

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1997**

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**HOUSE BILL 106\***

Short Title: Interstate Auditors/Regulatory Fund.

(Public)

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Sponsors: Representatives Neely, Blue, Cansler, Capps, Church, and Shubert.

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Referred to: Finance.

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February 12, 1997

**A BILL TO BE ENTITLED**

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2 **AN ACT TO ENHANCE COMPLIANCE AND ENFORCEMENT OF EXISTING TAX**  
3 **LAWS BY APPROPRIATING FUNDS TO EXPAND THE NUMBER OF**  
4 **AUDITORS AND SUPPORT PERSONNEL IN THE INTERSTATE AUDIT**  
5 **DIVISION OF THE DEPARTMENT OF REVENUE, AND TO PROVIDE THAT**  
6 **PERSONNEL WHO ADMINISTER THE INSURANCE GROSS PREMIUMS TAX**  
7 **SHALL CONTINUE TO BE FUNDED FROM THE INSURANCE REGULATORY**  
8 **CHARGE.**

9 The General Assembly of North Carolina enacts:

10 Section 1. G.S. 58-6-25(d) reads as rewritten:

11 "(d) Use of Proceeds. – The Insurance Regulatory Fund is created in the State  
12 treasury, under the control of the Office of State Budget and Management. The proceeds  
13 of the charge levied in this section and all fees collected under Articles 69 through 71 of  
14 this Chapter and under Articles 9 and 9C of Chapter 143 of the General Statutes shall be  
15 credited to the Fund. The Fund shall be placed in an interest-bearing account and any  
16 interest or other income derived from the Fund shall be credited to the Fund. Moneys in  
17 the Fund may be spent only pursuant to appropriation by the General Assembly and in  
18 accordance with the line item budget enacted by the General Assembly. The Fund is  
19 subject to the provisions of the Executive Budget Act, except that no unexpended surplus

1 of the Fund shall revert to the General Fund. All money credited to the Fund shall be used  
2 to reimburse the General Fund for the following:

3 (1) Money appropriated to the Department of Insurance to pay its expenses  
4 incurred in regulating the insurance industry and other industries in this  
5 State.

6 (2) Money appropriated to State agencies to pay the expenses incurred in  
7 regulating the insurance industry, in certifying statewide data processors  
8 under Article 11A of Chapter 131E of the General Statutes, and in  
9 purchasing reports of patient data from statewide data processors  
10 certified under that Article.

11 (3) Money appropriated to the Department of Revenue to pay the expenses  
12 incurred in collecting and administering the taxes on insurance  
13 companies levied in Article 8B of Chapter 105 of the General Statutes."

14 Section 2. The two positions transferred from the Department of Insurance to  
15 the Department of Revenue for the 1995-96 fiscal year to collect the taxes on insurance  
16 companies levied in Article 8B of Chapter 105 of the General Statutes shall be funded  
17 from the Insurance Regulatory Fund established in G.S. 58-6-25, as they were before  
18 their transfer. The portion of the Department of Revenue's budget formerly dedicated to  
19 supporting these two positions, ninety-nine thousand two hundred seventy dollars  
20 (\$99,270), shall be used to support additional positions in the Interstate Audit Division.

21 Section 3. There is appropriated from the General Fund to the Department of  
22 Revenue the sum of four hundred twenty-one thousand four hundred ninety-seven dollars  
23 (\$421,497) for the 1997-98 fiscal year and the sum of seven hundred ten thousand four  
24 hundred fifty-one dollars (\$710,451) for the 1998-99 fiscal year for seven additional  
25 auditors in the Interstate Audit Division, two tax technicians as support personnel in the  
26 Interstate Audit Division, and a tax administrator III in the Tax Administration Division,  
27 and for other costs resulting from the additional tax enforcement personnel.

28 Section 4. This act becomes effective July 1, 1997.