



4800 Ashford Dunwoody Road  
Dunwoody, Georgia 30338  
dunwoodyga.gov | 678.382.6700

## **MEMORANDUM**

**To:** Mayor and City Council

**From:** Linda Nabers, Finance Director  
Richard Platto, Assistant Finance Director

**Date:** November 29, 2021

**Subject:** Revision of License Fee Ordinance for Insurance Companies

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### **BACKGROUND**

O.C.G.A. Section 33-8-8 permits Georgia municipalities to charge an annual flat fee to insurance companies transacting business within the municipal limits, the amount of which is determined by the population of each city.

| <b>Population</b>  | <b>Fee</b> |
|--------------------|------------|
| Amount under 1,000 | \$15.00    |
| 1,000 – 1,999      | \$25.00    |
| 2,000 – 4,999      | \$40.00    |
| 5,000 – 9,999      | \$50.00    |
| 10,000 – 24,999    | \$75.00    |
| 25,000 – 49,999    | \$100.00   |
| 50,000 and over    | \$150.00   |

According to the 2020 Census figures, the population of the City of Dunwoody increased from 46,267 to 51,683. Accordingly, under the authorizing statute, the City is authorized to charge an annual license fee to insurance companies in the amount of \$150.00, which is an increase of \$50.00 from the current flat fee of \$100.00.

Total revenue collected from insurance companies under the current flat fee is \$40,400. The increase in the flat fee to \$150 is expected to generate total revenue of \$60,600, which is an increase of \$20,200 in revenue for the City of Dunwoody in FY2022.

### **RECOMMENDED ACTION**

The purpose of this item is to adopt the attached revision to the license fee ordinance for insurance companies, with the updated flat fee rate being effective January 1, 2022.

## ORDINANCE

To impose license fees on insurers conducting business within the City of Dunwoody, Georgia; to impose a gross premiums tax on insurers operating within the State of Georgia; to provide an effective date; to repeal conflicting ordinances; and other purposes.

Be it ordained by the Mayor and Council of the City of Dunwoody, Georgia; and it is hereby ordained by authority thereof:

### Section 1. Insurers License Fees

There is hereby levied for the year 2022 and for each year thereafter an annual license fee upon each insurer doing business within the City of Dunwoody, Georgia in the amount of one-hundred-fifty dollars (\$150). For each separate business location in excess of one not covered by Section 2, which is operating on behalf of such insurers within the City of Dunwoody, Georgia, there is hereby levied a license fee in the amount of one-hundred-fifty dollars (\$150). For the purposes of this ordinance, the term "insurer" means a company which is authorized to transact business in any of the classes of insurance designated in O.C.G.A. Sec. 33-3-5.

### Section 2. License Fees for Insurers Insuring Certain Risks at Additional Business Locations

For each separate business location, not otherwise subject to a license fee hereunder, operated and maintained by a business organization which is engaged in the business of lending money or transacting sales involving term financing and in connection with such loans or sales offers, solicits or takes application for insurance through a licensed agent of an insurer for insurance said insurer shall pay an additional license fee of fifty-two and 50/100 dollars (\$52.50) per location for the year 2022 and for each year thereafter.

**Section 3. Gross Premiums Tax Imposed on Life Insurers**

There is hereby levied for the year 2022 and for each year thereafter an annual tax based solely upon gross direct premiums upon each insurer writing life, accident and sickness insurance within the State of Georgia in an amount equal to one percent (1%) of the gross direct premiums received during the preceding calendar year in accordance with O.C.G.A. Sec.33-8-8.1. Gross direct premiums as used in this section shall mean gross direct premiums as used in O.C.G.A. Sec.33-8-4. The premium tax levied by this section is in addition to the license fees imposed by Section 1 of this ordinance.

**Section 4. Gross Premiums Tax, All Other Insurers**

There is hereby levied for the year 2022 and for each year thereafter an annual tax based solely upon gross direct premiums upon each insurer, other than an insurer transacting business in the class of insurance designated in subsection 1 of O.C.G.A. Sec.33-3-5, doing business within the State of Georgia in an amount equal to two and one-half percent (2.5%) of the gross direct premiums received during the preceding calendar year in accordance with O.C.G.A. Sec.33-8-8.2. Gross direct premiums as used in this section shall mean gross direct premiums as used in O.C.G.A. Sec.33-8-4. The premium tax levied by this section is in addition to the license fees imposed by Section 1 of this ordinance.

**Section 5. Due Date for License Fees**

License fees imposed in Sections 1 and 2 of this ordinance shall be due and payable on the first day of 2022 and on the first date of each subsequent year.

**Section 6. Administrative Provisions**

The City Clerk is hereby directed to forward a duly certified copy of this ordinance to the Insurance Commissioner of the State of Georgia within 45 days of its enactment.

**Section 7. Effective Date**

This ordinance shall become effective January 1, 2022.

**Section 8. Severability**

In the event any portion of this ordinance shall be declared or adjudged invalid or unconstitutional, it is the intention of the City Council of the City of Dunwoody, Georgia, that such adjudication shall in no manner affect the other sections, sentences, clauses or phrases of this ordinance which shall remain in full force and effect, as if the invalid or unconstitutional section, sentence, clause or phrase were not originally a part of the ordinance.

**Section 9. Repealer**

All ordinances and parts of ordinances in conflict with this ordinance are hereby repealed.

Ordained this \_\_\_\_\_ day of \_\_\_\_\_, 2021 by the Mayor and Council of the City of Dunwoody, Georgia.

\_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_

\_\_\_\_\_  
City Clerk

I hereby certify that the foregoing is a true and accurate copy of an ordinance of the City of Dunwoody, Georgia adopted on the

\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

City Seal

\_\_\_\_\_  
City Clerk

**MUNICIPAL REVENUE SERVICES, INC.**

2915 Piedmont Road, Suite E • Atlanta, Georgia 30305

(404) 237-2280 • Fax (404) 237-2202

In cooperation with the Georgia Municipal Association

October 28, 2021

Linda Nabers, Finance Director  
 City of Dunwoody  
 4800 Ashford Dunwoody Rd.  
 Dunwoody, GA 30338

Re: Revision of License Ordinance - Insurance Companies

Dear Ms. Nabers:

We recently sent a letter and sample ordinance to your city in regards to 2020 Census figures which allow your city to increase the amount of its municipal license fee charged to insurance companies.

As there was a discrepancy in the source and timing of the Census data being used by Georgia Municipal Association and the Insurance Commissioner's office, revised ordinances recently submitted for approval may have been rejected. If your city submitted its revised license fee ordinance and it was rejected, or if you receive a rejected ordinance, please resubmit the ordinance immediately with a note stating that it was originally submitted within the 45 day required period to:

Georgia Insurance Commissioner  
 Attention: Mandy Snipes, Director of Premium Tax  
 912 West Tower  
 2 Martin Luther King Jr. Drive  
 Atlanta, GA 30334

We have received assurance that these revised ordinances will receive approval from the Insurance Commissioner's office and that your city may move forward with the new license fee starting with the 2022 license year. If you have not already done so, you should also forward to us a copy of the newly enacted ordinance at the address below:

Georgia Municipal Association  
 Municipal Revenue Services  
 2915 Piedmont Rd. NE, Suite E  
 Atlanta, GA 30305

If you have any questions, please contact Russell Winch at 404-237-2280 or toll-free 888-255-0434, or contact Darin Jenkins by phone at 678-686-6264 or by email at [djenkins@gacities.com](mailto:djenkins@gacities.com).

We are very happy to be of service to your municipality.

Sincerely,

R. Peter Catlin III

cc: Darin Jenkins, Director, Financial and Operational Services