

**INSURANCE PREMIUM LICENSE TAX
CITY OF WEST BUECHEL, KENTUCKY**

ORDINANCE NO. 288, SERIES 2021

**AN ORDINANCE REPEALING AND REPLACING ORDINANCE 286 SERIES 2020
RELATING TO THE RATE OF THE LICENSE FEE IMPOSED ON INSURANCE
COMPANIES IN THE CITY OF WEST BUECHEL, KENTUCKY**

WHEREAS the City of West Buechel currently imposes a license fee on insurance companies based upon a percentage of premiums collected by the companies, and

WHEREAS the City desires that its insurance license fees be uniform to those imposed by Metro Louisville now or in the future and believes the public will be better served by the revisions set forth below.

Now, therefore, be it ordained by the City Council of the City of West Buechel, Kentucky as follows:

Section I. Any and all ordinances of the City imposing license fees upon insurance companies engaging in the business of insurance within the corporate limits of the City are hereby repealed in its entirety. Specifically, Ordinance 286, Series 2020 is repealed and shall be replaced as follows:

Section II. A new Chapter in the City's ordinances is hereby adopted as follows:

1. There is hereby created a license fee to be imposed upon any insurance company with respect to any policy that is not a life insurance policy, based upon 7% of the premiums actually collected by the company within each calendar quarter on risk located within the corporate limits of the city, on those classes of business that the company is authorized to transact, less all premiums returned to policyholders. In the event that Metro Louisville shall impose a higher percentage than 7%, either as a fee or tax, then the rate imposed herein shall be automatically increased to equal but not exceed the rate imposed by Metro Louisville.
2. In determining the amount of license fee to be collected and paid to the city, the insurance company shall use the tax rate effective on the first day of the policy term.
3. When an insurance company collects a premium as a result of the change in the policy during the policy term, the tax rate used shall be the rate in effect on the effective date of the policy change.
4. With respect to premiums returned to policyholders, the license fee or tax shall be returned by the insurance company to the policyholder pro rata on the unexpired amount of the premium at the same rate at which it was collected, and shall be taken as a credit by the insurance company on its next quarterly report to the city.

5. The license fee imposed upon premium receipts shall not include premiums received for insuring employers against liability for personal injuries to their employees, or the death of their employees caused thereby, under the provisions of the Workers' Compensation Act.
6. License Fee Rate for Life Insurance Policies. The license fee of 7% of the premium actually collected, or tax imposed by this chapter upon an insurance company with respect to life insurance policies, shall be based upon the first year's premiums, and shall be applied to the amount of the premiums actually collected within each calendar quarter upon the lives of persons residing within the corporate limits of the city.
7. License Fee Due After Each Calendar Quarter. The license fees provided for by this ordinance shall be due 30 days after the end of each calendar quarter.
8. Written Breakdowns of Collections. Every insurance company subject to the license fees imposed by this chapter shall annually, by March 31st, furnish the city with a written breakdown of all collections in the preceding calendar year for the following categories of insurance;
 - a. Casualty;
 - b. Automobile;
 - c. Inland Marine;
 - d. Fire and allied perils;
 - e. Health; and
 - f. Life.
9. Interest Due on Unpaid License Fees. Any license fee not paid on or before the due date shall bear interest, at the tax interest rate as defined in KRS 131.010(6), from the date due until paid. Such interest payable to the city is separate of any penalties provided for in KRS 91A.080(7).
10. Exemptions. Specifically excluded from the license fees imposed herein are premiums received on policies of group health insurance provided for state employees under KRS 18A.225, and premiums received on health insurance policies issued to individuals, and premiums on policies issued through Kentucky Access created in KRS 304.178-005.
11. Fees to be paid to General Revenue Fund. The license fee or tax established by this chapter is imposed and levied for the purpose of general revenue funds and shall be paid into the general fund of the city. The City Clerk is instructed to advise the Department of Insurance that all monies collected is the property of, and shall be forwarded to, the City of West Buechel.
12. This ordinance supersedes and repeals all previous Ordinances to the extent that they may be in conflict herewith.
13. This Ordinance shall be effective from and after its passage, approval, and publication as required by law.

1st Reading 3-4-21

2nd Reading 3-8-21

Passed and Approved 3-8-21

Mayor Brenda Moore
Mayor Brenda Moore

Attested By:

Debbie Batliner
Debbie Batliner, City Clerk/Treasurer