

Local Premium Tax Advisory Council

July 24, 2019 - 1:30 pm

Department of Insurance - Hearing Room

Minutes

Members Present

Commissioner Atkins
Shellie Hampton
JD Chaney
Mark Treesh
David Thornton
Greg Kosse

Members Absent

Beth Murphy
Steve Dawson

Others in attendance:

Patrick O'Connor
John Hord
Prentice Harvey
Paula Smith
Russ Hamblen

Call to Order / Roll Call / Welcome –

Commissioner Atkins called the meeting to order at approximately 1:36 p.m. A short reintroduction of John Hord to the Council Members by Commissioner Atkins.

Approval of 5/21/2019 Minutes –

Mark Treesh recommended a couple of changes to the minutes from the May meeting. Minutes as amended approved by Greg, second by Shellie.

Old Business –

DOI Update – John Hord reported that phone calls this year had significantly increased as far as requests for information from counties needing facts (fact finding, statutes, etc...). Shellie stated that it was most likely due to new judges, personnel, etc...trying to gain knowledge, revenue finding. John is also working on getting the non-filer list together, working on those in house.

New Business –

Commissioner Atkins introduced new business regarding a subcommittee discussion from members and consider subcommittee formation to explore the feasibility of a LGPT collection clearinghouse. A motion made by JD Chaney, second by Shellie Hampton to move not to form a LGPT collection clearinghouse subcommittee. The motion was passed.

Patrick O'Connor reiterated that the idea was to simply explore the feasibility of a new mechanism or alternatives as DOI typically receives complaints from various parties. The idea was not to draft any recommendation that a clearinghouse be formed, but instead to consider other potential alternatives to improve the overall process and to make sure taxes are being calculated correctly and paid to the correct entities. This was brought up to potentially help by getting things streamlined.

Mark Treesh commented on HB 524 and the longstanding opposition of a collection clearinghouse. It seems that things have been an all or nothing process. Looking at the possibility of a private contractor to make single check transfer, the contractor would charge a fee to the insurance company. He was not certain and his members asked if there is already such a third party vendor in existence to actually do this.

Huston Wells explained that counties need every penny they can acquire. Counties around the state are in trouble, costing the counties/cities is not an option at this time due to the pension squeeze. Mark explained the cost-based percentages of those participating and the fee would fall to the insurers.

JD Chaney once again explained that he and those he represents are adamantly opposed to the centralized clearinghouse option. Greg Kosse reiterated that the purpose of this possible subcommittee is to discuss and the commissioner could certainly approve a subcommittee to discuss the topic. JD responded that discussion is good/valid and that there are plenty of other issues or topics to be addressed such as legislation. He has to represent the city officials and for that reason he is adamantly opposed. It is not a matter at all challenging the commissioner's power or need to establish any type of committee or subcommittee.

Closing comments were made by Greg, in regard to John Hord mentioning previously about phone calls coming in about modeling with the fielding of those questions. Would there be any way that the council can be more assisting in sticking within the lines of insurance, this is within cities and counties. Is there a model ordinance out there? Huston followed that when you give options you cause issues, if there were uniformity everyone would be in much better shape. Shellie recommended discussing a leadership institute and a model.

Mark Treesh brought up the topic of a private contractor to clarify what to possibly discuss at the next meeting, any statutory or regulatory prohibition to this, then for RFI/RFP why isn't anyone doing this. DOI is to check into this to see if there are statutory or regulator regs/laws to prevent this or not allow this type of service to be done.

Commissioner Atkins explained that much more in depth research would need to be done before being able to, with RFPs, it is a detailed, time consuming task.

Suggested Next Meeting – Tuesday, October 15, 2019 at 1:30 p.m.

Adjourn -

Motion to adjourn by Mark Treesh, second by Huston Wells at 2:48 p.m.

Submitted By:

Date

Approved By:

Date