

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 619

BY BUSINESS COMMITTEE

AN ACT

RELATING TO WILDFIRE RISK MITIGATION; AMENDING THE HEADING FOR CHAPTER 24, TITLE 41, IDAHO CODE; AMENDING CHAPTER 24, TITLE 41, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 41-2402, IDAHO CODE, TO PROVIDE LEGISLATIVE INTENT AND TO PROVIDE A SHORT TITLE; AMENDING CHAPTER 24, TITLE 41, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 41-2403, IDAHO CODE, TO DEFINE TERMS; AMENDING CHAPTER 24, TITLE 41, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 41-2404, IDAHO CODE, TO ESTABLISH THE IDAHO WILDFIRE RISK MITIGATION FUND; AMENDING CHAPTER 24, TITLE 41, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 41-2405, IDAHO CODE, TO PROVIDE FOR THE POWERS AND AUTHORITY OF THE DIRECTOR OF THE DEPARTMENT OF INSURANCE; AMENDING SECTION 41-406, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE DEPOSIT AND REPORT OF FEES, LICENSES, AND TAXES; AND DECLARING AN EMERGENCY.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That the Heading for Chapter 24, Title 41, Idaho Code, be, and the same is hereby amended to read as follows:

CHAPTER 24
PROPERTY INSURANCE ~~CONTRACTS~~

SECTION 2. That Chapter 24, Title 41, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 41-2402, Idaho Code, and to read as follows:

41-2402. IDAHO WILDFIRE RISK MITIGATION FUND ACT -- LEGISLATIVE INTENT -- SHORT TITLE. It is the intent of the legislature to promote self-reliance and lower property insurance costs by reducing wildfire risks and increasing competition among insurers. This shall be accomplished by encouraging and assisting property owners in protecting their property against wildfire risks and mitigating wildfire risks to property owners and their insurance companies, thereby attracting and retaining insurers in the property marketplace. The provisions of sections 41-2402 through 41-2405, Idaho Code, shall be known and may be cited as the "Idaho Wildfire Risk Mitigation Fund Act."

SECTION 3. That Chapter 24, Title 41, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 41-2403, Idaho Code, and to read as follows:

41-2403. DEFINITIONS. For the purposes of sections 41-2402 through 41-2405, Idaho Code:

- (1) "Act" means the Idaho wildfire risk mitigation fund act.
- (2) "Department" means the Idaho department of insurance.
- (3) "Director" means the director of the Idaho department of insurance.

1 SECTION 4. That Chapter 24, Title 41, Idaho Code, be, and the same is
 2 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
 3 ignated as Section 41-2404, Idaho Code, and to read as follows:

4 41-2404. IDAHO WILDFIRE RISK MITIGATION FUND. (1) There is hereby cre-
 5 ated and established in the state treasury the Idaho wildfire risk mitiga-
 6 tion fund. The state treasurer shall invest the idle moneys of the fund, and
 7 the interest earned on such investments shall be retained by the fund. The
 8 fund is hereby continuously appropriated to be used solely for effectuating
 9 the purposes of this act. The fund is established to:

- 10 (a) Promote self-reliance;
 11 (b) Reduce risk of loss due to wildfire;
 12 (c) Receive funding from various sources;
 13 (d) Improve access to property insurance; and
 14 (e) Mitigate wildfire risk, which shall include distributing grants,
 15 not to exceed twenty thousand dollars (\$20,000) per grant, and educa-
 16 tional efforts.
- 17 (2) The fund shall consist of:
 18 (a) The continuous appropriation of excess premium tax authorized pur-
 19 suant to section 41-406(1) (e), Idaho Code;
 20 (b) Any excess and unused moneys received for fees, licenses, or mis-
 21 cellaneous charges collected by the department, not to exceed the de-
 22 partment's annual appropriation;
 23 (c) Any excess stamping fees, as determined and recommended by the sur-
 24 plus line association or other delegated contracted organization and as
 25 approved by the director;
 26 (d) Private sector contributions;
 27 (e) Grants or other contributions for fire prevention or mitigation;
 28 and
 29 (f) Such other moneys that may be provided by legislative appropria-
 30 tion.
- 31 (3) The fund shall be free from taxation of any kind.

32 SECTION 5. That Chapter 24, Title 41, Idaho Code, be, and the same is
 33 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
 34 ignated as Section 41-2405, Idaho Code, and to read as follows:

35 41-2405. POWERS AND AUTHORITY. (1) The director shall have the powers
 36 and authority to:

- 37 (a) Promulgate rules, subject to legislative approval, to effectuate
 38 the provisions of this act;
 39 (b) Establish policies and procedures, as may be necessary or conve-
 40 nient, for the implementation of this act and operation of the fund, in-
 41 cluding:
 42 (i) Handling and accounting of assets and moneys;
 43 (ii) Creating an annual fiscal report of such assets and moneys;
 44 (iii) Selecting an administrator and setting forth the powers and
 45 duties of the administrator;
 46 (iv) Providing grants to Idaho citizens for wildfire risk mitiga-
 47 tion. The monetary amount of such grants shall be limited to as-
 48 sist the largest number of citizens possible; and

1 (v) Providing funding for property protection and for fire pre-
2 vention and mitigation education and resources.

3 (2) The director may appoint an advisory committee to assist with the
4 operation of the fund.

5 SECTION 6. That Section 41-406, Idaho Code, be, and the same is hereby
6 amended to read as follows:

7 41-406. DEPOSIT AND REPORT OF FEES, LICENSES AND TAXES. (1) The direc-
8 tor shall transmit all taxes, fines and penalties collected by him to the
9 state treasurer as provided under section 59-1014, Idaho Code. The director
10 shall file with the state controller a statement of each deposit thus made.
11 All such funds received shall be deposited into the department of insurance
12 suspense account. Such funds shall be distributed as follows:

13 (a) The director may deposit up to twenty percent (20%) of the funds
14 received in the insurance refund account which is hereby created for
15 the purpose of repaying overpayments of any taxes, fines, and penalties
16 or other erroneous receipts. There is hereby appropriated out of the
17 insurance refund account so much thereof as shall be necessary for the
18 payment of refunds. Any unencumbered balance remaining in the insur-
19 ance refund account on June 30 of each and every year in excess of forty
20 thousand dollars (\$40,000) shall be transferred to the general fund and
21 the state controller is hereby authorized and directed on such dates to
22 make such transfers unless the board of examiners, which is hereby au-
23 thorized to do so, changes the date of transfer or sum to be transferred.

24 (b) That portion of the premium tax, payable to the public employee re-
25 tirement fund as provided in section 59-1394, Idaho Code, shall be dis-
26 tributed to that fund.

27 (c) That portion of the premium tax necessary to cover administrative
28 costs incurred by the department in placing insurance companies or any
29 other insurance entities into receivership or under administrative su-
30 pervision, and such costs cannot be satisfied from the assets of these
31 companies or entities, shall be distributed to the insurance insolvency
32 administrative fund which is hereby created. There is hereby appro-
33 priated out of the insurance insolvency administrative fund so much
34 thereof as shall be necessary, but not to exceed two hundred thousand
35 dollars (\$200,000) in any one (1) fiscal year, for the payment of the
36 department's administrative expenses incurred in carrying out such re-
37 ceiverships or supervision. A balance of one hundred thousand dollars
38 (\$100,000) shall be maintained in this fund on June 30 of each year.

39 (d) After all other the deductions authorized in this section
40 paragraphs (a) through (c) of this subsection have been made,
41 if the premium tax remaining exceeds forty-five million dollars
42 (\$45,000,000), one-fourth (1/4) of such excess is hereby appropriated
43 and shall be paid to the Idaho individual high risk reinsurance pool
44 established in chapter 55, title 41, Idaho Code.

45 (e) After the deductions authorized in paragraphs (a) through (d) of
46 this subsection have been made, if the premium tax remaining exceeds one
47 hundred twenty-five million dollars (\$125,000,000), one-fourth (1/4)
48 of such excess is hereby appropriated to and shall be paid to the Idaho

1 wildfire risk mitigation fund established in section 41-2404, Idaho
2 Code.

3 ~~(e)~~ (f) The balance of the premium tax, fines, and penalties shall be
4 distributed to the general fund of the state of Idaho.

5 ~~(f)~~ (g) All moneys received for fees, licenses, and miscellaneous
6 charges collected shall be distributed to the insurance administrative
7 account.

8 (2) The director shall make and file with the state controller an item-
9 ized statement of the fees, licenses, taxes, fines, and penalties collected
10 by him during the preceding month.

11 SECTION 7. An emergency existing therefor, which emergency is hereby
12 declared to exist, this act shall be in full force and effect on and after its
13 passage and approval.