Senate Engrossed House Bill

FILED
MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-second Legislature
First Regular Session
2015

CHAPTER 184

HOUSE BILL 2440

AN ACT

AMENDING SECTION 20-230, ARIZONA REVISED STATUTES; RELATING TO RETALIATORY TAXES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 20-230, Arizona Revised Statutes, is amended to read:

20-230. Retaliation

A. When by or pursuant to the laws of any other state or foreign country any premium or income or other taxes, or any fees, fines, penalties, licenses, deposit requirements or other material obligations, prohibitions or restrictions are imposed ~~upon~~ ON insurers ~~of~~ DOMICILED IN this state doing business, or that might seek to do business in such other state or country, or ~~upon~~ ON the agents of such insurers, which in the aggregate are in excess of such taxes, fees, fines, penalties, licenses, deposit requirements or other obligations, prohibitions or restrictions directly imposed ~~upon~~ ON similar insurers ~~of~~ DOMICILED IN such other state or foreign country under the statutes of this state, ~~so~~ AS long as such laws continue in force or are so applied, the same obligations, prohibitions and restrictions of whatever kind shall be imposed ~~upon~~ ON similar insurers ~~of~~ DOMICILED IN such other state or foreign country doing business in ~~Arizona~~ THIS STATE. Any tax, license or other obligation imposed by any city, county or other political subdivision of a state or foreign country on insurers of this state or their agents shall be deemed to be imposed by such state or foreign country within the meaning of this section. For the purpose of this section, the director shall compute the burden of any tax, license or other obligation imposed by any city, county or other political subdivision of a state or foreign country on insurers of this state or their agents on an aggregate statewide or foreign countrywide basis as an addition to the rate of tax payable by Arizona insurers in such state or foreign country. The addition to the rate of tax payable by Arizona life insurers shall be calculated separately from the addition to the rate of tax payable by other Arizona insurers. In each case, the addition to the rate of tax payable by Arizona insurers shall be calculated by dividing the aggregate of the tax obligations paid by Arizona insurers to any such city, county or other political subdivision of such state or foreign country by the aggregate of their taxable premiums under the premium taxing statute of such state or foreign country. The director may issue rules to carry out the purpose of this section. ~~The provisions of~~ This section ~~shall~~ DOES not apply to ad valorem taxes on real or personal property or to personal income taxes or to assessments on or credits to insurers for the payment of claims of policyholders of insolvent insurers. THIS SUBSECTION DOES NOT APPLY TO INSURERS THAT DO BUSINESS IN THIS STATE AND THAT ARE DOMICILED IN ANOTHER STATE OR FOREIGN COUNTRY THAT DOES NOT IMPOSE RETALIATORY TAXES, OR WHOSE LAWS, ON A RECIPROCAL BASIS, EXEMPT FROM RETALIATORY TAXES SIMILAR INSURERS DOMICILED IN THIS STATE DOING BUSINESS, OR THAT MIGHT SEEK TO DO BUSINESS IN THE OTHER STATE OR FOREIGN COUNTRY.

B. If an insurer domiciled in this state is refused authority to transact INSURANCE in another state ~~insurance upon~~ ON a plan and in a manner ~~which~~ THAT is permitted for domestic insurers of such other state,

notwithstanding that the insurer of this state is fully qualified for such authority in accordance with the applicable laws of such other state, and if such refusal is not accompanied by a written statement of the grounds therefor, then and thereafter, and for ~~so~~ AS long as such refusal shall continue, the director may refuse to grant an initial certificate of authority, but not a renewal of an existing certificate of authority, to any insurer domiciled in such other state ~~which~~ THAT may seek to transact in this state a like kind or kinds of insurance.

Sec. 2. Effective date

Section 20-230, Arizona Revised Statutes, as amended by this act, is effective from and after December 31, 2015.

APPROVED BY THE GOVERNOR APRIL 1, 2015.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 2, 2015.

Passed the House February 23, 20 15

by the following vote: 58 Ayes,

0 Nays, 2 Not Voting

Speaker of the House

Pro tempore

Jim Drake

Chief Clerk of the House

Passed the Senate March 24, 20 15

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting

President of the Senate

Charmain Bellinger

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

_____ day of _____, 20_____

at _____ o'clock _____M.

_____
Secretary to the Governor

Approved this _____day of

_____

at _____o'clock _____M.

_____
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this _____ day of _____, 20_____

at _____ o'clock _____M.

_____
Secretary of State

H.B. 2440

HOUSE CONCURS IN SENATE AMENDMENTS AND FINAL PASSAGE

March 30, 20 15,

by the following vote: 54 Ayes,

6 Nays, 0 Not Voting

Speaker of the House

Jim Drake

Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

30th day of March, 20 15,

at 4:07 o'clock P. M.

Secretary to the Governor

Approved this 1st day of

April, 20 15,

at 4:55 o'clock P M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 2nd day of April, 20 15,

at 4:00 o'clock P M.

Michele Reagan

Secretary of State

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