

Regular Session, 2002

HOUSE BILL NO. 132

BY REPRESENTATIVE TOWNSEND

TAX/INSURANCE PREMIUM: Authorizes local governments to impose an assessment against all insurers to support public safety

1 AN ACT

2 To enact R.S. 22:1076.2, relative to insurance premium taxes; to authorize
3 local governments to assess insurers to support public safety services;
4 to provide for collection of the assessment; to provide for distribution
5 of the assessment; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1076.2 is hereby enacted to read as follows:

8 §1076.2. Additional assessment for public safety services

9 A. Any municipality or parish in the state shall have the right to
10 impose an assessment of twenty-five percent of total taxes due and
11 payable under R.S. 22:1076, solely for the purpose of funding public
12 safety services provided by the municipality or parish. For purposes of
13 this assessment "public safety services" shall mean and include fire
14 protection, police protection, emergency medical services, and all
15 recurring costs associated with the provision of such services, including
16 but not limited to employee compensation, benefits, and retirement
17 systems. The assessment authorized herein may be levied by local or

1 parish ordinance for a term not to exceed two years. Such assessment
2 shall be in addition to total local taxes and may exceed the maximum
3 tax provisions of R.S. 22:1076(A)(1) and (B). However, the
4 assessment shall not be applied to penalties due under the provisions of
5 R.S. 22:1076(C).

6 B.(1)The taxes authorized by this Section and imposed by local
7 or parish ordinance shall be collected by the Louisiana Municipal
8 Advisory and Technical Services Bureau (LaMATS) through an
9 agreement upon the terms of the collection procedure executed between
10 LaMATS and the municipality or parish imposing the assessment. Once
11 such an agreement is executed, LaMATS is hereby endowed with all
12 the rights, responsibilities, duties, and privileges of the municipality or
13 parish in regard to the collection of the assessment for the duration of
14 the agreement. LaMATS may charge for its services as provided in the
15 agreement, but any fee for the collection of the assessment shall not
16 exceed five percent of the total taxes, assessments, and penalties
17 collected.

18 (2) Municipalities and parishes which impose this assessment
19 shall contract with LaMATS, in accordance with the provisions of R.S.
20 22:1076.1, for the collection of all taxes levied pursuant to R.S.
21 22:1076 for the duration of the assessment. LaMATS shall distribute
22 the funds collected on behalf of each municipality or parish imposing
23 such assessment on a monthly basis, provided that the regular taxes are
24 separated from the assessment and the assessment is reserved for
25 support of public safety services, as defined in Subsection A of this
26 Section.

1 C.(1) In case of any failure to make payment of the assessment
 2 as required by this Section, before June first of any year in which it is
 3 due, a penalty of five percent per month shall be added to the amount
 4 of assessment due and payable to the municipality or parish along with
 5 the assessment due. The municipality or parish may waive the payment
 6 of the penalty if it finds that failure to pay was due to some unforeseen
 7 or unavoidable reason, other than mere neglect.

8 (2) The amount of any monetary penalty assessed pursuant to
 9 this Section shall not be greater than twenty-five percent of the total
 10 amount of the assessment due.

11 D. The assessment authorized by this Section shall apply to all
 12 taxes collected under the provisions of R.S. 22:1076 on or after January
 13 1, 2003, and shall expire on January 1, 2005.

14 Section 2. This Act shall become effective on July 1, 2002; if vetoed by
 15 the governor and subsequently approved by the legislature, this Act shall
 16 become effective on July 1, 2002, or on the day following such approval by
 17 the legislature, whichever is later.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

Townsend

HB No. 132

Abstract: Authorizes municipal and parish governing bodies to impose an assessment of 25% of the total taxes due and payable pursuant to the current law, R.S. 22:1076. That provision authorizes the local governments to impose a license tax on any insurer engaged in the business of issuing any form of insurance policy or contract.

Present law, R.S. 22:1076, authorizes the local governments to impose a license tax on any insurer engaged in the business of issuing any form of insurance policy or contract.

Proposed law retains present law and further authorizes local governments to impose an assessment of 25% of total taxes due and payable under present law, solely for the purpose of funding public safety services.

Proposed law defines "public safety services" as fire protection, police protection, emergency medical services, and all recurring costs associated with the provision of such services, including but not limited to employee compensation, benefits, and retirement systems.

Proposed law provides that the assessment may be levied by local or parish ordinance for a term not to exceed two years and further provides that the assessment may exceed certain maximums in present law.

Proposed law provides for the collection of the assessment by the Louisiana Municipal Advisory Technical Services Bureau (LaMATS) through an agreement with the municipality or parish. Further provides LaMATS with all the rights, responsibilities, duties, and privileges of the municipality or parish in regard to the collection of the assessment. Proposed law also authorizes LaMATS to charge a fee for its services, but not to exceed 5% of the total taxes, assessments, and penalties collected.

Proposed law also authorizes LaMATS to collect all of the taxes levied pursuant to the present law, R.S. 22:1076.

Proposed law provides that upon failure to pay the assessment, before June 1 of the year the payment is due, a penalty of 5% per month shall be added to the amount due and payable. Provides that the municipality and parish may waive the payment of the penalty, if it is determined that failure to pay was due to unforeseen or unavoidable reasons. Limits the amount of the penalty to not greater than 25% of the total amount of the assessment due.

Proposed law provides that the assessment authorized by proposed law shall apply to all taxes collected on or after January 1, 2003, and shall expire on January 1, 2005.

Effective July 1, 2002.

(Adds R.S. 22:1076.2)