

ORDINANCE NO. 248 SERIES 2019

AN ORDINANCE OF THE CITY OF WATTERSON PARK, KENTUCKY, AMENDING AND SUPPLEMENTING ORDINANCE NO. 66, SERIES 1990, AS AMENDED BY ORDINANCE NO. 77, SERIES 1991, AS AMENDED BY ORDINANCE NO. 187, SERIES 2008, RELATING TO THE IMPOSITION AND ADMINISTRATION OF LICENSE FEES UPON INSURANCE COMPANIES DOING BUSINESS IN THE CITY.

PREAMBLE

WHEREAS, KRS 91A.080 through 91A.0810 authorize cities and other local governments to impose license fees or taxes upon insurance companies for the privilege of engaging in the business of insurance within their corporate limits ("local government premiums tax" or "**LGPT**");

WHEREAS, the City Council of Watterson Park, Kentucky adopted Ordinance No. 66, Series 1990, as amended by Ordinance No. 77, Series, 1991, as amended by Ordinance No. 187, Series 2008, imposing LGPT upon insurance companies engaging in the business of insurance within the City of Watterson Park ("City") corporate limits (collectively, the "**Original Ordinance**");

WHEREAS, Louisville/Jefferson County Metro Government ("**Metro**") levies LGPT upon insurance companies engaging in the business of insurance within the corporate limits of Jefferson County, including within the corporate limits of the City;

WHEREAS, KRS 91A.080(12) provides that the City LGPT shall be credited against the Metro LGPT, such that all LGPT revenue from engaging in the business of insurance within the City is paid to the City provided the City LGPT is imposed at an amount at least equivalent to the Metro LGPT;

WHEREAS, KRS 91A.080(1) provides that LGPT rate changes take effect July 1 of each year on a prospective basis only and requires that any ordinance changing LGPT rates to be filed with the Kentucky Commission of Insurance at least one hundred (100) days prior to the effective date; and

WHEREAS, the City has determined and hereby declares it is necessary, desirable, and in the public interest for the City to supplement and amend the Original Ordinance for the purposes of (i) imposing the City LGPT at rates equal to the amount that provides the maximum allowable credit against the Metro LGPT; and (ii) approving, confirming and ratifying the Original Ordinance as hereby amended and supplemented;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF WATTERSON PARK, KENTUCKY, ACTING BY AND THROUGH ITS CITY COUNCIL, AS FOLLOWS:

Affirmation of Preamble

It is hereby found, determined, and declared that the facts and recitals set forth in the Preamble of this Ordinance are true and correct and are hereby affirmed, and all acts described in the Preamble of this Ordinance are hereby ratified. Such facts and recitals are hereby adopted and incorporated as a part of this Ordinance.

Section 2. Rate. The Original Ordinance is hereby amended and supplemented to provide as follows:

(a) There is hereby imposed on each insurance company a license fee for the privilege of engaging in the business of insurance within the corporate limits of the City [of Watterson Park] for the [calendar year 1991,] current year and [thereafter] each year hereafter [on a calendar year basis], as hereinafter set forth as set forth in KRS 91A.080.

(b) "Premiums" is defined as premiums actually collected by an insurance company within each calendar quarter by reason of the issuance of policies and contracts of insurance on risks located within the City and includes premiums on new policies and contracts of insurance and on renewal business, as well as all other classes of premiums, less all premiums returned to policyholders.

(c) Except as otherwise provided in subsection (c) below, the license fee imposed upon each insurance company which issues any insurance policy or contract of insurance shall be the following percentage of Premiums on those classes of insurance which such company is authorized to issue (the "Base Fee"):

	<u>Fire and Allied Perils</u>	<u>Casualty Liability Only</u>	<u>Vehicle</u>	<u>Inland Marine</u>	<u>Health</u>	<u>Life</u>	<u>All other Risks Taxed</u>
<u>Initial Rate</u>	5%	5%	5%	5%	0%	5%	5%

The Base Fee shall not apply to Premiums exempted by state or federal law.

(d) In addition to the Base Fee, an additional license fee is hereby imposed upon each insurance company with respect to Premiums equal to the amount by which the credit for City LGPT allowable under KRS 91A.080(12) against the Metro LGPT exceeds the Base Fee under subsection (b) above.

(e) Example. The City and Metro currently impose a 5% LGPT on casualty liability Premiums. Assume Metro hereafter adopts an ordinance increasing its countywide LGPT rate on casualty liability Premiums to 7% and provides that ordinance to the Kentucky Commissioner of Insurance on or before March 23, 201X (100 days prior to the July 1, 201X effective date) so that the increase in the Metro LGPT rate will be effective July 1, 201X. Beginning July 1, 201X, the City LGPT rate on casualty liability Premiums will be 7%.

(f) License fees which are 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.

[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 of Watterson Park shall be 5% of the first year's premiums actually collected within each calendar quarter by reason of the issuance of such policies.]

Section 3. Purpose of the LGPT. The proceeds of the City LGPT are to be placed in the General Fund of the City and are to be used for general operating purposes and expenses of the city, and for any and all other necessary and proper municipal functions as may be properly ordained or resolved by the City Council.

~~[The license fee imposed upon each insurance company which issues any insurance policy which is not a life insurance policy shall be 5% 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 of Watterson Park on these classes of business which such company is authorized to transact, less all premiums returned to policy holders, any license fee or tax imposed upon premium receipts shall not include premiums received for insuring employers against liability for personal injuries to their employees, or death caused thereby, under the provisions of the Worker's Compensation Act and shall not include premiums received on policies of group health insurance provided for state employees under KRS 18A.225(2).]~~

Section 4. Reaffirmation of the Original Ordinance. The provisions of the Original Ordinance as hereby amended and supplemented are hereby approved, confirmed, and ratified.

~~[All license fees imposed by this ordinance shall be due no later than thirty (30) days after the end of each calendar quarter. License fees which are not paid on or before the due date shall bear interest at the tax interest rate as defined in KRS 131.010(6).]~~

Miscellaneous Provisions

Severability

. If any section, paragraph, clause, or provision of this Ordinance shall be held to be invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance.

Repeal of Inconsistent Provisions

. All ordinances and municipal orders, or parts thereof, in conflict with herewith are, to the extent of any such conflict, hereby repealed.

When Ordinance Effective

. This Ordinance shall be in full force and effect from and after its adoption and publication in summary form as provided by law.

~~[Every insurance company subject to the license fees imposed by this ordinance shall annually, by March 31, furnish the City of Watterson Park 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; and (e) life.]~~

Section 6. The Clerk of the City [city] is [hereby] Authorized and directed to publish and advertise this ordinance as required by law and to transmit a copy [of this ordinance, and any amendment thereto,] hereof to the Commissioner of Insurance of the Commonwealth of Kentucky.

~~[Section 7: This ordinance shall become effective on the first day of January, 1991.]~~

FIRST READING: February 11, 2019

SECOND READING: March 14, 2019

This Ordinance was passed and approved by 4 ayes and 0 nays this 14th day of March, 2019.

	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>
Helen Arnold	<u>✓</u>	_____	_____
Brett Ashley	_____	_____	_____
Gina Garrett	<u>✓</u>	_____	_____
Phillip Johnson	<u>✓</u>	_____	_____
Tiffany Woodson	_____	_____	_____
Marlene Welsh	<u>✓</u>	_____	_____

[Signature page to follow]

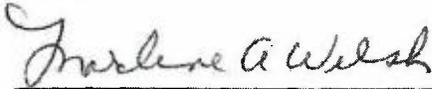
[SIGNATURE PAGE TO ORDINANCE]

APPROVED:



Linda Chesser
Mayor

Attest:



Aggie Keefe
City Clerk

CERTIFICATION

The undersigned, City Clerk of the City of Watterson Park, Kentucky (the "**City**"), hereby certifies that the foregoing is a true, complete, and correct copy of an Ordinance finally adopted upon second reading by the City Council of the City at a properly convened meeting of the City Council held on March 14 2019, and signed by the Mayor and attested by me as City Clerk, all as shown by the official records in my custody and under my control.

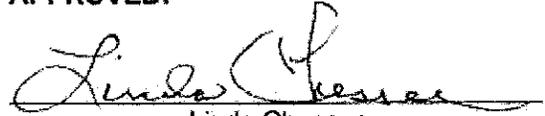
WITNESS my hand this March 14 2019.



Aggie Keefe
City Clerk

[SIGNATURE PAGE TO ORDINANCE]

APPROVED:


Linda Chesser
Mayor

Attest:


Aggie Keefe
City Clerk

CERTIFICATION

The undersigned, City Clerk of the City of Watterson Park, Kentucky (the "City"), hereby certifies that the foregoing is a true, complete, and correct copy of an Ordinance finally adopted upon second reading by the City Council of the City at a properly convened meeting of the City Council held on MAR 14, 2019, and signed by the Mayor and attested by me as City Clerk, all as shown by the official records in my custody and under my control.

WITNESS my hand ^{at 4:50 P.M.} ~~the~~ MAR 14, 2019.


Aggie Keefe
City Clerk