

House Bill 2084

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber, M.D., for Oregon State Police)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Increases rate of gross premium tax paid by insurers on fire insurance policies. Applies to gross premium taxes paid on or after January 1, 2014.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to fire insurance gross premium tax; creating new provisions; amending ORS 731.820; and
3 prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 731.820 is amended to read:

6 731.820. (1)(a) For the purpose of maintaining the office of State Fire Marshal and paying the
7 expenses incident thereto, every insurer transacting insurance covering the peril of fire shall pay
8 a tax to the Director of the Department of Consumer and Business Services, on or before April 1
9 of each year, equal to *[one]* **1.15** percent of the gross amount of premiums received by it or its in-
10 surance producers from such business, from and under its policies covering direct domestic risks in
11 the preceding calendar year after deducting the amount of return premiums paid and the amount
12 of dividend payments made to policyholders or, in the case of a reciprocal insurer, the amount of
13 savings paid or credited to the accounts of subscribers, with respect to such policies.

14 **(b) Notwithstanding the rate established in paragraph (a) of this subsection, if the re-**
15 **venues received by the director under this section during a biennium are at least five percent**
16 **less than was projected at the close of the biennium immediately preceding the most recent**
17 **biennium, the rate will increase to 1.2 percent, effective the following January 1.**

18 *[(b)]* (c) For the purpose of paragraph (a) of this subsection the following portions of the
19 amounts required to be reported by line of business in the annual financial statement required by
20 ORS 731.574 shall be considered premiums for insurance covering the peril of fire:

21 (A) Fire, 100 percent.

22 (B) Homeowners and farm owners multiple peril, 65 percent.

23 (C) Commercial multiple peril, 50 percent.

24 (D) Inland marine, 20 percent.

25 (E) Automobile physical damage, eight percent.

26 (F) Aircraft physical damage, eight percent.

27 (2) If an insurer ceases to do business or collect premiums on direct domestic risks, it thereupon
28 shall make a report to the director of its premiums subject to taxation as provided in subsection (1)
29 of this section and collected or due as of the date when it ceased to do business or collect premiums
30 on direct domestic risks, and not theretofore reported, and shall forthwith pay to the director the

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 tax thereon.

2 (3) If the director, during the period in which the director under ORS 731.836 may collect taxes
3 owing under this section, finds the amount of such taxes paid by an insurer to have been incorrect,
4 the director shall charge or credit the insurer with the difference between the correct amount of tax
5 and the amount actually paid.

6 **SECTION 2. The amendments to ORS 731.820 by section 1 of this 2013 Act apply to gross**
7 **premium taxes paid on or after January 1, 2014.**

8 **SECTION 3. This 2013 Act takes effect on the 91st day after the date on which the 2013**
9 **regular session of the Seventy-seventh Legislative Assembly adjourns sine die.**

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