

Ordinance 326

AN ORDINANCE TO PROVIDE FOR THE IMPOSITION OF A TAX ON INSURANCE PREMIUMS, AS AUTHORIZED BY L. R. S 22:1076, AND TO PROVIDE FOR RELATED MATTERS.

Be it ordained by the **Town of Dubach**, Louisiana, that this Ordinance is hereby enacted to read as follows:

Section 1. There is hereby imposed and levied an annual license tax on any insurer engaged in the business of issuing any form of insurance policy or contract, which may now or hereafter be subject to the payment of any license tax for state purposes, all as authorized by Section 1076 of Title 22 of the Louisiana Revised Statutes of 1950 on risks located in this municipality as follows:

(1) On any insurer engaged in the business of issuing life or accident or health insurance policies, other than programs of benefits authorized or provided pursuant to the provisions of Parts I and II of Chapter 12 of Title 42 of the Louisiana Revised Statutes of 1950, or other forms of contracts or obligations covering such risks, or issuing endowment or annuity policies, or contracts, or other similar forms of contract obligations in consideration of the payment of a premium or other consideration for the issuance of such policies, contracts or obligations whether such insurer by operating in this state through an agent or other representative or otherwise;

(a) Ten Dollars on gross annual premiums up to two thousand dollars and an additional license thereafter of Seventy Dollars on each ten thousand dollars, or fraction thereof, of gross annual premiums in excess of two thousand dollars:

(b) The maximum license on such businesses, payable to this municipality by any one insurer, shall be twenty-one thousand dollars.

(2) On any insurer, engaged in the business of issuing policies, contracts or other forms of obligations covering the risk of fire, marine, transportation, surety, fidelity, indemnity, guaranty, worker's compensation, employers' liability, property damage, live stock, vehicle, automatic sprinkler, burglary, or insurance business of any other kind whatsoever in this state, whether such insurer is operating in this state through agents or other representative or otherwise, not more than the following:

(a) **1st Class:** When the gross receipts are not more than two thousand dollars, the license shall be forty dollars;

(b) **2nd Class:** When the gross receipts are more than two thousand dollars, and not more than four thousand dollars, the license shall be sixty dollars;

(c) **3rd Class:** When the gross receipts are more than four thousand dollars, and not more than six thousand dollars, the license shall be eighty dollars;

(d) **4th Class:** When the gross receipts exceed six thousand dollars, the additional license thereafter shall be seventy dollars for each ten thousand dollars, or fraction thereof, in excess of six thousand dollars;

- (e) The maximum license tax on such businesses, payable to this municipality by any insurer shall be nine thousand dollars, provided that plate glass and steam boiler inspection insurers shall pay only one-third of the above rates provided in Subsection (2).
- (3) The amount of license payable to this municipality as fixed by this Ordinance, shall be one-third of the amount so fixed if the payer shall file a sworn statement with the annual report required by L. R. S. Title 22, Chapter 1, Part XXIII, showing that at least one-sixth of the total admitted assets of the payer, are invested and maintained in qualifying Louisiana investments as defined in L.R. S 22:1068(C).

Section 2. All license taxes levied herein shall be due and payable on January 1st of each year and all unpaid license taxes shall become delinquent on June 1st. A penalty of five percent per month shall be added to the amount of tax due and payable to this municipality along with the tax due. The amount of any monetary penalty assessed pursuant to this Section shall not be greater than twenty-five percent of the total amount of the tax due. The collection of delinquent accounts shall be enforced in accordance with L. R. S. 22:1076 and 47:1601.

Section 3. All ordinances in conflict herewith are hereby repealed.

Section 4. Should any provision of this ordinance or the application thereof be held invalid, such invalidity shall not affect the validity of the remaining portions of this ordinance.

Section 5. Pursuant to L.R.S. 33:361, the Agreement with the Louisiana Municipal Advisory and Technical Services Bureau Corporation for collection of current and delinquent license taxes in the form attached hereto is approved, and the Mayor is authorized to execute it.

Section 6. This ordinance shall become effective on October 17, 2011.

Said Ordinance having been introduced on the 19th day of September, 2011 by Donna Lewis Seconded by Davie Powell Notice of Public Hearing having been published, said public hearing having been held, the title having been read and the Ordinance considered, on motion of DAYIE POWELL, Seconded by VALLIE CARRICO, to adopt the Ordinance, a record vote was taken and the following was had:

YEAS: VALLIE CARRICO - HATTIE GRAHAM - MELODY HASTINGS - DAYIE POWELL
NAYS: NONE
ABSENT: DONNA LEWIS

Whereupon, the presiding officer declared the above Ordinance duly adopted on 17 day of October, 2011.

Justina Hensley
Justina Hensley, Clerk

Ray Powell
Ray, Polk Mayor

Agreement

WHEREAS, the Louisiana Municipal Advisory & Technical Services Bureau Corporation (the "Bureau"), a not-for-profit corporation duly chartered under the laws of the state of Louisiana, has developed a program for the Louisiana Municipal Association for the statewide collection of current and delinquent municipal insurance premium taxes (also known as business license taxes), and penalties upon delinquent payments, due from insurance companies licensed to do business in the state of Louisiana, and is continuing a program for collection of delinquent insurance premium taxes, in which certain municipal or parochial corporations participate; and,

WHEREAS, Municipal or Parochial Corporations are authorized by law, as found at La. R.S. 22:1076, to impose, levy and collect insurance premium taxes and to assess penalties upon delinquent payments; and,

WHEREAS, participating member Municipal or Parochial Corporations have adopted uniform rates for penalties for delinquent payments by insurers, and a uniform date of May 31 of each calendar year for the payment of insurance premium taxes; and,

WHEREAS, participating member Municipal or Parochial Corporations have adopted uniform policies with respect to the waiver and compromise of the payment of insurance premium taxes and the payment of penalties on delinquent payments; and,

WHEREAS, participating member Municipal or Parochial Corporations pursuant to law, as found at La.R.S. 33:361, are authorized to exercise any power and perform any function necessary, requisite, or proper for the management of their affairs not denied by law, including the power to impose, levy and provide for the collection of taxes authorized by law; and,

WHEREAS, participating member Municipal or Parochial Corporations have determined it to be necessary and proper to the management of their affairs, by resolution duly adopted by their respective governing authorities, to enter into this Agreement with the Bureau for the collection of insurance premium taxes, delinquent payments thereof and the penalties thereon; now therefore,

WITNESSETH

THIS AGREEMENT is made between the Louisiana Municipal Advisory & Technical Services Bureau Corporation (the "Bureau") and the (City/Town/Village/Parish) of Town of Dubach (the "Municipal or Parochial Corporation") this 17 day of October, 2011, (collectively referred to as the "Parties") in the city of Baton Rouge, Louisiana.

It is mutually agreed between the Parties as follows:

1. The Bureau will make the necessary investigations, develop a database for the Municipal or Parochial Corporation, establish procedures for determining the amount of insurance premium taxes due, communicate with insurance companies subject to the said taxes, and collect all current and delinquent insurance premium taxes due from the insurer annually, including penalties for delinquent payments of said taxes.
2. The Bureau will bear all expenses incurred in connection the above described services and such other services as described herein to be rendered for and on behalf the Municipal or Parochial Corporation.
3. The Bureau will deposit all funds received from the collection of the insurance premium taxes and any penalties for delinquent payments in an appropriate account for which accurate records will be maintained and made available to the Municipal or Parochial Corporation. Insurance premium taxes collected for the Municipal or Parochial Corporation, less the service charge payable to the Bureau, as herein agreed upon, shall be disbursed to the Municipal or Parochial Corporation on a monthly basis, unless otherwise agreed.
4. The Municipal or Parochial Corporation hereby designates the Bureau its exclusive agent for the assessment and collection of the insurance premium taxes, delinquent payments of said taxes and penalties on delinquent payments utilizing all procedures and actions authorized by ordinance or the laws of the state of

Louisiana, and such procedures and actions may be invoked in the name of the Municipal or Parochial Corporation but further authorization or approval by the governing authority of the Municipal or Parochial Corporation.

5. The Bureau shall promptly notify all insurance companies licensed in the state of Louisiana of the existence of this Agreement and the requirement that all insurance premium taxes, delinquent payments thereof and penalties thereon be paid to the Bureau as agent of the Municipal or Parochial Corporation for the collection of insurance premium taxes and/or business license taxes.

6. The Municipal or Parochial Corporation acknowledges that it is an essential element of the programs for all such taxes to be paid to the Bureau, and no such taxes, delinquent payments thereof and penalties thereon will be accepted, waived or compromised by the Municipal or Parochial Corporation directly from or with an insurer. All communications from insurance companies received by the Municipal or Parochial Corporation will be promptly sent to the Bureau via certified mail through the United States Mail. In the event a Municipal or Parochial Corporation should accept a payment of the insurance premium tax, delinquent payment thereof or a penalty therefore, the same shall be included in the computation of the service charge due to the Bureau under this Agreement.

7. The Municipal or Parochial Corporation shall provide the Bureau with a report on the collection of insurance premium taxes for the last full calendar year prior to the date of this Agreement.

8. The Municipal or Parochial Corporation agrees the Bureau shall retain three (3%) Percent of all funds collected for the Municipal or Parochial Corporation pursuant to this Agreement, together with any interest earned on funds held on deposit prior to disbursement to the Municipal or Parochial Corporation as compensation for the services described in the Agreement.

9. The Municipal or Parochial Corporation represents, as evidenced by the attached certified copy of the resolution of its governing authority, that it has duly adopted an ordinance authorizing its representative to enter into this Agreement on its behalf for the collection of insurance premium taxes and business license taxes from insurance companies.

10. This Agreement shall become effective upon acceptance by the Bureau and shall remain in effect until December 31, 2011, and thereafter shall continue existence from year to year unless otherwise terminated in writing, delivered to the Bureau from the Municipal or Parochial Corporation via certified mail through the United States Mail and postmarked not less than ninety (90) days prior to December 31.

LOUISIANA MUNICIPAL ADVISORY & TECHNICAL SERVICES BUREAU CORPORATION

By: _____ Date: _____
Tom Ed McHugh
Executive Director, LMA

(CITY/TOWN/VILLAGE/PARISH) OF _____

By: Ray Bell Date: 10/17/2011
(Name)
Mayor of the (City/Town/Village/Parish) of Town of Dubach