

CITY OF GEORGETOWN, KY

ORDINANCE 2021 - 03

AN ORDINANCE AMENDING GEORGETOWN CODE OF ORDINANCES SECTION 36-93 TO PROVIDE FOR AN EIGHT PERCENT (8%) LICENSE TAX RATE ON INSURANCE COMPANIES ENGAGING IN BUSINESS WITHIN THE CITY OF GEORGETOWN'S CORPORATE LIMITS.

SUMMARY

1. Amends Section 36-93 of the Georgetown Code of Ordinances to provide an eight percent (8%) license tax rate on insurance companies engaging in business in the City of Georgetown.
2. Provides for repeal of inconsistent ordinances, severability of provisions, an effective date upon passage and publication and instructs Kentucky's Executive Director of Insurance to take necessary measures to implement the Ordinance lawfully.

The full text of Ordinance 21-03 is available for examination in the City Clerk's Office, 100 North Court Street, Georgetown, Kentucky 40324 or at www.georgetownky.gov.

INTRODUCED AND PUBLICLY READ FIRST TIME: February 22, 2021

PUBLICLY READ SECOND TIME AND PASSED: March 8, 2021

APPROVED: *Tom Prather*
Tom Prather (Mar 10, 2021 08:14 EST)
Tom Prather, Mayor

ATTEST: *Tracie Hoffman*
Tracie Hoffman (Mar 10, 2021 12:45 EST)
Tracie Hoffman, City Clerk

I, Devon E. Golden, hereby certify I am an Attorney licensed to practice law in the Commonwealth of Kentucky. My office is located at 100 North Court Street, Georgetown, Kentucky 40324. I further certify the foregoing Summary of Ordinance 21-03, of the City of Georgetown, Kentucky, was prepared in accordance with the requirements of KRS 83A.060(9) and is a true and accurate summary of the contents of said Ordinance.



Devon E. Golden

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Sponsors: Council Members Connie Tackett and David Lusby

WHEREAS, in 1984, the City of Georgetown enacted a license fee upon insurance companies for the privilege of doing business in the City's corporate limits; and,

WHEREAS, KRS 91A.080 provides that the City's legislative body may change its license tax rate upon such companies, an action that the Georgetown City Council most recently took in the year 2009; and,

WHEREAS, pursuant to KRS 91A.080, cities are required to make any such change at least one hundred (100) days before July 1 of each year; and,

WHEREAS, the Georgetown City Council finds it necessary to increase the license fee and rate of tax imposed on insurance companies for the privilege of doing business in the City's corporate limits;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF GEORGETOWN, KENTUCKY:

SECTION ONE

Chapter 36, ARTICLE IV, Section 36-93 is amended as follows:

Sec. 36-93. Fees.

(a) The license fee imposed upon each insurance company which issues life insurance policies on the lives of persons residing within the corporate limits of the city shall be [~~five~~ **eight**] percent **(8%)** of the first year's premiums actually collected within each calendar quarter by reason of the issuance of such policies.

(b) The license fee imposed upon each insurance company which issues any insurance policy which is not a life insurance policy shall be ~~five~~ **eight** percent **(8%)** of the premiums actually collected within each calendar quarter by reason of the issuance of such policies on risks located within the corporate limits of the city on those classes of business which such company is authorized to transact, less all premiums returned to policy holders.

(c) No license fee or tax imposed under this section shall apply to premiums:

- (1) Received on policies of group health insurance provided for state employees under KRS 18A.225;
- (2) Received on policies insuring employers against liability for personal injuries to their employees or the death of their employees caused thereby, under the provisions of KRS ch. 342;
- (3) Received on health insurance policies issued to individuals;
- (4) Received on policies issues through Kentucky Access created in KRS ch. 304, subtitle 17B;
- (5) Received on policies for high deductible health plans as defined in 26 USC 223(c)(2);
- (6) Received on multistate surplus lines, defined as non-admitted insurance as provided in title V, subtitle B, the Non-Admitted and Reinsurance Reform Act of 2010, of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203;
- (7) Paid to insurance companies or surplus lines brokers by nonprofit self-insurance groups or self-insurance entities whose membership consists of school districts; or
- (8) Paid to insurance companies or surplus lines brokers by nonprofit self-insurance groups or self-insurance entities whose membership consists of cities, counties, charter county governments, urban-county governments, consolidated local governments, unified local governments, school districts, or any other political subdivisions of the commonwealth.

(d) No license fee or tax imposed under this section shall apply to premiums paid to insurers of municipal bonds, leases, or other debt instruments issued by or on behalf of a city, county, charter county government, urban-county government, consolidated local government, special districts, nonprofit corporation, or other political subdivision of the commonwealth. However, this exemption shall not apply if the bonds, leases, or other debt instruments are issued for-profit or on behalf of for-profit or private organizations.

SECTION TWO

If any section, subsection, paragraph, sentence, clause, phrase, or a portion of this ordinance is declared illegal or unconstitutional or otherwise invalid, such declaration shall not affect the remaining portions hereof.

SECTION THREE

All ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed.

SECTION FOUR

This Ordinance shall be in full force and effect upon passage and publication.

SECTION FIVE

This Ordinance shall be filed with the Commonwealth of Kentucky's Executive Director of Insurance, who is respectfully asked to take all necessary measures to comply with KRS 91A.080 and other applicable law(s).

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Tom Prather (Mar 10, 2021 08:14 EST)
Tom Prather, Mayor

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Tracie Hoffman, City Clerk











2021-02-22 - Insurance Premium Tax Rate Amendment - Ordinance

Final Audit Report

2021-03-11

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