

Chapter 40

FIRE INSURANCE TAX

Latest Revision 11-25-15

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40.01 TAX AUTHORIZED.

Any corporation, company or association not incorporated under the laws of this State, and which is engaged in the City of DeKalb in effecting or soliciting fire insurance, shall pay to the City Treasurer annually on July 15 of each year, a sum equal to two percent (2%) of the gross receipts of premiums received by such corporation, company, or association for insurance on property located in the City.

40.02 AGENT'S REPORTS.

Every person acting as agent or otherwise, for or on behalf of any such corporation, company, or association, shall on July 15 of each year render to the City Clerk a full, true and just account verified by oath, of all the premiums which during the year ending on July 1 preceding such report shall have been received by him or any other person for him in behalf of such corporation, company or association and shall fully and specifically set out in such report the amount or amounts received as premiums for fire insurance.

40.03 PAYMENT OF TAX.

The agent shall at the time of making the report pay to the City Treasurer the said sum of two percent (2%) upon the gross receipts of such corporation, company or association, obtained as premiums for effecting fire insurance in the City.

40.04 WRITING BUSINESS UNLAWFUL.

If such account is not rendered on or before the day herein designated for that purpose, or if the above mentioned tax or license shall remain unpaid after that day, it shall be unlawful for any such corporation, company or association or agent thereof, to transact any business of fire insurance in the City until the requirements hereof shall have been fully complied with. This provision shall in no way affect the validity of any risk that shall be taken in violation hereof between such corporation, company or association and the person so insured. A violation of this ordinance shall be punishable by a fine equal to the greater of two-hundred percent of the tax which is due and payable or a daily fine of not less than five hundred dollars nor more than seven hundred and fifty dollars per day, whichever is greater, plus court costs and attorney's fees incurred by the City in collecting such payments. (2015-26)

40.05 FOREIGN FIRE INSURANCE TAX BOARD. (2015-26)

a) There is hereby established a Foreign Fire Insurance Tax Board. Said Board shall be comprised and organized in accordance with the provisions of 65 ILCS 5/11-10-2. The Finance Director of the City of DeKalb, or a designee thereof, shall be an *ex officio* member of the Board, and shall be entitled to attend all meetings thereof. The Board shall be subject to the insurance policies of the City, if any, which provide security for the lawful performance of public duties.

b) Not less than ninety days before the start of the City's Fiscal Year, the Board shall submit to the City an annual budget, developed and proposed by the Board in accordance with all legal restrictions, for inclusion within the City's budget. The Board shall provide a representative to attend one or more City Council meetings to: 1) explain expenditures made in past fiscal years; and, 2) explain proposed and budgeted expenditures in the upcoming fiscal year, at the request of the Council. Notwithstanding such presentations, the ultimate determination as to the purpose and use of funding obtained by the Board shall be at the Board's discretion, provided that such purposes are lawful, and the City Council's approval of the Board's proposed budget shall be limited to confirmation that the proceeds are being utilized "only for the maintenance, use and benefit of the [fire] department" as provided by state law.

c) The Finance Director shall establish a bank account in the name of the Board. All proceeds that are received by the Board shall be deposited in such account, and the Board shall provide the Finance Director with a copy of all bank account statements, all payment statements received with fire insurance tax proceeds, and such other documents as the Finance Director shall request. The Finance Director shall be authorized to establish procedures to reconcile such payments within the City's accounting system, and shall incorporate the Board's transactions within the City's financial reports and annual audit. The Finance Director shall also be authorized to establish financial and purchasing policies, procedures and internal controls with the Board, to ensure the integrity of the Board's budgeted funds. The Board shall have the authority to establish any rules of procedure pursuant to 65 ILCS 5/11-10-2.