

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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SENATE DRS15010-LR-5A* (11/15)

Short Title: Workers' Comp Fund/Safety Workers Allocation. (Public)

Sponsors: Senator Hartsell (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT MODIFYING THE ALLOCATION OF THE PROCEEDS FROM THE GROSS
3 PREMIUM TAX ON INSURANCE COMPANIES UNDER G.S. 105-228.5 TO
4 INCLUDE DEDICATED FUNDING FOR THE NORTH CAROLINA FIREMEN'S AND
5 RESCUE SQUAD WORKERS' PENSION FUND AND THE WORKERS'
6 COMPENSATION FUND FOR THE BENEFIT OF VOLUNTEER SAFETY WORKERS.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** G.S. 105-228.5(d)(3) reads as rewritten:

9 "(d) Tax Rates; Disposition. –

10 ...

11 (3) Additional Rate on Property Coverage Contracts. – An additional tax at the
12 rate of seventy-four hundredths percent (0.74%) applies to gross premiums
13 on insurance contracts for property coverage. The tax is imposed on ten
14 percent (10%) of the gross premiums from insurance contracts for
15 automobile physical damage coverage and on one hundred percent (100%)
16 of the gross premiums from all other contracts for property coverage. Thirty
17 percent (30%) of the net proceeds of this additional tax must be credited to
18 the Volunteer Fire Department Fund established in Article 87 of Chapter 58
19 of the General Statutes. Twenty-five percent (25%) of the net proceeds must
20 be credited to the Department of Insurance for disbursement pursuant to
21 G.S. 58-84-25. ~~The remaining net proceeds must be credited to the General~~
22 ~~Fund.~~ Twenty-seven percent (27%) of the net proceeds must be credited to
23 the Department of Insurance for the Workers' Compensation Fund
24 established under G.S. 58-87-10. Eighteen percent (18%) of the net proceeds
25 must be credited to the Office of the State Treasurer for The North Carolina
26 Firemen's and Rescue Squad Workers' Pension Fund established under
27 Article 86 of Chapter 58 of the General Statutes.

28 The following definitions apply in this subdivision:

- 29 a. Automobile physical damage. – The following lines of business
30 identified by the NAIC: private passenger automobile physical
31 damage and commercial automobile physical damage.
32 b. Property coverage. – The following lines of business identified by
33 the NAIC: fire, farm owners multiple peril, homeowners multiple
34 peril, nonliability portion of commercial multiple peril, ocean
35 marine, inland marine, earthquake, private passenger automobile



- 1 physical damage, commercial automobile physical damage, aircraft,
- 2 and boiler and machinery. The term also includes insurance contracts
- 3 for wind damage.
- 4 c. NAIC. – National Association of Insurance Commissioners.
- 5 (4) Repealed by Session Laws 2006-196, effective for taxable years beginning
- 6 on or after January 1, 2008.
- 7 (5) Repealed by Session Laws 2003-284, s. 43.1, effective for taxable years
- 8 beginning on or after January 1, 2004.
- 9 (6) Repealed by Session Laws 2005-276, s. 38.4(a), effective for taxable years
- 10 beginning on or after January 1, 2007."
- 11 **SECTION 2.** This act becomes effective July 1, 2013. This act does not obligate
- 12 the General Assembly to appropriate funds.