

COMMISSIONERS' ORDINANCE NO. 0-09-19

AN ORDINANCE AMENDING SECTION 111.120 OF THE COVINGTON CODE OF ORDINANCES CAUSING THE MUNICIPAL INSURANCE PREMIUM LICENSE FEE TO REMAIN AT 12% OF PREMIUMS COLLECTED.

* * * *

NOW THEREFORE,
BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF
COVINGTON, KENTON COUNTY, KENTUCKY:

Section 1

Section 111.120 of the Covington Code of Ordinances is amended to read as follows:

§ 111.120 MUNICIPAL INSURANCE PREMIUM TAX.

(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 for the calendar year 1985 and thereafter on a calendar year basis.

(B) 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 12% of the first year's premiums actually collected within each calendar quarter by reason of the issuance of such policies. The 12% rate shall be effective July 1, 2015.

~~[(1) Effective July 1, 2021, 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 10% of the first year's premiums actually collected within each calendar quarter by reason of the issuance of such policies.]~~

(C) The license fee imposed upon each insurance company which issues any insurance policy which is not a life insurance policy shall be 12% 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 whose 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 excluded from license fees or taxes by the provisions of KRS 91A.080.

~~[(1) Effective July 1, 2021, the license fee imposed upon each insurance company which issues any insurance policy which is not a life insurance policy shall be 10% 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 whose 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 excluded from license fees or taxes by the provisions of KRS 91A.080.]~~

(D) All license fees imposed by this section shall be due no later than ***thirty (30)*** ~~[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). In addition, the City hereby assesses a 10% penalty for a tax or fee not paid within thirty (30) days after the due date.

(E) Every insurance company subject to the license fees imposed by this section shall annually, by March 31, furnish the ***City*** ~~[city]~~ with a written breakdown of all collections in the preceding calendar year for the following categories of insurance:

- (1) Casualty;
- (2) Automobile;
- (3) Inland marine;
- (4) Fire and allied perils;
- (5) Health;
- (6) Life.

(F) The provisions of KRS 91A.080 are hereby adopted by reference; that statute provides for regulation by the Department of Insurance and includes penalties for violation of this Municipal Insurance Premium Tax section.

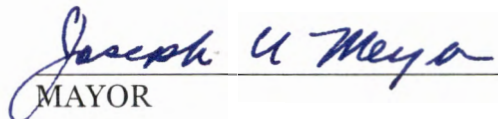
(G) All taxes, fees and interest received by the ***City*** ~~[city]~~ pursuant to the provisions of this subchapter shall be deposited in the general fund of the ***City*** ~~[city, and the tax revenue generated by the 2% calculated as one sixth of the actual insurance premium license fee received, increase, shall be restricted to providing funding for capital expenditures and shall not be used for General Fund expenditures].~~

Section 2

All ordinances or parts of ordinances in conflict herewith are, to the extent of such conflict, if any, hereby repealed.

Section 3

This ordinance shall be passed, published, which may be in summary form to the extent permitted by law, and recorded according to law and shall take effect and be in full force from and after July 1, 2021. A copy of this ordinance shall be filed with the Commissioner of Insurance.


MAYOR

ATTEST:

Margaret Mhyhan
CITY CLERK

Passed: 4-9-19 (Second Reading)

3-26-19 (First Reading)

