

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.

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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 DIVISION COLLECTIONS.--

A. All money received by the 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:

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

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

C. The "insurance operations fund" is created in the state treasury. The fund shall consist of the distributions made to it pursuant to Subsection D of this section. The legislature shall annually appropriate from the fund to the division those amounts necessary for the division to carry out its responsibilities pursuant to

the Insurance Code and other laws. Any balance in the fund at the end of a fiscal year greater than one-half of that fiscal year's appropriation shall revert to the general fund.

D. At the end of every month, after applicable refunds are made pursuant to Subsection B of this section, the treasurer shall make the following transfers from the balance remaining in the insurance department suspense fund:

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

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

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

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