

CITY OF LYNDON, KENTUCKY
ORDINANCE # 2-28-22A SERIES 2022
AN ORDINANCE AMENDING CHAPTER 113 OF THE CODIFIED
ORDINANCES CONCERNING THE IMPOSITION OF FEES ON COMPANIES
WHO ISSUE CERTAIN INSURANCE POLICIES IN THE CITY

WHEREAS, The City of Lyndon wishes to update Ordinance Chapter 112 regarding the imposition of fees on insurance policies for residents of the city pursuant to KRS 91A.0800 through 91A.0810 which authorizes cities and other local governments to impose license fees or taxes upon insurance companies for the privilege of engaging in the business of insurance within their corporate limits ("local government premiums tax" or "**LGPT**");

WHEREAS, the City Council of the City of Lyndon, Kentucky ("**City**") has been imposing a 5% license fee for most insurance policies sold in the city through its 2019 revision of this chapter of its ordinances;

WHEREAS, the city has had increases in costs in the past two years related to the pandemic and the increase costs of providing police services to the community, which they contract through the neighboring City of Graymoor-Devondale;

WHEREAS, The City of Lyndon has looked for funding to cover the increase in cost and demand for emergency services, and wish to increase the rate of their license fee imposed on insurance policies to 8% to help defray the increased cost of police services;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF LYNDON, KENTUCKY:

Section 1: Chapter 112, Section 112.01 is hereby amended as follows:

§ 112.01 IMPOSITION OF LICENSE FEE.

There is hereby imposed on each insurance company a license fee (hereinafter referred to as a local government premiums tax, "**LGPT**"), for the privilege of engaging in the business of insurance within the corporate limits of the city, on a calendar-year basis, based upon the following:

(A) "**Premiums**" is defined as premiums actually collected by an insurance company within each calendar quarter by reason of the issuance of policies and contracts of insurance on risks located within the city and includes premiums on new policies and contracts of insurance and on renewal business, as well as all other classes of premiums, less all premiums returned to policyholders.

(B) Except as otherwise provided in division (C) below, the license fee imposed upon each insurance company which issues any insurance policy or contract of insurance shall be the following percentage of premiums on those classes of insurance which such company is authorized to issue (the "**Base Fee**");

Fire and Allied Perils	5 <u>8</u> %
Casualty Liability Only	5 <u>8</u> %
Vehicle	5 <u>8</u> %
Inland Marine	5 <u>8</u> %
Health	0%
Life	5 <u>8</u> %
All other Risks Taxed	5 <u>8</u> %

The Base Fee shall not apply to premiums exempted by state or federal law.

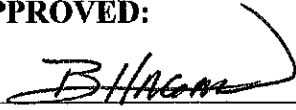
Section 2: This ordinance shall be effective upon adoption and publication.

First Reading: February 28, 2022

Second Reading: March 21, 2022

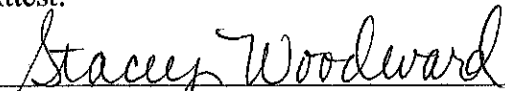
Passed and approved this the 21st day of March, 2022.

APPROVED:



 Brent Hagan, Mayor

Attest:



 Stacey Woodward, City Clerk

CERTIFICATION

The undersigned, City Clerk of the City of Lyndon, Kentucky (the “City”), hereby certifies that the foregoing is a true, complete, and correct copy of an Ordinance finally adopted upon second reading by the City Council of the City at a properly convened meeting of the City Council held on the 21st day of March, 2022, signed by the Mayor and attested by me as City Clerk, all as shown by the official records in my custody and under my control.

WITNESS, my hand this the 21st day of March 2022.



 Stacey Woodward, City Clerk