

Regular Session, 2001

# ACT No. 799

HOUSE BILL NO. 264

BY REPRESENTATIVE HAMMETT

## AN ACT

To amend and reenact R.S. 22:1076(B)(2) and (3) and to enact R.S. 22:1076.1, relative to local insurance premium license taxes; to provide for application of maximum taxes; to provide for qualifying investments; to provide for contracts for collection of the tax; to provide for access to certain records; to require confidentiality of certain records; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1076(B)(2) and (3) are hereby amended and reenacted and R.S. 22:1076.1 is hereby enacted to read as follows:

§1076. Authorization of local license taxes; penalties for nonpayment

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B. The maximum license tax on such businesses, payable to such municipality or parochial corporation by any insurer, shall not exceed nine thousand dollars. Provided, that:

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(2) The amount of license payable to any municipal or parochial corporation as fixed in this Section shall be one-third of the amount so fixed if the payer shall file a sworn statement with the annual report required by this Part, showing that at least one-sixth of the total admitted assets of the payer, ~~less assets in an amount equal to the reserves on its policies issued in foreign countries in which it is authorized to do business and which countries require an investment~~

~~therein as a condition of doing business, is invested and maintained, either in bonds of the state, or in bonds of municipal, school, road, or levee district, or other political subdivisions of this state, or in mortgages on property located in this state, or in real property in this state which shall be requisite for the convenient accommodation of the transaction of its own business, or in policy loans, or other loans to residents of this state, or to corporations organized under the laws of this state and domiciled in this state, or in stock of homestead building or loan associations organized under the laws of this state, to the extent such stock is guaranteed or insured by the Federal Deposit Insurance Corporation or other federal or state agency~~ are invested and maintained in qualifying Louisiana investments as defined in R.S. 22:1068(C).

(3) ~~The total of parish and municipal licenses, if both are levied on any of the businesses defined in this Part, shall not together exceed the limitations provided for herein~~ license tax payable by an insurer to a parish shall be calculated on the total direct premiums written by such insurer for risks located within unincorporated areas of such parish. The total license tax payable by an insurer to a municipality shall be calculated on the total direct premiums written by such insurer for risks located within such municipality. Such premiums shall not be subject to taxation by both the parish and the municipality. Such premiums shall not be subject to taxation by more than one parish or municipality.

§1076.1. Local license taxes; contracts for collection; confidentiality of records

A. The taxes authorized by the provisions of R.S. 22:1076 and imposed by local ordinance may be collected by the Louisiana

Municipal Advisory and Technical Services Bureau (LaMATS) if an agreement upon the terms of the collection procedure is executed between LaMATS and the municipality or parish imposing the taxes. Once such an agreement is executed, LaMATS is hereby endowed with all the rights, responsibilities, duties, and privileges of the municipality or parish in regard to the collection of the tax for the duration of the agreement.

B. In accordance with the duty as collector, LaMATS shall have access to any information regarding local license taxes deemed necessary by the commissioner of insurance or the Department of Insurance if such access is necessary or proper for the enforcement of the laws of this state or of a political subdivision of this state.

(1) Except as otherwise provided by law, the records and files of LaMATS, as the contractually authorized collector of local license taxes, which are maintained pursuant to the local tax ordinances are confidential and privileged, and no person shall divulge or disclose any information obtained from such records and files except in the administration and enforcement of the tax laws of this state or of a political subdivision of this state.

(2) Neither the collector nor any employee engaged in the administration or charged with the custody of any such records or files shall be required to produce any of them for inspection or use in any action or proceeding, except in an action or proceeding in the administration or enforcement of the tax laws of this state or of a political subdivision.

(3) Nothing contained in this Section shall be construed to prevent such persons from disclosing a return of a taxpayer or the

records or files maintained pursuant to the local tax ordinances by which LaMATS is contracted to collect as authorized by law in any judicial proceeding in which the state or any political subdivision thereof is a party.

Section 2. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided in Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_