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HOUSE BILL 240

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Luciano "Lucky" Varela

AN ACT

RELATING TO INSURANCE DIVISION FUNDING; CREATING THE INSURANCE OPERATIONS FUND; PROVIDING FOR A DISTRIBUTION FROM THE INSURANCE DEPARTMENT SUSPENSE FUND TO THE INSURANCE OPERATIONS FUND; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 59A-6-5 NMSA 1978 (being Laws 1984, Chapter 127, Section 105, as amended) is amended to read:

"59A-6-5. DISTRIBUTION OF [~~INSURANCE DEPARTMENT~~] DIVISION COLLECTIONS. --

A. All money received by the [~~insurance department~~] division for fees, licenses, penalties and taxes shall be paid daily by the superintendent to the state treasurer and by him credited to the "insurance department suspense fund" except as provided by:

underscoring material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

- 1 (1) the Law Enforcement Protection Fund Act;
- 2 (2) Section 59A-6-1.1 NMSA 1978; and
- 3 (3) the Voter Action Act.

4 B. The superintendent may authorize refund of money
5 erroneously paid as fees, licenses, penalties or taxes from the
6 insurance department suspense fund under request for refund
7 made within three years after the erroneous payment.

8 C. The "insurance operations fund" is created in
9 the state treasury. The fund shall consist of the
10 distributions made to it pursuant to Subsection D of this
11 section. The legislature shall annually appropriate from the
12 fund to the division those amounts necessary for the division
13 to carry out its responsibilities pursuant to the Insurance
14 Code and other laws. Any balance in the fund at the end of a
15 fiscal year greater than one-half of that fiscal year's
16 appropriation shall revert to the general fund.

17 [~~C.~~] D. At the end of every month, after applicable
18 refunds are made pursuant to Subsection B of this section, the
19 treasurer shall [transfer to the "fire protection fund"] make
20 the following transfers from the balance remaining in the
21 insurance department suspense fund [after applicable refunds
22 made pursuant to Subsection B of this section, and]:

23 (1) to the "fire protection fund", that part
24 of the balance derived from property and vehicle insurance
25 business;

1 (2) to the insurance operations fund, that
2 part of the balance derived from the fees imposed pursuant to
3 Subsections A and E of Section 59A-6-1 NMSA 1978 other than
4 fees derived from property and vehicle insurance business; and
5 [~~transfer~~]

6 (3) to the general fund, the balance remaining
7 in the insurance department suspense fund derived from all
8 other kinds of insurance business. "

9 Section 2. TEMPORARY PROVISION-- FUND TRANSFER. --During
10 fiscal year 2005, expenditures from the general fund for the
11 operations of the insurance division of the public regulation
12 commission shall be reimbursed each quarter from the insurance
13 operations fund to the extent funds are available.