



Legislative Council Staff

Research Note

Version: Final

Date: 5/18/2017

Bill Number

House Bill 17-1278

Sponsors

*Representatives Exum and
Pettersen
Senators Garcia and Guzman*

Short Title

*Insurance Premium Tax Deposit
To Local Firefighter Fund*

Research Analyst

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Status

This research note reflects the final version of the bill, which was postponed indefinitely by the Senate Appropriations Committee on May 9, 2017.

Background

Colorado's insurance premium tax was enacted in 1913. This tax is imposed on the gross amount of all insurance policy premiums and is collected by the Division of Insurance within the Department of Regulatory Affairs. The tax rates vary by the type of insurance company but average just below 3.0 percent. Revenue from this tax is credited to the General Fund after prescribed appropriations are made to the Division of Insurance Tax Fund and the Wildlife Emergency Response Fund. Other appropriations, such as those requested by the Local Firefighter Safety and Disease Prevention Fund, are made at the discretion of the General Assembly.

Over the past ten years, insurance premium tax collections have steadily increased due to population growth.

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House Action

House Local Government Committee (March 29, 2017): At the hearing, the committee heard testimony in favor of the bill from representatives of the Colorado Professional Firefighters Organization and the Colorado State Fire Chiefs. The committee referred the bill to the House Appropriations Committee.

House Appropriations Committee (May 2, 2017). The committee adopted amendment L.001 and J.001 and referred the bill, as amended, to the House Committee of the Whole. Amendment L.001 reduced the amount of funding allocated from the insurance tax premium to the Local Firefighter Safety and Disease Prevention fund from \$2.5 million to \$1 million in each of their three fiscal years starting July 1, 2017. Amendment J. 002 added an appropriations clause.

House second reading (May 4, 2017). The House adopted the Appropriations Committee report and adopted Amendment No. 2. Amendment No. 2 struck the appropriations clause.

House third reading (May 5, 2017). The House passed the bill on third reading with no amendments.

Senate Action

Senate State, Veterans, & Military Affairs Committee (May 8, 2017). At the hearing, one individual representing the Colorado State Fire Chiefs and Colorado Professional Firefighters testified in support of the bill. The committee referred the bill to the Senate Appropriations Committee.

Senate Appropriations Committee (May 9, 2017). The committee voted to postpone the bill indefinitely.

