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LD 1
An Act to Increase Storm Preparedness for Maine's Communities, Homes and Infrastructure

Testimony in Partial Support
by the
Maine Association of Insurance Companies

February 11, 2025

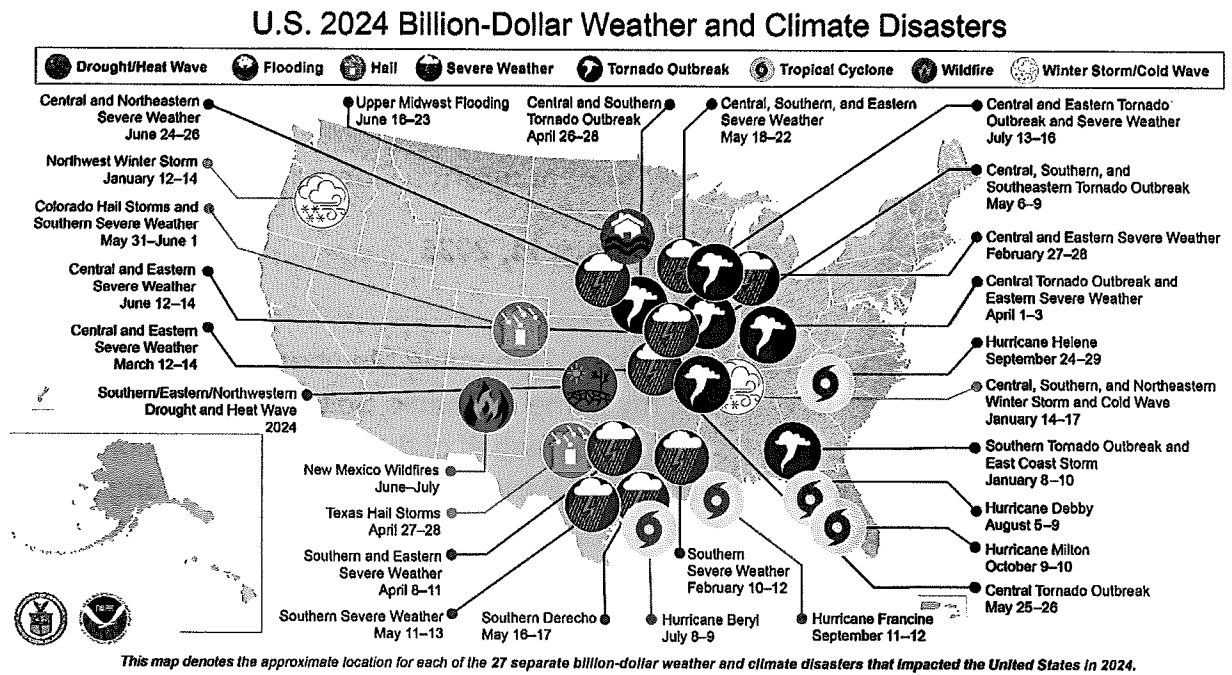
Senator Curry, Representative Gere, Honorable Members of the Housing & Economic Development Committee, my name is Charlie Soltan. I am an attorney from Soltan Bass, LLC and appear here today on behalf of the Maine Association of Insurance Companies (MAIC) in support of Part A of LD 1, and voice strong concerns with the funding proposed in Parts B & C. I have been authorized to state that NAMIC, the National Association of Mutual Insurance Companies, joins this testimony.

The members of the MAIC are Maine based property and casualty companies writing nearly all lines of personal and commercial insurance, including personal and commercial auto, home and professional medical liability insurance. We employ hundreds of Maine residents in well-paid professional and challenging jobs. Our collective mission is to serve our customers' interests after they have purchased our insurance products to protect their homes, families, employees, businesses, and financial interests from unexpected loss. Our insureds are our neighbors.

The National Association of Mutual Insurance Companies consists of more than 1,500 member companies, including seven of the top 10 property/casualty insurers in the United States. NAMIC member companies write \$357 billion in annual premiums and represent 69 percent of homeowners, 56 percent of automobile, and 31 percent of the business insurance markets.

In January 2025, NCEI, the National Centers for Environmental Information, within NOAA, the National Oceanic and Atmosphere Administration, released a report on **Billion-Dollar** weather and climate disasters. This report preceded the recent California wildfires. It stated:

“In 2024, there were 27 confirmed weather/climate disaster events with losses exceeding \$1 billion each to affect United States. These events included 1 drought event, 1 flooding event, 17 severe storm events, 5 tropical cyclone events, 1 wildfire event, and 2 winter storm events. Overall, these events resulted in the deaths of 568 people and had significant economic effects on the areas impacted. The 1980–2024 annual average is 9.0 events (CPI-adjusted); the annual average for the most recent 5 years (2020–2024) is 23.0 events (CPI-adjusted).”



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[Billion-Dollar Weather and Climate Disasters | National Centers for Environmental Information \(NCEI\)](#)

Maine Summary

From 1980–2024, there were 19 confirmed weather/climate disaster events with losses exceeding \$1 billion each, some of which is attributable to Maine losses. These events included 1 drought event, 2 flooding events, 3 severe storm events, 2 tropical cyclone events, and 11 winter storm events. The 1980–2024 annual average is 0.4 events (CPI-adjusted); the annual average for the most recent 5 years (2020–2024) is 0.8 events (CPI-adjusted). See [Billion-Dollar Weather and Climate Disasters | Maine Summary | National Centers for Environmental Information \(NCEI\)](#)

There can be no denial that weather/climate disaster events are rising in both

frequency and severity, here in Maine, the United States, and throughout the world. This simple fact creates enormous pressure on national, state and local governments to respond to, and the insurance market to cover, losses suffered by Maine families and businesses.

LD 1 is a response by our state government to recent storms endured in Maine in December 2023 and January 2024. The Governor, first through her Maine Climate Council, and most recently her Infrastructure Rebuilding and Resilience Commission, has begun to identify strategies for meeting the challenges presented by the increased weather/climate risks identified above. We applaud these efforts.

We in the insurance industry followed these deliberations closely. Moreover, industry has worked for years to study such disasters and to identify meaningful and cost-efficient ways to mitigate losses to people and their property from such events while keeping insurance affordable so that Mainers can continue to protect their financial wellbeing.

Global insurance losses in 2024 were **54 percent above** the 21st-century average, **covering \$145 billion of the \$368 billion in damages** (2023: \$126 billion). Even as insured losses far exceeded the average, the protection gap stood at 60 percent (2023: 68 percent), representing a significant financial headwind to communities, businesses and governments. *Increases in population, wealth and overall exposure to natural hazards in high-risk areas continue to be a crucial component of growing disaster losses.* The \$223 billion in uninsured losses in 2024 challenges the ability to rebuild, recover and create more resilience across the globe, let alone Maine.

With the future clear, does LD 1 present the right choice for Maine citizens.

LD 1 has three separate and very distinct Parts. Part A creates the Home Resiliency Program within the Maine Bureau of Insurance. The bill proposes to take \$15 million from the current reserve in the Bureau to stand up this program. This idea is based on an Alabama program that has seen success in that hurricane prone state. We are supportive of standing this program up, and with the Bureau and Superintendent being responsible for it. We fully expect this program to increase the “insurability” of some homes throughout the state and therefore, fully support this new program.

Part B creates the “Safeguarding Tomorrow through Ongoing Risk Mitigation Revolving Loan Fund.” Its stated purpose is to buy improved communications systems, provide attendant training, leverage hoped for federal matching funds, and create new time-limited FTEs. Part B seeks an additional \$11,780,677 from the Bureau of Insurance’s reserve fund. Given recent events at the federal level, especially around

FEMA, we have concerns with the viability of any new effort for drawing down federal funds.

Part C seeks to stand up a new State Resilience Office within the new Maine Office of Community Affairs. The funding for this is from an additional \$9,633,040 from the Bureau of Insurance's reserve fund.

We are obviously concerned with this sweep of \$36,414,217.00 from the Bureau of Insurance's reserve fund.

Specifically, in Part A, we are concerned that the language creating the "Home Resiliency Fund," page 2, lines 15-21, seems to permit the Bureau to continually transfer surplus funds into this Fund without time or oversight. We strongly urge that LD 1, if passed out of Committee, establish appropriate legislative approval of funds beyond what the one-time \$15 million appropriation should be. We also suggest the Committee consider using an income-based qualification in the award of these funds.

We are also concerned that the funding mechanisms for Parts A, B & C, as drafted, permit the State to sweep future excess funds in the reserve account, thereby creating a hidden tax for years to come. (Note the numerous \$500 placeholders in future fiscal years building these funds into the baseline budget.) The fees that have helped to create this reserve are paid by insurance companies, agents and ultimately by the Maine insurance buying public. We do not read the bill in each Part to be allocating "one-time" funds. This is problematic given the large amount of revenue insurance policyholders already provide to the General Fund.

We draw your attention to the December 2024 Report of the Maine Revenue Forecasting Committee. I have attached to this testimony pertinent pages concerning the revenue generated from the insurance premium tax. FYI, there is a tax of 2% levied by the State of Maine on every insurance policy sold in Maine by authorized carriers. In addition, there is a 3% tax levied on every "surplus lines" policy sold in Maine. These funds, which generated **\$118,460,000 in FY 2024**, flowed straight to the General fund and are not used in any way to support state programs that relate to the products sold. **In FY 2025, the revenue is forecasted to be \$124,140,000.** Not highlighted on these charts are other insurance premium taxes, such as the Fire tax, the workers' compensation assessment, MGARA assessment and others.

The reason for illuminating these taxes is that Mainers already bear a significant tax burden when purchasing their various insurance coverages. LD 1 appears to create another hidden tax on Mainers. We urge the Committee and the full Legislature to ensure that the revenues swept from the Bureau be truly one-time, and not an on-going

funding stream, that would place a significant cost on all insurance policies purchased by hard-working Mainers.

In summary, while we strongly support Part A of LD 1, and while generally supporting the initiatives found in the other Parts of the bill, we ask you to closely examine the funding mechanisms proposed and suggest that other revenue be used to support Parts B & C. Mainers should not be asked to fund these programs through their purchase of insurance coverage.

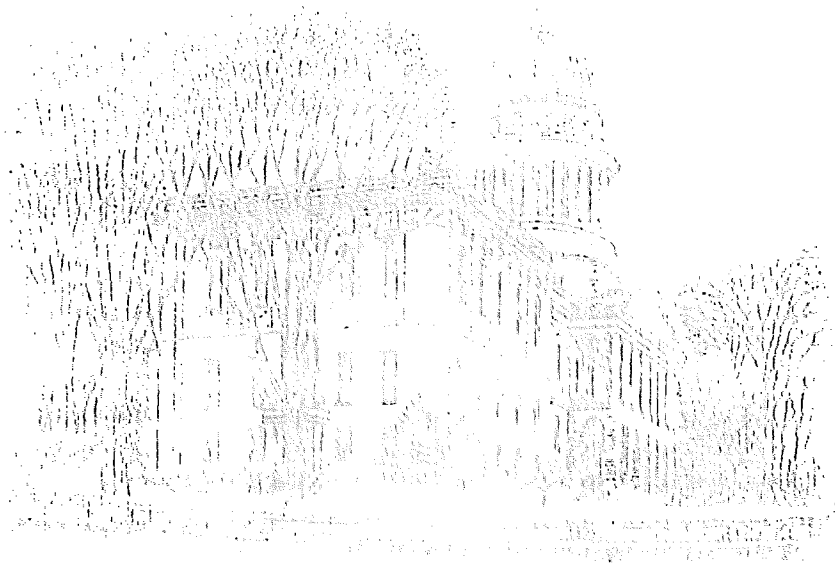
And since you are the Housing & Economic Development Committee, we strongly urge you to strengthen the State's building code and make them universally applied throughout the State. That initiative would be the single most effective resiliency policy. We must begin building greater resilience in our future homes, dwellings and the buildings we work in. There are so many simple changes to how we design our infrastructure that will have far reaching impacts on protecting our lives and properties.

This is not conjecture. The evidence is overwhelming from our sister-states, repeatedly demonstrating the value of an improved building code adds to the increased resiliency of newer homes and buildings versus those built pre-code strengthening. More importantly, that same evidence demonstrates the reduced loss of personal injury and death.

I am happy to answer your questions, and we remain fully committed to work with you and our various levels of government to address the known risks we face together from weather and climate disasters.

REPORT OF THE MAINE STATE REVENUE FORECASTING COMMITTEE

December 2024



**Amanda Rector, Chair
State Economist**

**Michael Allen
Associate Commissioner of Tax Policy**

**Christopher Nolan, Director
Office of Fiscal & Program Review**

**Marc Cyr, Principal Analyst
Office of Fiscal & Program Review**

**Darryl Stewart
Acting State Budget Officer**

**Todd Gabe, Professor of Economics
University of Maine**

- **Adult-Use Cannabis Sales Tax.** The sales and use taxes forecast above assumes gross adult-use cannabis sales tax revenue of \$25.4 million in FY25, \$28.1 million in FY26, \$30.7 million in FY27, \$33.5 million in FY28, and \$36.2 million in FY29. These estimates are gross amounts before transfers to the Local Government Fund and the Adult Use Cannabis Public Health and Safety and Municipal Opt-In Fund. Total transfers to this fund from sales taxes are included in Other Revenue and are estimated to be \$3.0 million in FY25, \$3.3 million in FY26, \$3.7 million in FY27, \$4.0 million in FY28, and \$4.3 million in FY29. These transfers are then partially offset by transfers back to the General Fund pursuant to PL 2023, c.444 (LD 1063). The adult-use cannabis sales tax revenue estimates included here do not include the General Fund revenue from the sales tax on medical cannabis sales that in FY24 were approximately \$15.6 million.
- **Adult-Use Cannabis Excise Tax.** The cigarette and tobacco taxes forecast above assumes gross cannabis excise tax revenue of \$19.3 million in FY25, \$20.4 million in FY26, \$21.9 million in FY27, \$23.3 million in FY 28 and \$24.6 million in FY29. These estimates are gross amounts before transfers to the Adult Use Cannabis Public Health and Safety and Municipal Opt-In Fund. Total transfers to this fund from excise taxes are included in Other Revenue and are estimated to be \$2.3 million in FY25, \$2.4 million in FY26, \$2.6 million in FY27, \$2.8 million in FY28 and \$2.9 million in FY29. These transfers are then partially offset by transfers back to the General Fund pursuant to PL 2023, c.444 (LD 1063).
- **Insurance Premium Tax.** The forecast for insurance premium tax revenue is decreased by \$0.2 million for FY25 and by \$4.1 million for FY26 and for FY27. This forecasted decrease reflects slower than previously forecasted calendar year 2023 tax liability growth.
- **Transfer to Municipal Revenue Sharing.** Reflecting the net changes in sales and income taxes previously discussed, municipal revenue sharing transfers are forecasted to increase (a net decrease in General Fund revenue) by \$14.1 million for FY25, \$5.8 million for FY26 and \$4.3 million for FY27.
- **Municipal Business Equipment Tax Exemption (“BETE”) program.** The forecast for revenue transferred under the “BETE” program for FY25 is increased by \$1.5 million and by \$0.2 million for FY 26 resulting from increased reimbursable property experience but revised downward by \$1.1 million for FY27 as a result of slower projected growth in reimbursable property moving forward.
- **Transfer from the Lottery Commission.** The forecast for transfers to the General Fund from the Lottery Commission are unchanged in the this forecast after having been revised upward by \$5.0 million per year for FY25 through FY27 in the March 2024 forecast.
- **Other Taxes and Fees – Real Estate Transfer Tax.** The forecast for real estate transfer tax revenue is increased by \$0.5 million for FY25 but decreased by \$0.3 million for FY26 and by \$0.7 million for FY27 based on recent revenue collection experience and the new economic forecast.
- **Other Taxes and Fees – Other Miscellaneous Taxes and Fees - Sports Betting.** Sports betting activities authorized by P.L 2021, c.681 began in November 2023. The forecast for FY25 is reduced from \$4.5 million to \$3.8 million and remains unchanged for FY26 at \$4.5 million and for FY27 at \$4.6 million.
- **Other Revenue – Unclaimed Property Transfer.** The forecast for unclaimed property transfers is increased by \$8.0 million in FY25 based on actual experience and remains unchanged for FY26 and FY27.
- **Other Revenue - Transfer to Maine Milk Pool.** The forecast for transfers to the milk pool is revised downward (positive impact on the General Fund) by \$5.9 million for FY25, reflecting increased federal blend prices, lower support payments and decreased production. This trend is continued for FY26 and FY27 with downward adjustments (positive impact on the General Fund) of \$12.1 million for FY26 and \$0.9 million for FY27.

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2024 FORECAST

Source	FY18 Actual	% Chg.	FY19 Actual	% Chg.	FY20 Actual	% Chg.	FY21 Actual	% Chg.	FY22 Actual	% Chg.	FY23 Actual	% Chg.
Sales and Use Tax ¹	1,423,551,101	6.5%	1,503,771,784	5.6%	1,555,713,076	3.5%	1,804,226,077	16.0%	2,078,875,746	15.2%	2,173,045,809	4.5%
Service Provider Tax	59,601,858	-2.6%	59,012,956	-1.0%	58,012,511	-1.7%	51,350,442	-11.5%	51,328,641	0.0%	51,464,619	0.3%
Individual Income Tax	1,595,191,847	4.7%	1,701,005,768	6.6%	1,835,972,805	7.9%	2,069,715,593	12.7%	2,580,679,731	24.7%	2,473,478,947	-4.2%
Corporate Income Tax	185,737,065	6.0%	252,866,884	36.1%	216,131,489	-14.5%	284,316,774	31.5%	415,817,438	46.3%	451,211,056	8.5%
Cigarette and Tobacco Tax ²	132,949,700	-7.8%	125,977,694	-5.2%	137,331,317	9.0%	147,228,383	7.2%	148,517,422	0.9%	149,909,124	0.9%
Insurance Companies Tax	73,468,185	-4.0%	77,277,183	5.2%	82,145,116	6.3%	84,462,691	2.8%	101,673,456	20.4%	114,172,706	12.3%
Estate Tax	13,801,409	17.8%	15,851,350	14.9%	21,079,344	33.0%	40,399,594	91.7%	34,183,165	-15.4%	30,117,577	-11.9%
Other Taxes and Fees *	145,822,739	-1.6%	150,110,769	2.9%	139,144,510	-7.3%	157,423,377	13.1%	160,123,030	1.7%	152,382,096	-4.8%
Fines, Forfeits and Penalties	18,402,955	-6.1%	15,485,118	-15.9%	9,986,146	-35.5%	8,720,806	-12.7%	4,905,201	-43.8%	10,576,449	115.6%
Income from Investments	6,601,717	83.8%	12,474,570	89.0%	12,121,418	-2.8%	6,748,690	-44.3%	9,023,821	33.7%	33,812,410	274.7%
Transfer from Lottery Commission	62,307,123	7.0%	62,675,109	0.6%	64,589,742	3.1%	70,647,717	9.4%	71,351,415	1.0%	72,084,673	1.0%
Liquor Operations Fund Transfer	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A
Transfers to Tax Relief Programs *	(65,413,185)	-2.3%	(68,087,807)	-4.1%	(74,637,969)	-9.6%	(75,987,519)	-1.8%	(78,022,118)	-2.7%	(81,514,948)	-4.5%
Transfers to Municipal Rev. Sharing	(69,338,529)	-6.3%	(74,095,532)	-6.9%	(113,613,360)	-53.3%	(156,047,730)	-37.3%	(232,362,929)	-48.9%	(263,395,959)	-13.4%
Highway Fund Sales Tax Transfer	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A
Other Revenue *	4,991,864	-79.8%	14,185,246	184.2%	25,367,559	78.8%	27,386,250	8.0%	45,519,551	66.2%	12,147,454	-73.3%
Total - General Fund Revenue	3,587,675,847	3.8%	3,848,511,092	7.3%	3,969,343,702	3.1%	4,520,591,145	13.9%	5,391,613,569	19.3%	5,379,492,013	-0.2%

* Additional detail provided on pages 4, 5 and 6

1/ Includes revenue from cannabis sales. This forecast assumes gross cannabis sales tax revenue of \$22.5 million in FY24; \$25.4 million in FY25; \$28.1 million in FY26; \$30.7 million in FY27; \$33.5 million in FY28 and \$36.2 million in FY29. These estimates are gross amounts before transfers to the Local Government Fund and the Adult Use Cannabis Public Health and Safety and Municipal Opt-In Fund. Total transfers to this fund from sales taxes are included in Other Revenue above and are estimated to be \$2.7 million in FY24; \$3.0 million in FY25; \$3.3 million in FY26; \$3.7 million in FY27; 4.0 million in FY28 and 4.3 million in FY29.

2/ Includes revenue from the cannabis excise tax. This forecast assumes gross cannabis excise tax revenue of \$16.1 million in FY24; \$19.3 million in FY25; \$20.4 million in FY26; \$21.9 million in FY27; \$23.3 million in FY28 and \$24.6 million in FY29. These estimates are gross amounts before transfers to the Adult Use Cannabis Public Health and Safety and Municipal Opt-In Fund. Total transfers to this fund from excise taxes are included in Other Revenue above and are estimated to be \$1.9 million in FY24; \$2.3 million in FY25; \$2.4 million in FY26; \$2.6 million in FY27; \$2.8 million in FY28 and \$2.9 million in FY29.

GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2024 FORECAST

Source	FY24 Actual	% Chg.	FY24 Budget	Variance	% Var.	FY25 Budget	% Chg.	Recom. Chg.	FY25 Revised	% Chg.
Sales and Use Tax ¹	2,262,233,689	4.1%	2,252,160,559	10,073,130	0.4%	2,286,696,482	1.1%	23,400,748	2,310,097,230	2.1%
Service Provider Tax	49,629,447	-3.6%	49,234,033	395,414	0.8%	46,766,813	-5.8%	(1,845,112)	44,921,701	-9.5%
Individual Income Tax	2,388,991,095	-3.4%	2,442,073,714	(53,082,619)	-2.2%	2,454,470,720	2.7%	185,000,000	2,639,470,720	10.5%
Corporate Income Tax	459,752,873	1.9%	436,000,000	23,752,873	5.4%	428,000,000	-6.9%	17,000,000	445,000,000	-3.2%
Cigarette and Tobacco Tax ²	144,147,994	-3.8%	152,779,967	(8,631,974)	-5.6%	156,582,458	8.6%	(5,669,856)	150,912,603	4.7%
Insurance Companies Tax	108,435,700	-5.0%	118,460,000	(10,024,300)	-8.5%	124,140,000	14.5%	(180,000)	123,960,000	14.3%
Estate Tax	29,051,766	-3.5%	18,840,000	10,211,766	54.2%	27,440,000	-5.5%	11,390,000	38,830,000	33.7%
Other Taxes and Fees *	156,906,009	3.0%	145,667,406	11,238,603	7.7%	152,314,161	-2.9%	1,210,470	153,524,631	-2.2%
Fines, Forfeits and Penalties	11,890,588	12.4%	15,452,367	(3,561,779)	-23.1%	11,783,639	-0.9%	275,099	12,058,738	1.4%
Income from Investments	62,564,325	85.0%	55,102,654	7,461,671	13.5%	38,007,512	-39.3%	22,379,985	60,387,497	-3.5%
Transfer from Lottery Commission	88,673,283	23.0%	73,000,000	15,673,283	21.5%	70,000,000	-21.1%	0	70,000,000	-21.1%
Liquor Operations Fund Transfer	7,000,000	N/A	7,000,000	0	0.0%	7,000,000	0.0%	0	7,000,000	0.0%
Transfers to Tax Relief Programs *	(82,873,750)	-1.7%	(82,730,000)	(143,750)	-0.2%	(86,210,000)	-4.0%	(1,860,000)	(88,070,000)	-6.3%
Transfers to Municipal Rev. Sharing	(260,093,499)	1.3%	(263,620,964)	3,527,465	1.3%	(264,668,127)	-1.8%	(14,065,629)	(278,733,756)	-7.2%
Highway Fund Sales Tax Transfer	(107,534,228)	N/A	(107,534,228)	(0)	0.0%	(115,418,279)	-7.3%	(392,816)	(115,811,095)	-7.7%
Other Revenue *	33,987,364	179.8%	20,009,711	13,977,653	69.9%	(3,651,440)	-110.7%	11,260,441	7,609,001	-77.6%
Total - General Fund Revenue	5,352,762,655	-0.5%	5,331,895,219	20,867,436	0.4%	5,333,253,940	-0.4%	247,903,330	5,581,157,269	4.3%
								247,903,330		

* Additional detail provided on pages 4, 5 and 6

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GENERAL FUND REVENUE

REVENUE FORECASTING COMMITTEE RECOMMENDATIONS - DECEMBER 2024 FORECAST

Source	FY26 Budget	% Chg.	Recom. Chg.	FY26 Revised	% Chg.	FY27 Budget	% Chg.	Recom. Chg.	FY27 Revised	% Chg.	FY28 Forecast	% Chg.	FY29 Forecast	% Chg.
Sales and Use Tax ¹	2,324,465,191	1.7%	30,746,675	2,355,211,866	2.0%	2,358,085,239	1.4%	26,972,162	2,385,057,400	1.3%	2,435,439,204	2.1%	2,467,479,795	1.3%
Service Provider Tax	45,255,247	-3.2%	(2,229,046)	43,026,201	-4.2%	43,773,387	-3.3%	(2,329,249)	41,444,139	-3.7%	39,999,862	-3.3%	38,517,341	-3.7%
Individual Income Tax	2,547,321,320	3.8%	62,000,000	2,609,321,320	-1.1%	2,687,118,706	5.5%	44,000,000	2,731,118,706	4.7%	2,863,800,000	4.9%	3,024,000,000	5.6%
Corporate Income Tax	416,000,000	-2.8%	7,000,000	423,000,000	-4.9%	431,999,998	3.8%	15,000,000	446,999,998	5.7%	457,000,000	2.3%	477,000,000	4.4%
Cigarette and Tobacco Tax ²	159,546,124	1.9%	(5,715,275)	153,830,849	1.9%	161,067,270	1.0%	(7,585,480)	153,481,790	-0.2%	153,146,490	-0.2%	152,936,424	-0.1%
Insurance Companies Tax	131,030,000	5.6%	(4,070,000)	126,960,000	2.4%	136,370,000	4.1%	(4,100,000)	132,270,000	4.2%	135,610,000	2.4%	139,750,000	3.1%
Estate Tax	27,720,000	1.0%	8,320,000	36,040,000	-7.2%	27,820,000	0.4%	8,510,000	36,330,000	0.8%	35,970,000	-1.3%	39,080,000	8.6%
Other Taxes and Fees *	140,531,475	-7.7%	722,536	141,254,011	-8.0%	141,307,063	0.6%	468,876	141,775,939	0.4%	142,616,772	0.6%	143,228,936	0.4%
Fines, Forfeits and Penalties	11,783,639	0.0%	4,511,511	16,295,150	35.1%	11,783,639	0.0%	4,511,511	16,295,150	0.0%	16,295,150	0.0%	16,295,150	0.0%
Income from Investments	28,855,016	-24.1%	11,507,941	40,362,957	-33.2%	22,342,879	-22.6%	11,035,971	33,378,850	-17.3%	25,965,853	-33.2%	22,792,092	-12.2%
Transfer from Lottery Commission	70,000,000	0.0%	0	70,000,000	0.0%	70,000,000	0.0%	0	70,000,000	0.0%	70,000,000	0.0%	70,000,000	0.0%
Liquor Operations Fund Transfer	7,000,000	0.0%	0	7,000,000	0.0%	7,000,000	0.0%	0	7,000,000	0.0%	7,000,000	0.0%	7,000,000	0.0%
Transfers to Tax Relief Programs *	(89,380,000)	-3.7%	(535,000)	(89,915,000)	-2.1%	(92,710,000)	-3.7%	777,000	(91,933,000)	-2.2%	(94,123,000)	-2.4%	(96,523,000)	-2.5%
Transfers to Municipal Rev. Sharing	(270,070,273)	-2.0%	(5,752,921)	(275,823,193)	1.0%	(279,079,267)	-3.3%	(4,321,268)	(283,400,535)	-2.7%	(292,971,755)	-3.4%	(303,317,172)	-3.5%
Highway Fund Sales Tax Transfer	(117,511,351)	-1.8%	(146,520)	(117,657,871)	-1.6%	(118,577,319)	-0.9%	(694,806)	(119,272,125)	-1.4%	(120,288,321)	-0.9%	(120,363,908)	-0.1%
Other Revenue *	(7,896,829)	-116.3%	7,167,813	(729,016)	-109.6%	(10,721,410)	-35.8%	(3,585,512)	(14,306,922)	-1862.5%	(13,006,418)	12.1%	(14,428,716)	-10.9%
Total - General Fund Revenue	5,424,649,560	1.7%	113,527,715	5,538,177,275	-0.3%	5,597,580,185	3.2%	88,659,205	5,686,239,390	2.7%	5,862,453,837	3.1%	6,063,446,943	3.4%
Change in Biennial Totals									202,186,920					

* Additional detail provided on pages 4, 5 and 6

1/ Includes revenue from cannabis sales. This forecast assumes gross cannabis sales tax revenue of \$22.5 million in FY24; \$25.4 million in FY25; \$28.1 million in FY26; \$30.7 million in FY27; \$33.5 million in FY28 and \$36.2 million in FY29. These estimates are gross amounts before transfers to the Local Government Fund and the Adult Use Cannabis Public Health and Safety and Municipal Opt-In Fund. Total transfers to this fund from sales taxes are included in Other Revenue above and are estimated to be \$2.7 million in FY24; \$3.0 million in FY25; \$3.3 million in FY26; \$3.7 million in FY27; 4.0 million in FY28 and 4.3 million in FY29.

2/ Includes revenue from the cannabis excise tax. This forecast assumes gross cannabis excise tax revenue of \$16.1 million in FY24; \$19.3 million in FY25; \$20.4 million in FY26; \$21.9 million in FY27; \$23.3 million in FY28 and \$24.6 million in FY29. These estimates are gross amounts before transfers to the Adult Use Cannabis Public Health and Safety and Municipal Opt-In Fund. Total transfers to this fund from excise taxes are included in Other Revenue above and are estimated to be \$1.9 million in FY24; \$2.3 million in FY25; \$2.4 million in FY26; \$2.6 million in FY27; \$2.8 million in FY28 and \$2.9 million in FY29.

Insurance Premiums Tax

Insurance Premiums Tax Revenue

Fiscal Year	December 2024 Estimate			December 2025 Estimate			Total
	Total	IPT	Nonadmitted	Total	IPT	Nonadmitted	
2021	\$84.5	\$80.4	\$4.0				
2022	\$101.7	\$96.2	\$5.5				
2023	\$114.2	\$108.0	\$6.2				
2024	\$108.4	\$100.8	\$7.6	\$118.5	\$111.4	\$7.1	(\$10.0)
2025	\$124.0	\$116.5	\$7.5	\$124.1	\$116.8	\$7.3	(\$0.2)
2026	\$127.0	\$119.5	\$7.5	\$131.0	\$123.5	\$7.5	(\$4.1)
2027	\$132.3	\$124.5	\$7.8	\$136.4	\$128.6	\$7.8	(\$4.1)
2028	\$135.6	\$127.5	\$8.1				
2029	\$139.8	\$131.3	\$8.4				

Insurance Premiums Tax

- Negative variance in FY 2024 mostly attributable to slower than forecast tax year 2023 tax liability growth
 - Tax liability before refundable credits grew 2.5% vs. 6.5% forecast
 - Front-loaded and backward-looking IPT estimated payments magnify fiscal year revenue impact of 2023 tax liability shortfall
 - Most companies make 2024 estimated payments equal to 70% of tax year 2023 tax liability in FY 2025
- Forecast assumes 6% tax liability growth in 2024
- Fiscal year 2025 recommended change is smaller than next biennium for two reasons related to timing.
 - Some June 2024 payments (≈ \$1.2 million) not recognized until July
 - New forecast assumes accelerating tax liability growth in tax year 2024. Revenue growth exceeds tax liability growth when tax liability growth accelerates. Prior forecast assumes decelerating tax liability.