

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 914

**PRINTER'S NO.** 1289

**AMOUNT**

No Significant Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

May 3, 2013

**PRIME SPONSOR**

Senator White

**HISTORY OF BILL**

Referred to BANKING AND INSURANCE, May 3, 2013  
Reported as committed, May 7, 2013  
First consideration, May 7, 2013  
Laid on the table, June 12, 2013  
Removed from table, June 20, 2013  
Second consideration, June 24, 2013  
Re-referred to APPROPRIATIONS, June 24, 2013  
Re-reported as amended, June 25, 2013

**DESCRIPTION AND PURPOSE OF BILL**

Senate Bill 914 enacts the Insurance Regulation and Oversight Fund Act which creates the fund to provide for the Insurance Department's regulation, management, development and oversight of the Commonwealth's insurance industry.

The bill prohibits the use of moneys in the fund if the expenditures arise from actions, duties or functions that are payable from certain other dedicated sources of funding.

- The bill requires that the following be deposited into the fund:
1. 50% of all licenses and fees collected, received or derived by the department each month;
  2. All funds and moneys collected, received or derived from all penalties, fines or settlements received by the department; and
  3. All augmentations and reimbursements made to the department by regulated entities as a result of financial market regulation activities for which regulated entities are responsible for payment.

The bill provides that the General Assembly shall annually appropriate moneys from the fund to the department, and the department may expend the appropriated moneys only for purposes authorized by the act.

# **SENATE APPROPRIATIONS COMMITTEE**

## **FISCAL NOTE**

In addition, the bill provides that if the annual appropriation is insufficient to promptly meet the department's expenses, the State Treasurer is authorized and directed to transfer from the General Fund, Workers' Compensation Security Fund or Underground Storage Tank Indemnification Fund to the fund such moneys as the Governor shall direct and provides for the reimbursement of any transfers at a later date. Requires that the Secretary of the Budget notify the General Assembly within 15 days of the transfer of any funds from the General Fund, Workers' Compensation Security Fund or Underground Storage Tank Indemnification Fund. Directs surplus moneys in the fund to the General Fund.

This act shall take effect immediately.

### **FISCAL IMPACT:**

Senate Bill 914 will have no significant fiscal impact to the Commonwealth. Currently, fees and fines collected by the Insurance Department are deposited into the General fund and funding for the Department is appropriated out of the General Fund. This bill will allow the Department to self-fund its operations from a portion of the fees and fines collected.