Senate Bill 532

By: Senators Jones of the 25th, Robertson of the 29th, Dolezal of the 27th, Anavitarte of the 31st, Mullis of the 53rd and others

A BILL TO BE ENTITLED

AN ACT

To amend Chapter 1 of Title 33 of the Official Code of Georgia Annotated, relating to general provisions for insurance, so as to establish the Back the Blue Fund that distributes voluntary contributions made through motor vehicle insurance policies to increase the pay to or enhance the benefits of law enforcement officers in this state; to require insurers providing motor vehicle insurance in this state to include a provision in policies that allows consumers to contribute money to such fund when submitting premium for motor vehicle insurance policies; to exclude such voluntary donation from gross direct premium for tax purposes; to require insurers to remit such contributions annually to the Commissioner of Insurance for such fund; to require the Commissioner of Insurance to distribute such fund annually in equal portions to the sheriff in each county of this state; to prohibit insurers from deducting administrative costs from such fund; to allow the department to deduct reasonable administrative costs; to provide for automatic repeal; to provide for legislative findings; to provide for definitions; to provide for an effective date and applicability; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Chapter 1 of Title 33 of the Official Code of Georgia Annotated, relating to general insurance provisions, is amended by adding a new Code section to read as follows:

"33-1-17.1.

(a) This Code section shall be known and may be cited as the 'Back the Blue Act.'

(b) The General Assembly finds that:

(1) There is a hiring and retention crisis with regard to law enforcement officers across this state;

(2) Evidence shows that supplementing pay and enhancing benefits improve the retention of experienced law enforcement officers;

(3) Retaining experienced law enforcement officers means fewer hiring and training expenses for law enforcement agencies; and

(4) Hiring and retaining experienced law enforcement officers increases public safety, builds stronger communities, and restores trust and goodwill between communities and law enforcement officers.

(c) As used in this Code section, the term:

(1) 'Back the Blue Fund' or 'fund' means the fund established by this Code section.

(2) 'Insurer' means an insurance company licensed, registered, or otherwise authorized to do business under the insurance laws of this state.

(3) 'Motor vehicle insurance' means insurance for a car, truck, motorcycle, or other road vehicle, including motor vehicles for personal private passenger or commercial use, providing coverage for bodily injury liability, property damage liability, comprehensive physical damage, collision physical damage, or similar coverage.

(4) 'Policyholder' means a person who has contracted with an insurer for motor vehicle insurance coverage in this state.

(5) 'Sheriff' means the duly elected or appointed sheriff of each county in this state.

(d) There is created the Back the Blue Fund for the purpose of increasing the pay to and enhancing the benefits of law enforcement officers in this state. The Commissioner shall be the custodian of the fund and shall administer the fund as further provided in subsection (i) of this Code section.

(e) All insurers authorized to transact or transacting insurance in this state or controlling or controlled by or under common control by or with an insurer authorized to transact or transacting insurance in this state which issue policies or contracts providing motor vehicle insurance in this state shall comply with the requirements of this Code section.

(f) On and after July 1, 2023, all policies of motor vehicle insurance issued, delivered, issued for delivery, or renewed in this state shall contain a provision allowing the policyholder to elect to contribute an additional 0.5 percent of the premium price to the Back the Blue Fund in a manner approved by the Commissioner or as otherwise prescribed by regulation promulgated by the Commissioner.

(g) Insurers, or their agent, limited subagent, or any other representative, shall hold amounts dedicated for the Back the Blue Fund in a fiduciary capacity. The amount received shall be promptly accounted for, separated from the premium received, and reasonably ascertainable from the book of accounts and records. Such amount shall not be considered gross direct premium for purposes of computing state premium tax under Code Section 33-8-4, county and municipal premium tax under Code Section 33-8-8.2, any other tax based on the value or volume of gross direct premium in this title, or premium tax under Code Section 47-7-61. Insurers receiving such amounts shall record all transactions relating to such amounts and shall provide such records to the Commissioner upon request.

(h)(1) Annually on or before March 1, an insurer shall remit to the Commissioner any and all amounts collected during the preceding calendar year for the Back the Blue Fund. Any expenses incurred by insurers as a result of this Code section shall be defrayed by such insurers from their own funds and shall not be borne by the policyholder, the Back the Blue Fund, or the state.

(2) The Commissioner shall determine annually the total amount so contributed and shall withhold therefrom a reasonable amount for administering this voluntary contribution program. If, in any calendar year, the total amount so contributed is less than reasonable administrative costs, the Commissioner shall distribute the fund and defray the costs.

(i)(1) No later than July 1, 2024, and annually thereafter, the Commissioner shall distribute the Back the Blue Fund in equal portions to the sheriff of each county in this state.

(2) The Back the Blue Fund shall only be used for increasing the pay to or enhancing the benefits of law enforcement officers.

(j) This Code section shall stand repealed and reserved by operation of law on July 1, 2027.″

SECTION 2.

This Act shall become effective on July 1, 2023, and shall apply to all applicable policies issued, delivered, issued for delivery, or renewed in this state on or after such date.

SECTION 3.

All laws and parts of laws in conflict with this Act are repealed.