

**COMMONWEALTH OF KENTUCKY  
GARRARD COUNTY FISCAL COURT**

**AN ORDINANCE IMPOSING AND COLLECTING AN  
INSURANCE PREMIUM LICENSE FEE ON INSURANCE  
COMPANIES FOR THE PRIVILEGE OF DOING BUSINESS  
IN THE COUNTY OF GARRARD OUTSIDE THE  
CORPORATE LIMITS OF THE CITY OF LANCASTER  
EFFECTIVE JULY 1, 2019**

**WHEREAS**, the Garrard County Fiscal Court is faced with increasing costs related to the County Employee Retirement System which threaten to drastically reduce county services, particularly police and ambulance services,

**WHEREAS**, the Garrard County Fiscal Court has reviewed general fund expenditures to determine a way to fund the increases in the retirement costs as a result of changes in the 2018 General Assembly,

**WHEREAS**, It will be impossible to fund the coming increases without drastic cuts to essential county services that our citizens depend on and have come to expect,

**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 Garrard County; and

**WHEREAS**, it is deemed necessary and appropriate to impose an insurance premium tax of two percent (2%); which shall become effective July 1, 2019 as an increased revenue source to Garrard Fiscal Court to enable it meet general fund obligations.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNTY OF GARRARD, 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 Garrard County but outside the corporate limits of the City of Lancaster for the privilege of engaging in the business of insurance within Garrard County outside the corporate limits of the City of Lancaster. 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 two percent (2%); which shall be effective July 1, 2019, 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 Garrard County, but outside the corporate limits of the City of Lancaster.

(a) The license fee imposed upon each insurance company which issues any insurance policy which is not a life insurance policy shall be two (2) percent of the premiums actually collected within each calendar quarter by reason of the issuance of such policies on risks located within Garrard County but outside the corporate limits of the City of Lancaster 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 18 A.225; or any other group health insurance premiums on policies issued for employees or other persons in Garrard 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 two percent insurance premium tax shall be imposed and collected in Garrard County, outside the corporate limits of the City of Lancaster, with two (2%) percent effective July 1, 2019

(g) All revenues derived from this Insurance License Fee ordinance shall be deposited in the general fund of the Garrard County Fiscal Court for general expenses and purposes

**SECTION 3.** This ordinance shall take effect July 1, 2019

**INTRODUCED AND PUBLICLY READ ON FIRST READING**, this \_\_\_\_\_ day of  
December, 2018.

**PUBLICLY READ AND APPROVED ON SECOND READING** , this  
the \_\_\_\_\_ day of December, 2018.

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John Wilson  
Garrard County Judge Executive

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Kevin Montgomery  
Garrard County Clerk