

January 25, 2023

The Honorable William Sutton, Chairperson
House Committee on Insurance
300 SW 10th Avenue, Room 218-N
Topeka, Kansas 66612

Dear Representative Sutton:

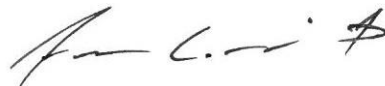
SUBJECT: Fiscal Note for HB 2096 by House Committee on Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2096 is respectfully submitted to your committee.

Under current law, all group-funded pools and group-funded workers' compensation funds are required to pay a premium tax for the group's preceding fiscal year no later than 90 days after the end of the group's fiscal year. HB 2096 would change the pay date to not later than 90 days after the end of each calendar year for the preceding calendar year.

The Kansas Department of Insurance states that HB 2096 would shift when these premium taxes are collected so that they are all collected in the first quarter of each calendar year instead of being collected throughout the year. This could affect the total amount collected in the first year as those pools make payment adjustments. However, the agency cannot estimate the net change because each company's fiscal year is different. Any fiscal effect associated with HB 2096 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Bobbi Mariani, Insurance Department