

**SMITHS GROVE CITY COMMISSION**

**ORDINANCE NUMBER 11-005 220.76**

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**AN ORDINANCE IMPOSING A LICENSE FEE UPON INSURANCE COMPANIES FOR THE PRIVILEGE OF ENGAGING IN THE BUSINESS OF INSURANCE WITHIN THE CORPORATE LIMITS OF SMITHS GROVE, KENTUCKY**

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**Ordinance No. 86.1 220.76, enacted on April 7, 1986, establishing a license fee on insurance companies engaging in the business of insurance within the corporate limits of Smiths Grove, Kentucky is hereby repealed in its entirety.**

**WHEREAS**, KRS 91A.080 allows local governments to impose and collect license fees upon insurance companies for the privilege of engaging in the business of insurance within the local governments jurisdiction as long as the Kentucky Commissioner of Insurance is furnished a copy of all applicable ordinances and amendments at least one hundred (100) days prior to the effective date of July 1 for imposing the license fee.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY OF SMITHS GROVE, KENTUCKY:**

**SECTION 1:** There is now imposed on each insurance company a license fee for the privilege of engaging in the business of insurance within the corporate limits of Smiths Grove for the fiscal year 2011-2012, and thereafter on a fiscal year basis.

**SECTION 2:** The license fee imposed on each insurance company which issues life insurance policies on the lives of persons residing within the corporate limits of Smiths Grove shall be seven percent (7%) of the first year's premiums actually collected within each calendar quarter by reason of the issuance of such policies.

**SECTION 3:** The license fee imposed on each insurance company which issues health insurance policies within the corporate limits of Smiths Grove shall five percent (5%) of the first year's premiums actually collected within each calendar quarter by reason of the issuance of such policies.

**SECTION 4:** The license fee imposed on each insurance company which issues any insurance policy which is not a life or health insurance policy shall be seven percent (7%) of the premiums actually collected within each calendar quarter by reason of issuance of such policies on risks located within the corporate limits of Smiths Grove on those classes of business which such company is authorized to transact, less all premiums returned to policy holders; however, 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 5:** 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).

**SECTION 6:** Every insurance company subject to the license fees imposed by this ordinance shall annually, by March 31, furnish the City of Smiths Grove, KY 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
- (F) LIFE

**SECTION 7:** The City Clerk will transmit a copy of this Ordinance and the tear sheet of the local newspaper to the Commissioner of Insurance, Commonwealth of Kentucky to be received by the Commissioner no later than March 23, 2011.

**SECTION 8:** This Ordinance shall become effective on the 1<sup>st</sup> day of July 2011

Passed on First Reading by roll call vote this 20<sup>th</sup> day of February 2011.

Passed by roll call vote and adopted on Second Reading this 4<sup>th</sup> day of March 2011.

APPROVED:

  
BERT E. HIGGINBOTHAM, MAYOR

ATTEST:

  
DANIEL C. JONES, CITY CLERK