

INSURANCE PREMIUM TAX AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Curtis S. Bramble

House Sponsor: Val L. Peterson

LONG TITLE

Committee Note:

The Business and Labor Interim Committee recommended this bill.

General Description:

This bill modifies provisions related to the insurance premium tax.

Highlighted Provisions:

This bill:

- ▶ modifies provisions earmarking revenue for certain firefighter reasons;
- ▶ removes outdated reporting requirements;
- ▶ clarifies deposit of money into the General Fund unless otherwise earmarked by statute; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

This bill appropriates:

- ▶ to the Firefighters' Retirement Trust Fund as a one-time appropriation
 - from the General Fund, \$17,100,000; and
- ▶ to the Fire Academy Support Account as a one-time appropriation
 - from the General Fund, \$8,500,000.

Other Special Clauses:

This bill provides retrospective operation.

This bill provides a special effective date.



28 **Utah Code Sections Affected:**

29 AMENDS:

30 **49-11-901.5**, as enacted by Laws of Utah 2011, Chapters 290 and 439

31 **53-7-204.2**, as last amended by Laws of Utah 2011, Chapter 303

32 **59-1-403**, as last amended by Laws of Utah 2015, Chapters 411 and 451

33 **59-9-101**, as last amended by Laws of Utah 2016, Chapter 135



35 *Be it enacted by the Legislature of the state of Utah:*

36 Section 1. Section **49-11-901.5** is amended to read:

37 **49-11-901.5. Premium tax revenues -- Distribution.**

38 (1) (a) In accordance with this section there shall be paid to the office:

39 (i) ~~[50% of]~~ beginning on July 1, 2017, from the annual tax levied, assessed, and
40 collected under Title 59, Chapter 9, Taxation of Admitted Insurers, ~~[upon premiums for~~
41 ~~property insurance, as defined under Section 31A-1-301, and as applied to fire and allied lines~~
42 ~~insurance collected by insurance companies within the state]~~ an amount equal to \$13,600,000,
43 plus, beginning with fiscal year 2019 and subject to review by the Executive Appropriations
44 Committee, an increase in the dollar amount described in this Subsection (1)(a)(i) calculated:

45 (A) by taking the amount paid for the previous fiscal year under this Subsection
46 (1)(a)(i) and adding an amount equal to 6% multiplied by the amount paid under this
47 Subsection (1)(a)(i) for the previous fiscal year; and

48 (B) up to the nearest \$100 increment; and

49 (ii) 10% of all money assessed and collected under Title 59, Chapter 9, Taxation of
50 Admitted Insurers, upon premiums for life insurance, as defined in Section **31A-1-301**, within
51 the state.

52 (b) Payments to the fund shall be made annually until the service liability under this
53 part is liquidated, after which the tax revenue provided in this Subsection (1) ceases.

54 (2) The office shall distribute the premium tax revenue paid under Subsection (1) as
55 follows:

56 (a) an amount determined by the office to fully fund the long-term disability program
57 provided for firefighters under Section **49-23-601**;

58 (b) an amount determined by the office to the Firefighters' Retirement Trust Fund

59 created under Section 49-16-104 equal to the amount when calculated as a percentage of the
60 certified contribution rate for members in Divisions A and B, as defined under Section
61 49-16-301, that is the percentage of the certified contribution rate paid to the Firefighters'
62 Retirement Trust Fund on July 1, 2004; and

63 (c) any remaining amount in accordance with Section 49-11-902.

64 Section 2. Section 53-7-204.2 is amended to read:

65 **53-7-204.2. Fire Academy -- Establishment -- Fire Academy Support Account --**
66 **Funding.**

67 (1) In this section[:(a) "Account", "account" means the Fire Academy Support
68 Account created in Subsection (4).

69 [~~(b) "Property insurance premium" means premium paid as consideration for property~~
70 ~~insurance as defined in Section 31A-1-301.]~~

71 (2) The board shall:

72 (a) establish a fire academy that:

73 (i) provides instruction and training for paid, volunteer, institutional, and industrial
74 firefighters;

75 (ii) develops new methods of firefighting and fire prevention;

76 (iii) provides training for fire and arson detection and investigation;

77 (iv) provides public education programs to promote fire safety;

78 (v) provides for certification of firefighters, pump operators, instructors, and officers;

79 and

80 (vi) provides facilities for teaching fire-fighting skills;

81 (b) establish a cost recovery fee in accordance with Section 63J-1-504 for training
82 commercially employed firefighters; and

83 (c) request funding for the academy.

84 (3) The board may:

85 (a) accept gifts, donations, and grants of property and services on behalf of the fire
86 academy; and

87 (b) enter into contractual agreements necessary to facilitate establishment of the school.

88 (4) (a) To provide a funding source for the academy and for the general operation of
89 the State Fire Marshal Division, there is created in the General Fund a restricted account

90 known as the Fire Academy Support Account.

91 (b) The following revenue shall be deposited in the account to implement this section:

92 (i) ~~[the percentage specified in]~~ subject to Subsection (5), beginning on July 1, 2017,
93 \$6,600,000 of the annual tax for each year that is levied, assessed, and collected under Title 59,
94 Chapter 9, Taxation of Admitted Insurers~~[, upon property insurance premiums and as applied~~
95 ~~to fire and allied lines insurance collected by insurance companies within the state];~~

96 (ii) the percentage specified in Subsection (6) of all money assessed and collected upon
97 life insurance premiums within the state;

98 (iii) the cost recovery fees established by the board;

99 (iv) gifts, donations, and grants of property on behalf of the fire academy;

100 (v) appropriations made by the Legislature; and

101 (vi) money collected from civil penalties in accordance with Section 53-7-504.

102 (5) ~~[The percentage]~~ Subject to review by the Executive Appropriations Committee,
103 the amount of the tax specified in Subsection (4)(b)(i) to be deposited in the account each fiscal
104 year is ~~[25%.]~~ to be increased, beginning with fiscal year 2019, by an amount calculated:

105 (a) by taking the amount paid for the previous fiscal year under Subsection (4)(b)(i)
106 and adding an amount equal to 6% multiplied by the amount paid under Subsection (4)(b)(i) for
107 the previous fiscal year; and

108 (b) up to the nearest \$100 increment.

109 (6) The percentage of the money specified in Subsection (4)(b)(ii) to be deposited in
110 the account each fiscal year is 5%.

111 Section 3. Section 59-1-403 is amended to read:

112 **59-1-403. Confidentiality -- Exceptions -- Penalty -- Application to property tax.**

113 (1) (a) Any of the following may not divulge or make known in any manner any
114 information gained by that person from any return filed with the commission:

115 (i) a tax commissioner;

116 (ii) an agent, clerk, or other officer or employee of the commission; or

117 (iii) a representative, agent, clerk, or other officer or employee of any county, city, or
118 town.

119 (b) An official charged with the custody of a return filed with the commission is not
120 required to produce the return or evidence of anything contained in the return in any action or

121 proceeding in any court, except:

122 (i) in accordance with judicial order;

123 (ii) on behalf of the commission in any action or proceeding under:

124 (A) this title; or

125 (B) other law under which persons are required to file returns with the commission;

126 (iii) on behalf of the commission in any action or proceeding to which the commission
127 is a party; or

128 (iv) on behalf of any party to any action or proceeding under this title if the report or
129 facts shown by the return are directly involved in the action or proceeding.

130 (c) Notwithstanding Subsection (1)(b), a court may require the production of, and may
131 admit in evidence, any portion of a return or of the facts shown by the return, as are specifically
132 pertinent to the action or proceeding.

133 (2) This section does not prohibit:

134 (a) a person or that person's duly authorized representative from receiving a copy of
135 any return or report filed in connection with that person's own tax;

136 (b) the publication of statistics as long as the statistics are classified to prevent the
137 identification of particular reports or returns; and

138 (c) the inspection by the attorney general or other legal representative of the state of the
139 report or return of any taxpayer:

140 (i) who brings action to set aside or review a tax based on the report or return;

141 (ii) against whom an action or proceeding is contemplated or has been instituted under
142 this title; or

143 (iii) against whom the state has an unsatisfied money judgment.

144 (3) (a) Notwithstanding Subsection (1) and for purposes of administration, the
145 commission may by rule, made in accordance with Title 63G, Chapter 3, Utah Administrative
146 Rulemaking Act, provide for a reciprocal exchange of information with:

147 (i) the United States Internal Revenue Service; or

148 (ii) the revenue service of any other state.

149 (b) Notwithstanding Subsection (1) and for all taxes except individual income tax and
150 corporate franchise tax, the commission may by rule, made in accordance with Title 63G,
151 Chapter 3, Utah Administrative Rulemaking Act, share information gathered from returns and

152 other written statements with the federal government, any other state, any of the political
153 subdivisions of another state, or any political subdivision of this state, except as limited by
154 Sections 59-12-209 and 59-12-210, if the political subdivision, other state, or the federal
155 government grant substantially similar privileges to this state.

156 (c) Notwithstanding Subsection (1) and for all taxes except individual income tax and
157 corporate franchise tax, the commission may by rule, in accordance with Title 63G, Chapter 3,
158 Utah Administrative Rulemaking Act, provide for the issuance of information concerning the
159 identity and other information of taxpayers who have failed to file tax returns or to pay any tax
160 due.

161 (d) Notwithstanding Subsection (1), the commission shall provide to the director of the
162 Division of Environmental Response and Remediation, as defined in Section 19-6-402, as
163 requested by the director of the Division of Environmental Response and Remediation, any
164 records, returns, or other information filed with the commission under Chapter 13, Motor and
165 Special Fuel Tax Act, or Section 19-6-410.5 regarding the environmental assurance program
166 participation fee.

167 (e) Notwithstanding Subsection (1), at the request of any person the commission shall
168 provide that person sales and purchase volume data reported to the commission on a report,
169 return, or other information filed with the commission under:

170 (i) Chapter 13, Part 2, Motor Fuel; or

171 (ii) Chapter 13, Part 4, Aviation Fuel.

172 (f) Notwithstanding Subsection (1), upon request from a tobacco product manufacturer,
173 as defined in Section 59-22-202, the commission shall report to the manufacturer:

174 (i) the quantity of cigarettes, as defined in Section 59-22-202, produced by the
175 manufacturer and reported to the commission for the previous calendar year under Section
176 59-14-407; and

177 (ii) the quantity of cigarettes, as defined in Section 59-22-202, produced by the
178 manufacturer for which a tax refund was granted during the previous calendar year under
179 Section 59-14-401 and reported to the commission under Subsection 59-14-401(1)(a)(v).

180 (g) Notwithstanding Subsection (1), the commission shall notify manufacturers,
181 distributors, wholesalers, and retail dealers of a tobacco product manufacturer that is prohibited
182 from selling cigarettes to consumers within the state under Subsection 59-14-210(2).

- 183 (h) Notwithstanding Subsection (1), the commission may:
- 184 (i) provide to the Division of Consumer Protection within the Department of
185 Commerce and the attorney general data:
- 186 (A) reported to the commission under Section 59-14-212; or
- 187 (B) related to a violation under Section 59-14-211; and
- 188 (ii) upon request, provide to any person data reported to the commission under
189 Subsections 59-14-212(1)(a) through (c) and Subsection 59-14-212(1)(g).
- 190 (i) Notwithstanding Subsection (1), the commission shall, at the request of a committee
191 of the Legislature, the Office of the Legislative Fiscal Analyst, or the Governor's Office of
192 Management and Budget, provide to the committee or office the total amount of revenues
193 collected by the commission under Chapter 24, Radioactive Waste Facility Tax Act, for the
194 time period specified by the committee or office.
- 195 (j) Notwithstanding Subsection (1), the commission shall make the directory required
196 by Section 59-14-603 available for public inspection.
- 197 (k) Notwithstanding Subsection (1), the commission may share information with
198 federal, state, or local agencies as provided in Subsection 59-14-606(3).
- 199 (l) (i) Notwithstanding Subsection (1), the commission shall provide the Office of
200 Recovery Services within the Department of Human Services any relevant information
201 obtained from a return filed under Chapter 10, Individual Income Tax Act, regarding a taxpayer
202 who has become obligated to the Office of Recovery Services.
- 203 (ii) The information described in Subsection (3)(l)(i) may be provided by the Office of
204 Recovery Services to any other state's child support collection agency involved in enforcing
205 that support obligation.
- 206 (m) (i) Notwithstanding Subsection (1), upon request from the state court
207 administrator, the commission shall provide to the state court administrator, the name, address,
208 telephone number, county of residence, and Social Security number on resident returns filed
209 under Chapter 10, Individual Income Tax Act.
- 210 (ii) The state court administrator may use the information described in Subsection
211 (3)(m)(i) only as a source list for the master jury list described in Section 78B-1-106.
- 212 ~~[(n) Notwithstanding Subsection (1), the commission shall at the request of a~~
213 ~~committee, commission, or task force of the Legislature provide to the committee, commission,~~

214 ~~or task force of the Legislature any information relating to a tax imposed under Chapter 9,~~
215 ~~Taxation of Admitted Insurers, relating to the study required by Section 59-9-101.]~~

216 ~~(3)(~~(n)~~)~~ (i) As used in this Subsection (3)~~(~~(n)~~)~~, "office" means the:

217 (A) Office of the Legislative Fiscal Analyst; or

218 (B) Office of Legislative Research and General Counsel.

219 (ii) Notwithstanding Subsection (1) and except as provided in Subsection

220 ~~(3)(~~(n)~~)~~(iii), the commission shall at the request of an office provide to the office all
221 information:

222 (A) gained by the commission; and

223 (B) required to be attached to or included in returns filed with the commission.

224 (iii) (A) An office may not request and the commission may not provide to an office a
225 person's:

226 (I) address;

227 (II) name;

228 (III) Social Security number; or

229 (IV) taxpayer identification number.

230 (B) The commission shall in all instances protect the privacy of a person as required by
231 Subsection (3)~~(~~(n)~~)~~(iii)(A).

232 (iv) An office may provide information received from the commission in accordance
233 with this Subsection (3)~~(~~(n)~~)~~ only:

234 (A) as:

235 (I) a fiscal estimate;

236 (II) fiscal note information; or

237 (III) statistical information; and

238 (B) if the information is classified to prevent the identification of a particular return.

239 (v) (A) A person may not request information from an office under Title 63G, Chapter
240 2, Government Records Access and Management Act, or this section, if that office received the
241 information from the commission in accordance with this Subsection (3)~~(~~(n)~~)~~.

242 (B) An office may not provide to a person that requests information in accordance with
243 Subsection (3)~~(~~(n)~~)~~(v)(A) any information other than the information the office provides in
244 accordance with Subsection (3)~~(~~(n)~~)~~(iv).

245 ~~[(p)]~~ (o) Notwithstanding Subsection (1), the commission may provide to the
246 governing board of the agreement or a taxing official of another state, the District of Columbia,
247 the United States, or a territory of the United States:

248 (i) the following relating to an agreement sales and use tax:

249 (A) information contained in a return filed with the commission;

250 (B) information contained in a report filed with the commission;

251 (C) a schedule related to Subsection (3)~~[(p)]~~(o)(i)(A) or (B); or

252 (D) a document filed with the commission; or

253 (ii) a report of an audit or investigation made with respect to an agreement sales and
254 use tax.

255 ~~[(q)]~~ (p) Notwithstanding Subsection (1), the commission may provide information
256 concerning a taxpayer's state income tax return or state income tax withholding information to
257 the Driver License Division if the Driver License Division:

258 (i) requests the information; and

259 (ii) provides the commission with a signed release form from the taxpayer allowing the
260 Driver License Division access to the information.

261 ~~[(r)]~~ (q) Notwithstanding Subsection (1), the commission shall provide to the Utah
262 Communications Authority, or a division of the Utah Communications Authority, the
263 information requested by the authority under Sections [63H-7a-302](#), [63H-7a-402](#), and
264 [63H-7a-502](#).

265 ~~[(s)]~~ (r) Notwithstanding Subsection (1), the commission shall provide to the Utah
266 Educational Savings Plan information related to a resident or nonresident individual's
267 contribution to a Utah Educational Savings Plan account as designated on the resident or
268 nonresident's individual income tax return as provided under Section [59-10-1313](#).

269 ~~[(t)]~~ (s) Notwithstanding Subsection (1), for the purpose of verifying eligibility under
270 Sections [26-18-2.5](#) and [26-40-105](#), the commission shall provide an eligibility worker with the
271 Department of Health or its designee with the adjusted gross income of an individual if:

272 (i) an eligibility worker with the Department of Health or its designee requests the
273 information from the commission; and

274 (ii) the eligibility worker has complied with the identity verification and consent
275 provisions of Sections [26-18-2.5](#) and [26-40-105](#).

276 ~~(t)~~ (t) Notwithstanding Subsection (1), the commission may provide to a county, as
277 determined by the commission, information declared on an individual income tax return in
278 accordance with Section 59-10-103.1 that relates to eligibility to claim a residential exemption
279 authorized under Section 59-2-103.

280 (4) (a) Each report and return shall be preserved for at least three years.

281 (b) After the three-year period provided in Subsection (4)(a) the commission may
282 destroy a report or return.

283 (5) (a) Any person who violates this section is guilty of a class A misdemeanor.

284 (b) If the person described in Subsection (5)(a) is an officer or employee of the state,
285 the person shall be dismissed from office and be disqualified from holding public office in this
286 state for a period of five years thereafter.

287 (c) Notwithstanding Subsection (5)(a) or (b), an office that requests information in
288 accordance with Subsection (3)~~(t)~~(n)(iii) or a person that requests information in accordance
289 with Subsection (3)~~(t)~~(n)(v):

290 (i) is not guilty of a class A misdemeanor; and

291 (ii) is not subject to:

292 (A) dismissal from office in accordance with Subsection (5)(b); or

293 (B) disqualification from holding public office in accordance with Subsection (5)(b).

294 (6) Except as provided in Section 59-1-404, this part does not apply to the property tax.
295 Section 4. Section 59-9-101 is amended to read:

296 **59-9-101. Tax basis -- Rates -- Exemptions -- Rate reductions.**

297 (1) (a) Except as provided in Subsection (1)(b), (1)(d), or (5), an admitted insurer shall
298 pay to the commission on or before March 31 in each year, a tax of 2-1/4% of the total
299 premiums received by it during the preceding calendar year from insurance covering property
300 or risks located in this state.

301 (b) This Subsection (1) does not apply to:

302 (i) workers' compensation insurance, assessed under Subsection (2);

303 (ii) title insurance premiums taxed under Subsection (3);

304 (iii) annuity considerations;

305 (iv) insurance premiums paid by an institution within the state system of higher
306 education as specified in Section 53B-1-102; and

- 307 (v) ocean marine insurance.
- 308 (c) The taxable premium under this Subsection (1) shall be reduced by:
- 309 (i) the premiums returned or credited to policyholders on direct business subject to tax
310 in this state;
- 311 (ii) the premiums received for reinsurance of property or risks located in this state; and
- 312 (iii) the dividends, including premium reduction benefits maturing within the year:
- 313 (A) paid or credited to policyholders in this state; or
- 314 (B) applied in abatement or reduction of premiums due during the preceding calendar
315 year.
- 316 (d) (i) For purposes of this Subsection (1)(d):
- 317 (A) "Utah variable life insurance premium" means an insurance premium paid:
- 318 (I) by:
- 319 (Aa) a corporation; or
- 320 (Bb) a trust established or funded by a corporation; and
- 321 (II) for variable life insurance covering risks located within the state.
- 322 (B) "Variable life insurance" means an insurance policy that provides for life
323 insurance, the amount or duration of which varies according to the investment experience of
324 one or more separate accounts that are established and maintained by the insurer pursuant to
325 Title 31A, Insurance Code.
- 326 (ii) Notwithstanding Subsection (1)(a), beginning on January 1, 2006, the tax on that
327 portion of the total premiums subject to a tax under Subsection (1)(a) that is a Utah variable
328 life insurance premium shall be calculated as follows:
- 329 (A) 2-1/4% of the first \$100,000 of Utah variable life insurance premiums:
- 330 (I) paid for each variable life insurance policy; and
- 331 (II) received by the admitted insurer in the preceding calendar year; and
- 332 (B) 0.08% of the Utah variable life insurance premiums that exceed \$100,000:
- 333 (I) paid for the policy described in Subsection (1)(d)(ii)(A); and
- 334 (II) received by the admitted insurer in the preceding calendar year.
- 335 (2) (a) An admitted insurer writing workers' compensation insurance in this state,
336 including the Workers' Compensation Fund created under Title 31A, Chapter 33, Workers'
337 Compensation Fund, shall pay to the tax commission, on or before March 31 in each year, a

338 premium assessment on the basis of the total workers' compensation premium income received
339 by the insurer from workers' compensation insurance in this state during the preceding calendar
340 year as follows:

341 (i) on or before December 31, 2010, an amount of equal to or greater than 1%, but
342 equal to or less than 5.75% of the total workers' compensation premium income described in
343 this Subsection (2);

344 (ii) on and after January 1, 2011, but on or before December 31, 2017, an amount of
345 equal to or greater than 1%, but equal to or less than 4.25% of the total workers' compensation
346 premium income described in this Subsection (2); and

347 (iii) on and after January 1, 2018, an amount equal to 1.25% of the total workers'
348 compensation premium income described in this Subsection (2).

349 (b) Total workers' compensation premium income means the net written premium as
350 calculated before any premium reduction for any insured employer's deductible, retention, or
351 reimbursement amounts and also those amounts equivalent to premiums as provided in Section
352 [34A-2-202](#).

353 (c) The percentage of premium assessment applicable for a calendar year shall be
354 determined by the Labor Commission under Subsection (2)(d). The total premium income
355 shall be reduced in the same manner as provided in Subsections (1)(c)(i) and (1)(c)(ii), but not
356 as provided in Subsection (1)(c)(iii). The commission shall promptly remit from the premium
357 assessment collected under this Subsection (2):

358 (i) income to the state treasurer for credit to the Employers' Reinsurance Fund created
359 under Subsection [34A-2-702](#)(1) as follows:

360 (A) on or before December 31, 2009, an amount of up to 5% of the total workers'
361 compensation premium income;

362 (B) on and after January 1, 2010, but on or before December 31, 2010, an amount of up
363 to 4.5% of the total workers' compensation premium income;

364 (C) on and after January 1, 2011, but on or before December 31, 2017, an amount of up
365 to 3% of the total workers' compensation premium income; and

366 (D) on and after January 1, 2018, 0% of the total workers' compensation premium
367 income;

368 (ii) an amount equal to 0.25% of the total workers' compensation premium income to

369 the state treasurer for credit to the Workplace Safety Account created by Section 34A-2-701;

370 (iii) an amount of up to 0.5% and any remaining assessed percentage of the total
371 workers' compensation premium income to the state treasurer for credit to the Uninsured
372 Employers' Fund created under Section 34A-2-704; and

373 (iv) beginning on January 1, 2010, 0.5% of the total workers' compensation premium
374 income to the state treasurer for credit to the Industrial Accident Restricted Account created in
375 Section 34A-2-705.

376 (d) (i) The Labor Commission shall determine the amount of the premium assessment
377 for each year on or before each October 15 of the preceding year. The Labor Commission shall
378 make this determination following a public hearing. The determination shall be based upon the
379 recommendations of a qualified actuary.

380 (ii) The actuary shall recommend a premium assessment rate sufficient to provide
381 payments of benefits and expenses from the Employers' Reinsurance Fund and to project a
382 funded condition with assets greater than liabilities by no later than June 30, 2025.

383 (iii) The actuary shall recommend a premium assessment rate sufficient to provide
384 payments of benefits and expenses from the Uninsured Employers' Fund and to maintain it at a
385 funded condition with assets equal to or greater than liabilities.

386 (iv) At the end of each fiscal year the minimum approximate assets in the Employers'
387 Reinsurance Fund shall be \$5,000,000 which amount shall be adjusted each year beginning in
388 1990 by multiplying by the ratio that the total workers' compensation premium income for the
389 preceding calendar year bears to the total workers' compensation premium income for the
390 calendar year 1988.

391 (v) The requirements of Subsection (2)(d)(iv) cease when the future annual
392 disbursements from the Employers' Reinsurance Fund are projected to be less than the
393 calculations of the corresponding future minimum required assets. The Labor Commission
394 shall, after a public hearing, determine if the future annual disbursements are less than the
395 corresponding future minimum required assets from projections provided by the actuary.

396 (vi) At the end of each fiscal year the minimum approximate assets in the Uninsured
397 Employers' Fund shall be \$2,000,000, which amount shall be adjusted each year beginning in
398 1990 by multiplying by the ratio that the total workers' compensation premium income for the
399 preceding calendar year bears to the total workers' compensation premium income for the

400 calendar year 1988.

401 (e) A premium assessment that is to be transferred into the General Fund may be
402 collected on premiums received from Utah public agencies.

403 (3) An admitted insurer writing title insurance in this state shall pay to the commission,
404 on or before March 31 in each year, a tax of .45% of the total premium received by either the
405 insurer or by its agents during the preceding calendar year from title insurance concerning
406 property located in this state. In calculating this tax, "premium" includes the charges made to
407 an insured under or to an applicant for a policy or contract of title insurance for:

408 (a) the assumption by the title insurer of the risks assumed by the issuance of the policy
409 or contract of title insurance; and

410 (b) abstracting title, title searching, examining title, or determining the insurability of
411 title, and every other activity, exclusive of escrow, settlement, or closing charges, whether
412 denominated premium or otherwise, made by a title insurer, an agent of a title insurer, a title
413 insurance producer, or any of them.

414 (4) Beginning July 1, 1986, a former county mutual and a former mutual benefit
415 association shall pay the premium tax or assessment due under this chapter. Premiums
416 received after July 1, 1986, shall be considered in determining the tax or assessment.

417 (5) The following insurers are not subject to the premium tax on health care insurance
418 that would otherwise be applicable under Subsection (1):

419 (a) an insurer licensed under Title 31A, Chapter 5, Domestic Stock and Mutual
420 Insurance Corporations;

421 (b) an insurer licensed under Title 31A, Chapter 7, Nonprofit Health Service Insurance
422 Corporations;

423 (c) an insurer licensed under Title 31A, Chapter 8, Health Maintenance Organizations
424 and Limited Health Plans;

425 (d) an insurer licensed under Title 31A, Chapter 9, Insurance Fraternal;

426 (e) an insurer licensed under Title 31A, Chapter 11, Motor Clubs; and

427 [~~(f) an insurer licensed under Title 31A, Chapter 13, Employee Welfare Funds and~~
428 ~~Plans; and]~~

429 [~~(g)~~ (f) an insurer licensed under Title 31A, Chapter 14, Foreign Insurers.

430 (6) An insurer issuing multiple policies to an insured may not artificially allocate the

431 premiums among the policies for purposes of reducing the aggregate premium tax or
432 assessment applicable to the policies.

433 (7) The retaliatory provisions of Title 31A, Chapter 3, Department Funding, Fees, and
434 Taxes, apply to the tax or assessment imposed under this chapter.

435 (8) (a) Money collected under this chapter, unless otherwise allocated by statute to
436 another fund or account, shall be deposited into the General Fund.

437 (b) Money allocated to another fund or account includes the money allocated under:

438 (i) Section 49-11-901.5;

439 (ii) Section 53-7-204.2;

440 (iii) Section 59-9-105; and

441 (iv) Subsection (2).

442 Section 5. **Appropriation.**

443 The following sums of money are appropriated for the fiscal year beginning July 1,
444 2017, and ending June 30, 2018. These are additions to amounts previously appropriated for
445 fiscal year 2018. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures
446 Act, the Legislature appropriates the following sums of money from the funds or accounts
447 indicated for the use and support of the government of the state of Utah.

448 ITEM 1

449 To the Firefighters' Retirement Trust Fund

450 From General Fund, One-time \$17,100,000

451 Schedule of Programs:

452 Firefighters' Retirement Trust Fund \$17,100,000

453 ITEM 2

454 To the Fire Academy Support Account

455 From General Fund, One-time \$8,500,000

456 Schedule of Programs:

457 GFR Fire Academy Support Account \$8,500,000

458 Section 6. **Retrospective operation.**

459 This bill has retrospective operation for a taxable year beginning on or after January 1,
460 2017.

461 Section 7. **Effective date.**

462 If approved by two-thirds of all the members elected to each house, this bill takes effect
463 upon approval by the governor, or the day following the constitutional time limit of Utah
464 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,
465 the date of veto override.

Legislative Review Note
Office of Legislative Research and General Counsel