bill 2165

FISCAL
NOTE

By Delegate Keaton

[Introduced January 11, 2023; 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 to
2 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 funds created.

1 (a) Every insurer transacting insurance in West Virginia shall file with the commissioner, on
2 or before March 1, each year, a financial statement made under oath of its president or secretary
3 and on a form prescribed by the commissioner. The insurer shall also, on or before March 1 of
4 each year subject to the provisions of §33-3-14c of this code, under the oath of its president or
5 secretary, make a premium tax return for the previous calendar year on a form prescribed by the
6 commissioner showing the gross amount of direct premiums, whether designated as a premium or
7 by some other name, collected, and received by it during the previous calendar year on policies
8 covering risks resident, located, or to be performed in this state and compute the amount of
9 premium tax chargeable to it in accordance with the provisions of this article, deducting the
10 amount of quarterly payments as required to be made pursuant to the provisions of §33-3-14c of
11 this code, if any, less any adjustments to the gross amount of the direct premiums made during the
12 calendar year, if any, and transmit with the return to the commissioner a remittance in full for the
13 tax due. The tax is the sum equal to two percent of the taxable premium and also includes any
14 additional tax due under §33-3-14a of this code. All taxes, except those received on write your own
15 federal flood insurance premium taxes or private market flood insurance premium taxes, received
16 by the commissioner shall be paid into the insurance tax fund created in §33-3-14(b) of this code.

17 (b) There is created in the State Treasury a special revenue fund, administered by the
18 Treasurer, designated the "insurance tax fund". This fund is not part of the General Revenue Fund
19 of the state. It consists of all amounts deposited in the fund pursuant to §33-3-14(a), §33-3-14a,
20 §33-3-15, and §33-3-17 of this code, any appropriations to the fund, all interest earned from

21 investment of the fund, and any gifts, grants, or contributions received by the fund: *Provided*, That
22 this subsection shall not apply to funds received on federal flood insurance premium taxes or
23 private market flood insurance premium taxes, which are subject to §33-3-14(c) of this code. The
24 Treasurer shall, no later than the last business day of each month, transfer an amount equal to 25
25 percent of the tax collected under this section to the Public Employees Insurance Reserve Fund,
26 created by §11B-2-15 of the code, and shall transfer amounts from the insurance tax fund to the
27 General Revenue Fund that the Treasurer determines are not necessary for making premium tax
28 refunds under this article or §33-43-1 *et seq.* of this code.

29 (c) There is created in the State Treasury a special revenue fund, administered by the
30 Treasurer, designated the "flood insurance tax fund". This fund is not part of the General Revenue
31 Fund of the state. All taxes collected pursuant to §33-3-14(a) of this code from federal flood
32 insurance policy premium taxes or private market flood insurance premium taxes shall be
33 deposited into the flood insurance tax fund. The flood insurance tax fund shall contain collections,
34 any appropriations to the fund, and any gifts, grants, and contributions received. The Treasurer
35 shall distribute funds from the flood insurance tax fund for the operations and responsibilities of the
36 State Office of the National Flood Insurance Program, as provided in §15-5-20b of this code, for
37 activities that promote and enhance floodplain management issues, and for subgrants to local
38 units of government and other eligible entities after full consideration of the recommendations of
39 the Division of Emergency Management.

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.