

SENATE BILL 149

C4, C3

(PRE-FILED)

1lr1187
CF HB 457

By: **Senator Kelley**

Requested: October 28, 2020

Introduced and read first time: January 13, 2021

Assigned to: Finance and Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 11, 2021

CHAPTER _____

1 AN ACT concerning

2 **Insurance – Application of Premium Tax – Continued Exclusion of Maryland**
3 **Automobile Insurance Fund**

4 FOR the purpose of repealing a certain termination provision for the purpose of continuing
5 the exclusion of the Maryland Automobile Insurance Fund from the list of insurance
6 companies and other persons that are subject to a certain premium tax; making
7 conforming changes; and generally relating to taxation of insurance premiums.

8 BY repealing and reenacting, without amendments,
9 Article – Insurance
10 Section 6–101(a)
11 Annotated Code of Maryland
12 (2017 Replacement Volume and 2020 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Insurance
15 Section 6–101(b)
16 Annotated Code of Maryland
17 (2017 Replacement Volume and 2020 Supplement)

18 BY repealing and reenacting, with amendments,
19 Chapter 509 of the Acts of the General Assembly of 2017
20 Section 4

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
2 That the Laws of Maryland read as follows:

3 **Article – Insurance**

4 6–101.

5 (a) The following persons are subject to taxation under this subtitle:

6 (1) a person engaged as principal in the business of writing insurance
7 contracts, surety contracts, guaranty contracts, or annuity contracts;

8 (2) a managed care organization authorized by Title 15, Subtitle 1 of the
9 Health – General Article;

10 (3) a for–profit health maintenance organization authorized by Title 19,
11 Subtitle 7 of the Health – General Article;

12 (4) an attorney in fact for a reciprocal insurer; and

13 (5) a credit indemnity company.

14 (b) The following persons are not subject to taxation under this subtitle:

15 (1) a nonprofit health service plan corporation that meets the requirements
16 established under §§ 14–106 and 14–107 of this article;

17 (2) a fraternal benefit society;

18 (3) a surplus lines broker, who is subject to taxation in accordance with
19 Title 3, Subtitle 3 of this article;

20 (4) an unauthorized insurer, who is subject to taxation in accordance with
21 Title 4, Subtitle 2 of this article; [or]

22 (5) a nonprofit health maintenance organization authorized by Title 19,
23 Subtitle 7 of the Health – General Article that is exempt from taxation under § 501(c)(3) of
24 the Internal Revenue Code; OR

25 (6) THE MARYLAND AUTOMOBILE INSURANCE FUND.

26 **Chapter 509 of the Acts of 2017**

27 SECTION 4. AND BE IT FURTHER ENACTED, That Sections 1 and 3 of this Act
28 shall take effect January 1, 2018. [Sections 1 and] SECTION 3 of this Act shall remain
29 effective for a period of 4 years and 6 months and, at the end of June 30, 2022, with no

1 further action required by the General Assembly, [Sections 1 and] SECTION 3 of this Act
2 shall be abrogated and of no further force and effect.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2021.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.