

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

S

1

SENATE BILL 326

Short Title: Firefighter Cancer Ins. & WC Program Funding. (Public)

Sponsors: Senators Johnson, Perry, and Barnes (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 20, 2023

A BILL TO BE ENTITLED

AN ACT TO FUND THE NORTH CAROLINA FIREFIGHTER CANCER INSURANCE PROGRAM WITHIN THE DEPARTMENT OF INSURANCE BY AMENDING THE CURRENT PERCENTAGE DISTRIBUTION OF THE GROSS PREMIUM ASSESSMENT AND TO SET RETAINED EARNING LIMITS FOR THE VOLUNTEER SAFETY WORKERS' COMPENSATION FUND.

The General Assembly of North Carolina enacts:

SECTION 1. Effective July 1, 2023, G.S. 105-228.5(d)(3) reads as rewritten:

"(d) Tax Rates; Disposition. –

...

(3) Additional Rate on Property Coverage Contracts. – An additional tax at the rate of seventy-four hundredths percent (0.74%) applies to gross premiums on insurance contracts for property coverage. The tax is imposed on ten percent (10%) of the gross premiums from insurance contracts for automobile physical damage coverage and on one hundred percent (100%) of the gross premiums from all other contracts for property coverage. Twenty percent (20%) of the net proceeds of this additional tax must be credited to the Volunteer Fire Department Fund established in Article 87 of Chapter 58 of the General Statutes. Twenty percent (20%) of the net proceeds must be credited to the Department of Insurance for disbursement pursuant to G.S. 58-84-25. Up to twenty percent ~~(20%)~~, ~~(20%)~~ of the net proceeds must be credited to the Department of Insurance and shall be used to fund the provisions of the Firefighter Cancer Insurance Program, with the balance of twenty percent (20%), as determined in accordance with G.S. 58-87-10(f), ~~must be~~ credited to the Workers' Compensation Fund. The remaining net proceeds must be credited to the General Fund. The additional tax imposed on property coverage contracts under this subdivision is a special purpose assessment based on gross premiums and not a gross premiums tax.

The following definitions apply in this subdivision:

- a. Automobile physical damage. – The following lines of business identified by the NAIC: private passenger automobile physical damage and commercial automobile physical damage.
- b. Property coverage. – The following lines of business identified by the NAIC: fire, farm owners multiple peril, homeowners multiple peril, nonliability portion of commercial multiple peril, ocean marine, inland marine, earthquake, private passenger automobile physical damage,



1 commercial automobile physical damage, aircraft, and boiler and
2 machinery. The term also includes insurance contracts for wind
3 damage.

4 c. NAIC. – National Association of Insurance Commissioners."

5 **SECTION 2.** Effective July 1, 2023, G.S. 58-87-10 reads as rewritten:

6 "**§ 58-87-10. Workers' Compensation Fund for the benefit of certain safety workers.**

7 ...

8 (e) Revenue Source. – Revenue is credited to the Workers' Compensation Fund from a
9 portion of the proceeds of the tax levied under G.S. 105-228.5(d)(3). In addition, every eligible
10 unit and eligible entity that elects to participate shall pay into the Fund an amount set annually
11 by the State Fire and Rescue Commission to ensure that the Fund will be able to meet its payment
12 obligations under this section. The amount shall be set as an amount for each member of the
13 roster of the eligible unit or for each employee or volunteer of an eligible entity, and the amount
14 may vary based on whether an individual is a volunteer, a part-time employee, or a full-time
15 employee. The payment shall be made to the State Fire and Rescue Commission on or before
16 July 1 of each year. The Commission shall remit the payments it receives to the State Treasurer,
17 who shall credit the payments to the Fund.

18 When the retained earnings within the Fund reach forty-five million dollars (\$45,000,000),
19 the excess amount at year-end shall be credited to the General Fund.

20 ...

21 (g) Allocation of Taxes. – The study conducted under subsection (f) of this section shall
22 be reviewed by the Office of State Budget and Management. On or before March 1 of each year,
23 the Office of State Budget and Management, in consultation with the Department of Insurance,
24 must notify the Secretary of Revenue of the amount required to meet the needs of the Fund, as
25 determined by the study, for the upcoming fiscal year. The Secretary of Revenue shall remit that
26 amount, subject to the ~~twenty percent (20%)~~ limitation in G.S. 105-228.5(d)(3), to the Fund."

27 **SECTION 3.** Except as otherwise provided, this act is effective when it becomes
28 law.