

**COMMONWEALTH OF KENTUCKY
DAVISS COUNTY FISCAL COURT**

KOC 220.22 (2009)

**AN ORDINANCE IMPOSING AND COLLECTING AN
INSURANCE PREMIUM LICENSE FEE ON INSURANCE
COMPANIES FOR THE PRIVILEGE OF DOING BUSINESS
IN THE COUNTY OF DAVIESS OUTSIDE THE CORPORATE
LIMITS OF THE CITY OF OWENSBORO EFFECTIVE JULY 1,
2009**

WHEREAS, the Daviess County Fiscal Court resolves to assist in revitalization efforts to Owensboro's downtown area; and

WHEREAS, the City of Owensboro and Daviess County Fiscal Court have determined that a comprehensive strategy is necessary to serve as the framework for the implementation of an economic stimulus policy to spur development in the Greater Owensboro downtown area; and

WHEREAS, the Gateway Planning Group has conducted a comprehensive study of Owensboro and has been working with the Economic Development Corporation to develop stimulus program recommendations for downtown; and

WHEREAS, the Gateway Planning Group, with significant public input, has created a document entitled "Illustrative Master Plan and Summary of Catalyst Projects" which outlines several major areas that are top priority development projects necessary for the redevelopment, rehabilitation and revitalization of the Greater Owensboro downtown area; and

WHEREAS, it is anticipated that the proposals and recommendations contained within this Master Plan and Summary will enhance the economic vitality and employment base of Owensboro and will broaden the range of services offered to residents, in addition to increasing property values and expanding the tax base, which will increase the overall economic development of Owensboro; and

WHEREAS, the Daviess County Fiscal Court recognizes the necessity of implementing the plan proposed by the Gateway Planning Group, and that such implementation will require various regulatory changes, including, but not limited to, amendments to the community's Comprehensive Plan.

WHEREAS, KRS 91A.080 authorizes local governments to impose a license fee upon premiums collected by Insurance Companies engaged in the business

of selling and issuing casualty, automobile, inland marine, fire and allied perils, health, and life insurance policies within Daviess County; and

WHEREAS, it is deemed necessary and appropriate to impose an additional insurance premium tax of four percent (4%); of which two percent (2%) shall become effective July 1, 2009, and an additional two (2%) shall become effective July 1, 2010 as an increased revenue source to Daviess Fiscal Court to enable it to service the bond indebtedness needed to implement the Plan. The Court intends that the revenues derived from this license tax generate only sufficient funds necessary to service the bond indebtedness to implement the Plan. Further, the Court intends to retire the debt on the Downtown Development plan within twenty (20) years from the effective date of this ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNTY OF DAVIESS, COMMONWEALTH OF KENTUCKY, AS FOLLOWS:

Section 1. That an additional "Insurance License Fee" shall be, and is imposed and shall be collected from insurance companies within Daviess County but outside the corporate limits of the City of Owensboro for the privilege of engaging in the business of insurance within Daviess County outside the corporate limits of the City of Owensboro. The license fee imposed and to be collected from insurance companies for casualty, but excluding any portion of premiums on wind, rain, hail and other weather-related crop losses; automobile; inland marine; fire and allied perils insurance shall be four percent (4%); two percent of which shall be effective July 1, 2009, and an additional two percent effective July 1, 2010 as follows:

Section 2. There is imposed on each insurance company a license fee for the privilege of engaging in the business of insurance within Daviess County, but outside the corporate limits of the City of Owensboro.

(a) The license fee imposed upon each insurance company which issues any insurance policy which is not a life insurance policy shall be four (4) percent of the premiums actually collected within each calendar quarter by reason of the issuance of such policies on risks located within Daviess County but outside the corporate limits of the City of Owensboro on those classes of business which such company is authorized to transact, less all premiums returned to policy holders; however, the license fee or tax imposed shall not apply to premiums received on:

(1) Policies of group health insurance provided for state employees under KRS 18A.225; or any other group health insurance premiums on policies issued for employees or other persons in Daviess County

(2) Policies insuring employers against liability for personal injuries to their employees or death of their employees caused thereby, under the provisions of KRS Chapter 342;

(3) Health Insurance policies issued to individuals;

(4) Policies issued through Kentucky Access created in Subtitle 17B of KRS Chapter 304;

(5) Policies for high deductible health plans as defined in 26 U.S.C. sec. 223(c)(2).

(d) All license fees imposed by this section 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).

(e) Every insurance company subject to the license fees imposed by this section shall annually, by March 31, furnish the County with a written breakdown of all collections in the preceding calendar year for the following categories of insurance:

- (1) Casualty; but excluding any portion of premiums on wind, rain, hail and other weather related crop losses;
- (2) Automobile;
- (3) Inland marine;
- (4) Fire and allied perils

(f) The four percent insurance premium tax shall be imposed and collected in Daviess County, outside the corporate limits of the City of Owensboro, with two (2%) percent effective July 1, 2009 with an additional two (2%) percent being due effective July 1, 2010 for a total of four percent imposed by this ordinance after July 1, 2010.

(g) All revenues derived from this Insurance License Fee ordinance shall be deposited in the general fund of the Daviess County Fiscal Court for general expenses and purposes, and designated for use in Downtown Development and Revitalization.

(h) Daviess Fiscal Court may establish, as part of its general funds, a "Downtown Development and Revitalization Fund" into which all revenues designated for this fund in subsection (g) shall be deposited by the Treasurer no less than on a quarterly basis. Daviess Fiscal Court shall apply all revenues from this insurance premium tax exclusively for expenditures related to capital

projects, expenses, and other improvements associated with the development and revitalization of downtown Owensboro, Kentucky approved by Daviess Fiscal Court through the annual and amended budget process.

(i) The Court shall review the premium license fee periodically, but at least every five years, to determine whether to reduce the tax rate to a level designed to generate only sufficient funds necessary to service the bond indebtedness to implement the Plan.

SECTION 3. This ordinance shall take effect July 1, 2009 and the insurance premium tax imposed by this ordinance shall become null and void on June 30, 2030.

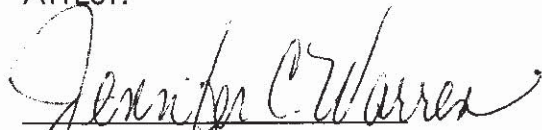
INTRODUCED AND PUBLICLY READ ON FIRST READING, this 22nd day of January, 2009.

PUBLICLY READ AND APPROVED ON SECOND READING, as amended, this the 3rd day of February, 2009.



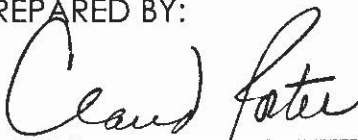
Reid Haire
Daviess County Judge/Executive

ATTEST:



Jennifer Warren
Fiscal Court Clerk

PREPARED BY:



Claud Porter
Daviess County Attorney