

ORDINANCE # 16-18-10

TOWN OF PEARL RIVER INSURANCE TAX COLLECTIONS

AN ORDINANCE TO PROVIDE FOR THE IMPOSITION OF A TAX ON INSURANCE PREMIUMS, AS AUTHORIZED BY L. R. S 22:833 AND 22:834, AND TO PROVIDE FOR RELATED MATTERS.

Be it ordained by the Town of Pearl River, 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 833 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 is operating in this state through an agent or other representative or otherwise, not more than ten dollars on gross annual premiums up to two thousand dollars, and the additional tax thereafter shall not be more than seventy dollars on each ten thousand dollars, or fraction thereof, of gross annual premiums in excess of two thousand dollars. However, the maximum tax on such businesses, payable to such municipal or parochial corporation by any one insurer, shall not exceed twenty-one thousand dollars. Premiums paid to an insurer by Louisiana Medicaid programs shall be exempt from the tax imposed by this Section.

(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, livestock, vehicle, automatic sprinkler, burglary, or insurance business of any other kind whatsoever in this state, whether such insurer is operating in this state through producers or other representatives or otherwise, not more than the following:

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

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

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

(d) 4th Class: When the gross receipts exceed six thousand dollars, the additional tax thereafter shall not be more than seventy dollars for each ten thousand dollars, or fraction thereof, in excess of six thousand dollars.

B. The maximum tax on such businesses, payable to such municipality or parochial corporation by any insurer, shall not exceed nine thousand dollars. Provided, that:

(1) Plate glass and steam boiler inspection insurers shall pay only one-third of the above rates provided in Paragraph (A)(2) of this Section.

(2) The amount of tax payable to any municipal or parochial corporation as fixed in this Section shall be one-third of the amount so fixed if the payer shall file a sworn statement with the annual report required by this Part, 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 R.S. 22:832(C).

(3) The total tax payable by an insurer to a parish shall be calculated on the total direct premiums written by such insurer for risks located within unincorporated areas of such parish. The total tax payable by an insurer to a municipality shall be calculated on the total direct premiums written by such insurer for risks located within such municipality. Such premiums shall not be subject to taxation by both the parish and the municipality. Such premiums shall not be subject to taxation by more than one parish or municipality.

C. (1) In case of any failure to make a report or to make payment of tax as required by this Section, before June first of any year in which it is due, a penalty of five percent per month shall be added to the amount of tax due and payable to the municipal or parochial corporation along with the tax due. The municipal or parochial corporation may waive the payment of the penalty if it finds that failure to pay was due to some unforeseen or unavoidable reason, other than mere neglect.

(2) 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.

(3) When a payment is more than six months delinquent, the municipal or parochial corporation may send a written recommendation to the commissioner of insurance requesting the commissioner to revoke the authority of the delinquent taxpayer and all of the taxpayer's agents to do business in this state. Upon receiving such a recommendation and finding that the local tax assessment is correct and the insurer was duly notified of the assessment after the payment thereof is delinquent, the commissioner, after due notice to all affected parties, may revoke the authority of the taxpayer and all the taxpayer's agents to do business in this state.

D. An aggrieved party affected by the commissioner's decision, act, or order may demand a hearing in accordance with Chapter 12 of this Title, R.S. 22:2191 et seq.

E. For a municipal or parochial corporation which has not imposed a tax pursuant to this Section on or before August 15, 2012, the authorization for such tax shall cease effective August 16, 2012. However, a municipal or parochial corporation which imposed a tax pursuant to this Section on or before August 15, 2012, shall retain the authority to renew that existing tax so long as such renewal does not exceed the limit provided in this Subpart.

(Redesignated from R.S. 22:1076 by Acts 2008, No. 415, §1, eff. Jan. 1, 2009; Acts 2009, No. 317, §1; Acts 2009, No. 503, §1; Acts 2012, No. 774, §1, eff. July 1, 2012.)

Section 2. All ordinances in conflict herewith are hereby repealed.

Section 3. 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 4. 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 5. This ordinance shall become shall become effective on 15th day of November, 2016. By Town Council Meeting, notice of public hearing having been held, the title having been read and the Ordinance considered, on motion of Alderman Bennett, seconded by Alderman Phillips, to adopt the Ordinance, a record vote was taken and the following was had:

YEAS: 5

NAYS: 0

ABSENT: 0

Whereupon, the presiding officer declared the above Ordinance duly adopted on 15th day of November, 2016.

Clarence D McQueen
Mayor

Carla Benelli
Town Clerk