

CONFERENCE COMMITTEE REPORT

HB 259

2015 Regular Session

Thierry

June 10, 2015

To the Honorable Speaker and Members of the House of Representatives and the Honorable President and Members of the Senate.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning House Bill No. 259 by Representative Thierry, recommend the following concerning the Engrossed bill:

1. That Senate Committee Amendments Nos. 1 through 8, 10, and 11 proposed by the Senate Committee on Revenue and Fiscal Affairs and adopted by the Senate on June 5, 2015, be rejected.
2. That Senate Committee Amendment No. 9 proposed by the Senate Committee on Revenue and Fiscal Affairs and adopted by the Senate on June 5, 2015, be adopted.
2. That Senate Floor Amendments Nos. 2 and 3 proposed by Senator Morrell and adopted by the Senate on June 6, 2015, be adopted.
4. That Senate Floor Amendment No. 1 proposed by Senator Morrell and adopted by the Senate on June 6, 2015, be rejected.
3. That the Engrossed bill be amended as follows:

AMENDMENT NO. 1

On page 1, line 8, after "educational" and before "from" delete "programs and entities" and insert "institutions and political subdivisions"

AMENDMENT NO. 2

On page 1, line 10, after "insurers;" and before "and to" delete "to provide for an effective date;" and insert "to provide for effective dates;"

AMENDMENT NO. 3

On page 6, delete line 20 in its entirety and insert the following:

"Section 4.(A) Except as provided for in Subsection (B) of this Section, the provisions of this Act shall become effective on October 1, 2015.

(B) R.S. 22:439(C) and (D) as amended and reenacted by this Act shall become effective on July 1, 2015."

AMENDMENT NO. 4

In Senate Floor Amendment No. 3 proposed by Senator Morrell and adopted by the Senate on June 6, 2015, on page 1, line 10 after "to the" delete the remainder of the line and delete lines 11 and 12 in their entirety and insert "latest federal decennial census."

Respectfully submitted,

Representative Ledricka Thierry

Senator Neil Riser

Representative Joel C. Robideaux

Senator Dan "Blade" Morrish

Representative Major Thibaut

Senator Jean-Paul J. Morrell

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

CONFERENCE COMMITTEE REPORT DIGEST

HB 259

2015 Regular Session

Thierry

Keyword and oneliner of the instrument as it left the House

TAX/INSURANCE PREMIUM: Levies a tax on the annual gross premiums for surplus lines of insurance

Report adopts Senate amendments to:

1. Add provision that excepts the purchase of insurance by political subdivisions having a population of not less than 350,000 persons for coverage of owned automobiles or other immovable property, liability for premises or operations, or other exposures for which the political subdivision is responsible.
2. Change effective date of withdrawal from the Nonadmitted Insurance Multi-state Agreement and the repeal of corresponding statutory authority from July 1, 2015 to October 1, 2015.

Report rejects Senate amendments which would have:

1. Made technical changes.

Report amends the bill to:

1. Provide an effective date of July 1, 2015 for the provisions of proposed law relative to exceptions to the surplus lines tax and an effective date of October 1, 2015, for the remainder of proposed law.
2. Make technical changes.

Digest of the bill as proposed by the Conference Committee

Present law authorizes the levy of a tax at the rate of 5% per annum on the premiums on surplus lines insurance reported quarterly in the surplus lines tax report. Further requires the tax to be collected by the commissioner of insurance and remitted to the state treasurer for deposit into the state general fund.

Proposed law reduces the rate of the tax from 5% per annum on the premiums on surplus lines of insurance to 4.85% on the gross premiums on surplus lines of insurance for which La. is the home state of the policyholder.

Present law provides for the manner and format of the quarterly surplus lines tax report required to be submitted to the commissioner of insurance.

Proposed law requires that surplus lines brokers only file surplus lines tax reports for those quarters in which they place single-state surplus lines business. Requires all surplus lines brokers to file an annual report certifying the reporting of all business placed during the calendar year on or before March 1 of the following year.

Present law requires the commissioner of insurance to join the Nonadmitted Insurance Multi-State Agreement or other cooperative compacts or agreements with other states for the purpose of allocating surplus lines premiums on multistate policies and tax revenues.

Proposed law repeals the requirement of the commissioner to enter the Nonadmitted Insurance Multi-State Agreement.

Present law provides that a portion of surplus lines premiums not allocable to this state shall be exempt from the surplus lines tax.

Proposed law provides that the entire surplus lines premium of a surplus lines policy of which La. is the home state of the policyholder shall be subject to the surplus lines tax.

Proposed law excepts certain educational institutions provided for in present law from the tax on gross premiums for surplus lines of insurance. Further excepts purchases of insurance by political subdivisions having a population not less than 350,000 persons.

Present law exempts certain insurance from the requirements of present law relative to surplus lines insurance from unauthorized insurers.

Proposed law retains present law but reduces the rate of the tax from 5% per annum on the premiums on surplus lines of insurance to 4.85% and eliminates the exemption for insurance on subjects located, resident, or to be performed wholly outside of this state, or on vehicles or aircraft owned and principally garaged outside of this state.

Provisions of proposed law that except educational institutions and certain political subdivisions provided for in present law from the tax on gross premiums for surplus lines of insurance become effective July 1, 2015.

With respect to the remainder of proposed law, effective October 1, 2015.

(Amends R.S. 22:439 and 443(A)(intro. para.) and (2)-(4); Repeals §2 of Act No. 361 of 2011 R.S.)