

By: Keffer

H.B. No. 2421

A BILL TO BE ENTITLED

AN ACT

relating to funding of the emergency services retirement trust fund and the statewide wildfire protection plan.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 202, Insurance Code, is amended by adding Section 202.053 to read as follows:

Sec. 202.053. SURCHARGE IMPOSED ON CERTAIN INSURANCE POLICIES. (a) A surcharge in the amount of \$1 is imposed on each insurer for each policy written by the insurer that is classified as:

(1) fire and allied lines insurance;

(2) homeowner multiple peril insurance;

(3) multiple peril crop insurance;

(4) the nonliability portion of commercial multiple peril insurance;

(5) inland marine insurance; and

(6) earthquake insurance.

(b) From the surcharges collected under Subsection (a), the amount of \$1 million shall be deposited to the credit of the emergency services retirement system trust fund on or before June 15 of each year of the state fiscal biennium.

(c) Money collected under Subsection (a) remaining after the deposits made under Subsection (b) shall be deposited to a segregated account in the general revenue fund that may be

1 appropriated only to the Texas Forest Service to implement and  
2 administer the service's statewide wildfire protection plan.

3 (d) An insurer may recover a surcharge paid under this  
4 section by:

5 (1) reflecting the surcharge paid as an expense in a  
6 rate filing required under this code; or

7 (2) charging the amount of the surcharge to the  
8 insurer's policyholders in the manner prescribed by the  
9 commissioner.

10 (e) The comptroller shall administer the remittance of the  
11 surcharge imposed by this section and shall provide forms and  
12 establish a date by which each insurer must remit the surcharge to  
13 the state. The comptroller may adopt rules to implement the  
14 administration, collection, reporting, and enforcement  
15 responsibilities assigned to the comptroller under this section.

16 (f) Subtitles A and B, Title 2, Tax Code, apply to the  
17 administration, collection, reporting, and enforcement by the  
18 comptroller of the surcharge imposed by this section.

19 SECTION 2. Chapter 221, Insurance Code, is amended by  
20 adding Section 221.008 to read as follows:

21 Sec. 221.008. USE OF CERTAIN TAXES. (a) Of the tax  
22 collected under this chapter and attributable to gross premiums for  
23 fire insurance and allied lines a percentage shall be allocated in  
24 accordance with this section. The amount allocated under this  
25 subsection must be equal to the amount determined to be necessary to  
26 provide funding under Subsections (b) and (c).

27 (b) From the money described by Subsection (a), in each

1 state fiscal biennium:

2 (1) the amount of \$1 million shall be deposited to the  
3 credit of the emergency services retirement trust fund on or before  
4 March 15 of the first year of the fiscal biennium; and

5 (2) the amount of \$1 million shall be deposited to the  
6 credit of that fund on or before March 15 of the second year of the  
7 fiscal biennium.

8 (c) Money described by Subsection (a) remaining after the  
9 deposits made under Subsection (b) shall be deposited to a  
10 segregated account in the general revenue fund that may be  
11 appropriated only to the Texas Forest Service to implement and  
12 administer the service's statewide wildfire protection plan.

13 SECTION 3. Subchapter B, Chapter 88, Education Code, is  
14 amended by adding Section 88.121 to read as follows:

15 Sec. 88.121. SEGREGATED ACCOUNT. The wildfire protection  
16 account is a segregated account in the general revenue fund. The  
17 account is composed of money transferred to the account in  
18 accordance with the General Appropriations Act and other money  
19 deposited to the account under law. Money in the account may be  
20 appropriated only to the Texas Forest Service to implement and  
21 administer the service's statewide wildfire protection plan.

22 SECTION 4. Chapter 865, Government Code, is amended by  
23 adding Section 865.0155 to read as follows:

24 Sec. 865.0155. SEGREGATED ACCOUNT. The emergency services  
25 retirement account is a segregated account in the general revenue  
26 fund. The account is composed of money transferred to the account  
27 in accordance with the General Appropriations Act and other money

1 deposited to the account under law. Money in the account may be  
2 appropriated only to the state board for deposit to the emergency  
3 services retirement trust fund.

4 SECTION 5. Section 202.053, Insurance Code, as added by  
5 this Act, applies only to an insurance policy that is delivered,  
6 issued for delivery, or renewed on or after September 1, 2007. A  
7 policy that is delivered, issued for delivery, or renewed before  
8 September 1, 2007, is governed by the law as it existed immediately  
9 before the effective date of this Act, and that law is continued in  
10 effect for that purpose.

11 SECTION 6. This Act takes effect immediately if it receives  
12 a vote of two-thirds of all the members elected to each house, as  
13 provided by Section 39, Article III, Texas Constitution. If this  
14 Act does not receive the vote necessary for immediate effect, this  
15 Act takes effect September 1, 2007.