

**City of Moorland  
PO Box 23397  
Louisville, KY 40223**

**Board of Commissioners Meeting**

**December 1st, 2020**

**Mayor:**

David Chervenak 423-9909

**District 7 Councilwoman:**

Paula McCraney 574-1107

**Commissioners:**

Dwight Grammer 425-3142

Morgan Herndon 339-9433

Gail Nall 494-6779

Tyler Watson 298-6830

**Rumpke Sanitation:**

568-3800

**Treasurer:**

Barbara Taylor 241-5251

**City Clerk:**

Danielle Etter 270-724-3280

Meeting called to order by Dave Chervenak at 7:04 via teleconference (Zoom) per KRS 61.840.

**Present:** David Chervenak, Morgan Herndon, Danielle Etter, Barbara Taylor, Tyler Watson, Dwight Grammer

**Residents:** Jessie Decker

**Absent:** Gail Nall

Dave called meeting to order at 7:04 PM

Minutes from November were read. One correction- Dwight Grammer was present at November's meeting, but had been left off. Tyler motioned to accept minutes as amended and Morgan seconded. Minutes approved.

Treasurer's report for December was read.

Morgan motioned to accept the treasurer's report, Dwight seconded, the report was approved.

## Old Business

### Premium Tax

- An opportunity for the Board to ask questions was presented.
- Board agreed to read the ordinance- NO. 2020-3
- Tyler Watson read the entirety of the ordinance
- A second reading will take place during January's meeting

## New Business

### Board Commissioner Stipends

- Board discussed requirements for commissioner stipends and Dwight's proposal for commissioners to be paid regardless of meeting attendance
- At present, board members are paid \$10 a month if they attend council meetings.
- Board agreed (especially due to COVID 19) that board members will be paid \$10 a month whether they attend meetings or not.
- Missing 2 or more consecutive meetings without a valid excuse is grounds for dismissal from the board.
- Dave will draft an ordinance amendment to be read at the next meeting.

Dwight motioned to adjourn the meeting. Tyler seconded.

Meeting adjourned at 7:47 PM

Next meeting **January 5th, 7pm** via teleconferencing due to COVID-19 restrictions.

CITY OF MOORLAND, KENTUCKY

ORDINANCE NO. 2020-3

1. AN ORDINANCE IMPOSING A LICENSE FEE OR TAX UPON INSURANCE COMPANIES FOR THE PRIVILEGE OF ENGAGING IN THE BUSINESS OF INSURANCE WITHIN THE CORPORATE LIMITS OF THE CITY OF MOORLAND; ESTABLISHING A LICENSE FEE OR TAX UPON INSURANCE COMPANIES AT THE RATE OF 5 % OF THE FIRST YEAR PREMIUMS COLLECTED FOR LIFE INSURANCE AND 5% OF THE PREMIUMS COLLECTED FOR ALL OTHER TYPES OF INSURANCE ; ESTABLISHING AN EFFECTIVE DATE OF JULY 1 AND A DELINQUENCY DATE THIRTY-ONE (31) DAYS AFTER THE END OF EACH CALENDAR QUARTER; ESTABLISHING A PENALTY INTEREST CHARGE FOR ANY LICENSE FEE OR TAX NOT PAID ON OR BEFORE THE DUE DATE WHICH SHALL BE THE TAX INTEREST RATE DEFINED BY KRS 131.010(6) AND PUBLISHED IN THE ANNUAL LOCAL GOVERNMENT PREMIUM TAX BULLETIN ISSUED BY THE DEPARTMENT OF INSURANCE; ESTABLISHING A 10% PENALTY FOR A LICENSE FEE OR TAX NOT PAID WITHIN THIRTY (30) DAYS AFTER THE DUE DATE; AND REQUIRING INSURANCE COMPANIES SUBJECT TO THE LICENSE FEE OR TAX TO FURNISH QUARTERLY AND ANNUAL REPORTS REQUIRED BY KRS 91A.080 AND 806 KAR 2:095.

BE IT ORDAINED BY THE CITY OF MOORLAND, KENTUCKY:

SECTION 1. Definitions:

a. Insurance company means any company authorized to transact insurance business in the state of Kentucky in accordance with KRS Chapter 304. Insurance company shall also include a surplus lines broker licensed in accordance with KRS Chapter 304, Subtitle 10.

b. Local government means a city, county, charter county, consolidated local government, urban-county government, or unified local government that, by this ordinance, imposes a license fee or tax upon insurance premium receipts.

SECTION 2: There is hereby imposed on each insurance company a license fee or tax for the privilege of engaging in the business of insurance within the corporate limits of the city of Moorland.

SECTION 3: The license fee or tax imposed upon an insurance company with respect to life insurance policies shall be 5% and based upon the first year's premiums ONLY. The license fee or tax shall be applied to the amount of the premiums actually collected within each calendar quarter upon the lives of persons residing within the corporate limits of the city of Moorland.

SECTION 4: Except as provided in Section 5 of this ordinance, the license fee or tax imposed upon each insurance company with respect to any insurance policy which is not a life insurance policy shall be 5% 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 of Moorland. The license fee or tax shall apply only to those classes of business which such insurance company is authorized to transact, less all premiums returned to policyholders.

SECTION 5: No license fee or tax imposed upon premium receipts shall apply to the following:

- a. Policies of group health insurance provided for state employees under KRS 18A.225;
- b. Health insurance policies issued to individuals including policies issued through Kentucky Access;
- c. Workers' compensation insurance;
- d. Annuities;
- e. Federal flood insurance;
- f. Municipal bonds, leases, or other debt instruments issued by or on behalf of [Insert County/City Name] unless the bonds, leases, or other debt instruments are issued for profit or on behalf of for-profit or private organizations;
- g. Policies of high deductible health plans as defined in in 26 U.S.C. sec. 223(c)(2), commonly referred to as Health Savings Accounts;
- h. Policies of insurance, insured or reinsured by the Federal Crop Insurance Corporation. 7 C.F.R. sec. 400.352(b)(2);

- i. Policies insuring or naming the state or one of its agencies or political subdivisions as an insured and surety bonds where the state or one of its agencies or political subdivisions is the obligee. For the purposes of local government premium tax payments, school districts are considered agencies of the state and policies insuring school districts and bonds with school districts as the obligee are exempt from local government premium taxes;
- j. Policies issued to public service companies which pay ad valorem taxes;
- k. Entities issued a certificate of authority to do business in Kentucky only as a health maintenance organization pursuant to KRS 304.38-060;
- l. Entities issued a certificate of authority to do business in Kentucky as a captive insurer pursuant to KRS 304.49-010; or
- m. Domestic life insurance companies electing to be taxed under the provisions of KRS 136.320.

SECTION 6: All license fees imposed by this ordinance shall be due no later than thirty (30) days after the end of each calendar quarter. The payment shall be submitted to the local government, together with Form LGT-141 [or a substantially similar form prepared by the local government] on or before the due date. Any license fee or tax not paid on or before the due date shall bear interest from the date due until paid at the interest rate established annually by the Department of Revenue for unpaid or underpaid taxes. This interest shall be paid to the local government together with the license fee or tax that is due. In addition, the insurance company shall pay to the local government a penalty in the amount of 10% on a license tax or fee not paid within thirty (30) days after the due date.

SECTION 7: In accordance with KRS 91A.080(8), each insurance company subject to the license fee or tax imposed by this ordinance shall annually, by March 31, furnish the local government 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; and
- f. Life.

SECTION 8: The local government shall transmit a copy of this ordinance, and any amendment(s) thereto, to the Kentucky Commissioner of Insurance at least one hundred (100) days prior to the effective date of the ordinance.

SECTION 9: This ordinance shall become effective on the first day of July, 1<sup>st</sup> 2021\* [NOTE: KRS 91A.080(1) provides that any license fee or tax enacted or changed by a local government shall be effective July 1 of each year on a prospective basis only.]

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E. Tyler Watson

Commissioner, City of Moorland

Attest:

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Danielle Etter

City Clerk, City of Moorland