

ORDINANCE NO.: 2012-104

Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 11, Licenses, Permits, Business Regulations, Article II, Business and Professional Licenses, Sec. 11-49 Classification rate schedules, INSURANCE, Insurance Companies

WHEREAS, the South Carolina General Assembly, in order to ensure consistency with the federal Non-admitted and Reinsurance Reform Act of 2010 ("NRRRA"), ratified an act (Rat# 283) on June 28, 2012, amending S. C. Code §§ 38-7-16 and 38-45-10 through 38-45-195; and,

WHEREAS, the act establishes a blended broker's premium tax rate of 6 percent comprised of a 4 percent state broker's premium tax and a 2 percent municipal broker's premium tax; and,

WHEREAS, the act states a municipality may not impose on brokers of non-admitted insurance in South Carolina an additional license fee or tax based upon a percentage of premiums; and,

WHEREAS, the act authorizes the Municipal Association of South Carolina to act as the municipal agent for purposes of distributing to municipalities the municipal brokers tax collected by the South Carolina Department of Insurance; and,

WHEREAS, it is necessary to amend the Business License Ordinance to conform to the State law as amended; NOW, THEREFORE,

BE IT ORDAINED by the Mayor and City Council of the City of Columbia this 18th day of December, 2012, that the Business License Ordinance is amended by changing the provisions for insurance companies as follows:

SECTION 1.

SIC Code	NAICS Code	
63	5241	Insurance Companies: Except as to fire insurance, "gross premiums" means gross premiums written for policies for property or a risks located within in the municipality. In addition, "gross premiums" shall include premiums written for policies that are sold, solicited, negotiated, taken, transmitted, received, delivered, applied for, produced or serviced by (1) the insurance company's office located in the municipality, (2) the insurance company's employee conducting business within the municipality, or (3) the office of the insurance company's licensed or appointed producer (agent) conducting business within the municipality, regardless of where the property or risk is located, provided no tax has been paid to another municipality in which the property or risk is located based on the same premium. Solicitation for insurance, receiving or transmitting an application or policy, examination of a risk, collection or transmitting of a premium, adjusting a claim, delivering a benefit, or doing any act in connection with a policy or claim shall constitute conducting business within the municipality, regardless of whether or not an office is maintained in the municipality. As to fire insurance, "gross premiums" means gross premiums (1) collected in the municipality, and/or (2) realized from risks located within the limits of the municipality. Gross premiums shall include all business conducted in the prior calendar year. Gross premiums shall include new and

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		renewal business without deductions for any dividend, credit, return premiums or deposit. Declining rates shall not apply.
631-632	52411	Life, health and accident -----0.75% of Gross Premiums
633-635	524126	Fire and casualty 2% of Gross Premiums
636	524127	Title Insurance 2% of Gross Premiums

SECTION 2.

Notwithstanding any other provisions of this ordinance, license taxes for insurance companies shall be payable on or before May 31 in each year without penalty. The penalty for delinquent payments shall be 5% of the tax due per month, or portion thereof, after the due date until paid.

SECTION 3.

Any exemptions in the business license ordinance for income from business in interstate commerce are hereby repealed. Gross income from interstate commerce shall be included in the gross income for every business subject to a business license tax.

SECTION 4.

Pursuant to S.C. Code Ann. §§ 38-45-10 and 38-45-60, the Municipal Association of South Carolina is designated the municipal agent for purposes of administration of the municipal broker's premium tax. The agreement with the Association for administration and collection of current and delinquent license taxes from insurance companies as authorized by S.C. Code § 5-7-300 and administration of the municipal broker's premium tax in the form attached hereto is approved, and the Mayor is authorized to execute it.

All ordinances in conflict with this ordinance are hereby repealed.

This ordinance shall be effective on the date of final reading.

Requested by:

Business License Administrator _____


MAYOR

Approved by:


City Manager

Approved as to form:


City Attorney

ATTEST:

City Clerk

Introduced: 12/4/2012
Final Reading: 12/18/2012