**A** **BILL**

TO AMEND SECTION 38‑7‑160, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO MUNICIPAL LICENSE FEES AND TAXES IN INSURANCE LAW, SO AS TO DISTINGUISH BETWEEN LICENSE FEES AND TAXES MUNICIPALITIES MAY LEVY AND COLLECT FOR RISKS LOCATED WITHIN AND OUTSIDE THE MUNICIPALITY.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 38‑7‑160 of the 1976 Code is amended to read:

“Section 38‑7‑160. This title may not be construed as preventing any municipality from levying and collecting license fees or taxes in accordance with its ordinances on risks located within the limits of that municipality. However, for surplus lines insurance no municipality may charge an additional license fee or tax based upon a percentage of premiums. A municipality may not charge a license fee to fire insurers or their agents licensed by the director or his designee in any other manner than on a percentage of the premiums collected ~~in the~~ on risks located within the limits of that municipality or realized from risks located within the limits of the municipality, or both~~,~~. The license fee may not ~~to~~ exceed two percent of the premiums collected in the municipality and realized from risks located in the municipality, except in cities of fifty thousand inhabitants or more, ~~where not exceeding~~ in which case not more than five percent may be charged. Preference must be given ~~hereunder~~ to the municipality ~~wherein~~ in which the insured property is located, ~~and,~~ but if a license fee or tax is levied against the insuring company on ~~such~~ this basis, ~~that~~ the company may not be subject to a similar license from a municipality wherein it may collect the premium for ~~such transaction~~ an insurance risk located outside the limits of the municipality.”

SECTION 2. This act takes effect upon approval by the Governor.

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