

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas

*As Engrossed: H2/9/99 H2/25/99 S4/1/99*

2 82nd General Assembly

# A Bill

Act 1394 of 1999

3 Regular Session, 1999

HOUSE BILL 1412

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5 By: Representatives Angel, Milligan, Simmons, Weaver, Cleveland, Minton, M. Steele, Simon, Lavery,  
6 Jacobs, Agee, Willis, J. Jeffress, Eason, Lancaster, Prater, Wood, Oglesby, T. Smith, Pappas, Teague,  
7 Ammons, Broadway, Gillespie, Rodgers, *Faris, Hickinbotham, King, Ferguson, House, Glover, Luker,*  
8 *Bookout, Dees, Horn, P. Malone, Gullett, Wilkinson, Courtway, R. Smith*

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## For An Act To Be Entitled

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"AN ACT TO AMEND ARKANSAS CODE 24-11-301 CONCERNING

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THE APPROPRIATION OF INSURANCE PREMIUM TAXES; AND FOR

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OTHER PURPOSES. "

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## Subtitle

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"AN ACT TO AMEND ARKANSAS CODE 24-11-301

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CONCERNING THE APPROPRIATION OF

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INSURANCE PREMIUM TAXES; AND FOR OTHER

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PURPOSES. "

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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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25 SECTION 1. Arkansas Code 24-11-301 is amended to read as follows:

26 "24-11-301. Appropriation of tax revenues from foreign insurers.

27 (a) Sixty-six and two-thirds percent (66 2/3%) of the total tax  
28 revenues derived from premium taxes paid to the State of Arkansas by alien and  
29 foreign insurance companies upon premiums collected by the insurance companies  
30 upon insurance contracts written on motor vehicles, the licensed addresses of  
31 which are qualified cities or towns wherein the motor vehicles are insured  
32 against the peril of physical damage or the owner or operators of the motor  
33 vehicles are insured against legal liability arising out of the use,  
34 ownership, or operation of the motor vehicles is appropriated and set aside  
35 for the use and benefit of all duly qualified police officers' pension and  
36 relief funds and for the administrative and actuarial expenses of the Arkansas

1 Fire and Police Pension Review Board and for the Arkansas Fire and Police  
2 Pension Guarantee Fund.

3 (1) The premium taxes collected in this subsection shall be  
4 placed in a fund combined with the premium taxes collected  
5 pursuant to Arkansas Code Annotated § 24-11-809. The  
6 combined fund shall be entitled the Firemen's and Police  
7 Officers' Pension and Relief Fund.

8 (2) Each calendar year the Insurance Commissioner shall  
9 determine the total gross amount collected pursuant to this  
10 act and Arkansas Code Annotated § 24-11-809. The Insurance  
11 Commissioner shall withdraw six point two percent (6.2%) of  
12 the total gross amount collected for this fund and transfer  
13 such to the General Revenue of the State of Arkansas.'

14 (3) For the 1999-2000 fiscal year, six hundred thousand dollars  
15 (\$600,000) shall be transferred to the Fire Protection  
16 Premium Tax Fund, from the six point two percent (6.2%) that  
17 would have otherwise accrued to General Revenues, and in all  
18 subsequent years, fifty percent (50%) of the increase in  
19 premium taxes from the six point two percent (6.2%) of the  
20 total gross amount collected, using the dollar amount  
21 collected in fiscal year 1999-2000 as the baseline, shall be  
22 transferred to the Fire Protection Premium Tax Fund in  
23 addition to the six hundred thousand dollars (\$600,000) per  
24 year, until such time that a cap of two million dollars  
25 (\$2,000,000) annually is transferred to the Fire Protection  
26 Premium Tax Fund. Thereafter, the annual transfer shall be  
27 set at two million dollars (\$2,000,000).

28 (4) The remaining revenues collected pursuant to §§ 23-60-102,  
29 24-11-301, 24-11-302, 24-11-809, 24-11-810, 26-57-601--26-  
30 57-605, and 26-57-607 shall be distributed to the Firemen's  
31 and Police Officers' Pension and Relief Fund and to the  
32 State of Arkansas as general revenues.

33 (A) The revenues shall be distributed in such a manner  
34 that the Firemen's and Police Officers' Pension and  
35 Relief Fund and the general revenue fund will each  
36 receive distributions of no less than they received in

fiscal year 1999; except that:

(i) If the revenues to be distributed in a subsequent year are less than the revenues distributed in 1999 then the distributions to each shall be reduced proportionately; and

(ii) If additional police departments become eligible for distributions from the Firemen's and Police Officers' Pension and Relief Fund, the base amount for the state shall be reduced in proportion to the population in the area served by the police department to the portion of the population of the state not covered by a police department receiving a distribution from the fund.

(B) Except as provided in subdivision (4)(A), the portion distributed to the Firemen's and Police Officers' Pension and Relief Fund shall be based on the ratio percentage of the total population of the cities or towns qualified to participate in such fund in comparison to the total population of the State of Arkansas. The remaining percentage shall be distributed to the State of Arkansas' general revenue fund.

(b) The amount of the tax revenue attributable to the fire peril of physical damage insurance shall not be included.

(c) The payment for the administrative and actuarial expenses of the Arkansas Fire and Police Pension Review Board shall be made prior to the disbursements to the eligible political subdivisions."

SECTION 2. All provisions of this act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 3. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without

1 the invalid provision or application, and to this end the provisions of this  
2 act are declared to be severable.

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4 SECTION 4. All laws and parts of laws in conflict with this act are  
5 hereby repealed.

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*/s/ Angel*

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APPROVED: 4/13/1999

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