

RESOLUTION NO.: R-2012-101

ORIGINAL
STAMPED IN RED

Authorizing the City Manager to execute an Agreement for Collection of All Business License Taxes from Insurance Companies and Administration as Municipal Agent of Municipal Brokers Premium Tax between the City of Columbia and the Municipal Association of South Carolina

BE IT RESOLVED by the Mayor and City Council this 18th day of December, 2012, that the City Manager is authorized to execute the attached For Collection Of All Business License Taxes From Insurance Companies and Administration as Municipal Agent of Municipal Brokers Premium Tax between the City of Columbia and the Municipal Association of South Carolina.

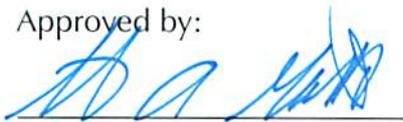
Requested by:

Business License Administrator



Mayor

Approved by:



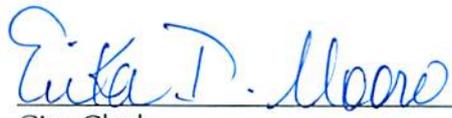
City Manager

Approved as to form:



City Attorney

ATTEST:



City Clerk

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

AGREEMENT

*For Collection of All Business License Taxes from Insurance Companies
and Administration as Municipal Agent of Municipal Brokers Premium Tax*

WHEREAS, the MUNICIPAL ASSOCIATION OF SOUTH CAROLINA (hereinafter "the Association") has developed a program for statewide collection of all current and delinquent business license taxes due from insurance companies licensed in this state; and

WHEREAS, participating municipalities have adopted uniform rates and delinquent penalties for insurance companies and a uniform due date of May 31 for such license taxes; and

WHEREAS, municipalities are authorized to contract for assistance in collection of business license taxes pursuant to S.C. Code Ann. § 5-7-300; and

WHEREAS, the Association's collection of business license taxes from brokers for non-admitted surplus lines insurers is now governed by S.C. Code Ann. § 38-45-10, et seq., which is incorporated herein by reference; now therefore,

WITNESSETH:

THIS AGREEMENT is made between the MUNICIPAL ASSOCIATION OF SOUTH CAROLINA and the CITY OF COLUMBIA ("Municipality").

It is agreed between the parties as follows:

I. BUSINESS LICENSE TAXES FROM INSURANCE COMPANIES

1. The Association will make the necessary investigations, develop a database for the Municipality, establish procedures for determining the amount of business license taxes due, communicate with insurance companies subject to the taxes, and collect all current and delinquent business license taxes due from insurers on an annual basis.
2. The Association will bear all expenses incurred in connection with the services rendered.
3. The Association will deposit all funds received in an appropriate account for which accurate records will be maintained. Taxes collected for the municipality, less the service charge herein agreed to, will be disbursed to the Municipality as collections permit.
4. The Association is hereby designated as the exclusive agent of the Municipality for assessment and collection of the said business license taxes and penalties utilizing all procedures and actions authorized by ordinance or State law, and such procedures and actions may be invoked in the name of the Municipality without further approval by the Municipality.
5. The Association will notify all insurance companies licensed in the State of this agreement and the requirement that all business license taxes be paid to the Association.
6. The Municipality acknowledges that it is an essential element of the programs for all such taxes to be paid to the Association, and no such taxes will be accepted, waived or compromised by the Municipality directly from or with an insurer. All communications from insurance companies will be sent to the

Association. Payments accepted by the Municipality will be included in the computation of compensation to the Association.

7. The Municipality agrees that the Association shall retain 4 percent of all funds collected for the Municipality pursuant to this agreement, together with any interest earned on funds held on deposit prior to disbursement, as compensation for the services rendered.

II. Municipal Brokers Premium Tax

1. On behalf of its municipalities, the Association will communicate with brokers for non-admitted insurance companies subject to the tax in S.C. Code Ann. § 38-45-10, et seq. and will communicate with the South Carolina Department of Insurance on all issues related to the taxes due from brokers per S.C. Code Ann. § 38-45-10, et seq.
2. The Association will bear all expenses incurred in connection with the services rendered.
3. Per S.C. Code Ann. § 38-45-10 and ordinance adopted by the Municipality, the Association is designated as the municipal agent to act on behalf of the municipality for the purposes set out in S.C. Code Ann. §38-45-10, et. seq.
4. S.C. Code Ann. § 38-45-10, et seq., governs the Association's receipt from the South Carolina Department of Insurance ("DOI") and distribution to the municipality of all municipal premium taxes from brokers for non-admitted surplus lines insurance. Upon receipt of the taxes from the DOI, the Association will deposit all funds received in an appropriate account for which accurate records will be maintained. Taxes will be disbursed to the municipality, less the service charge herein agreed to, as collections permit.
5. The Municipality agrees that the Association shall retain 4 percent of all funds collected or received by the Association for the Municipality pursuant to this agreement, together with any interest earned on funds held on deposit prior to disbursement, as compensation for the services rendered.

III. TERM AND LEGALITY

1. The Municipality represents that this agreement has been approved by ordinance duly adopted pursuant to S.C. Code Ann. § 5-7-300.
2. This Agreement is effective until December 31, 2022, and shall continue from year to year thereafter until terminated by either party upon 90 days notice in writing given prior to December 31.

MUNICIPAL ASSOCIATION OF SOUTH CAROLINA

By: _____

Miriam O. Hair
Executive Director

CITY OF COLUMBIA

By: _____

Steven A. Gantt
City Manager

DATE: 12.18.12, 2012