

**CITY OF RUSSELLVILLE, KENTUCKY
ORDINANCE 2007-11**

AN ORDINANCE ESTABLISHING INCENTIVES FOR PRIVATE INVESTMENT IN
DOWNTOWN RUSSELLVILLE BY CREATING OCCUPATIONAL LICENSE FEE REBATES
AND NET PROFIT FEE REBATES UNDER ESTABLISHED CRITERIA SET FORTH IN THE
ORDINANCE; PROVIDING FOR A SEVERABILITY CLAUSE, REPEALER CLAUSE, AND
ESTABLISHING AN EFFECTIVE DATE.

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WHEREAS, the downtown area of the City of Russellville is one which is steeped in history and tradition; and

WHEREAS, over the past several decades, as times have changed, downtown businesses have closed, while others have relocated into outlying areas of the City; and

WHEREAS, the buildings which housed these businesses downtown still remain, with many being vacant and in need of repair; and

WHEREAS, this plight is not unique to the City of Russellville, and the City Council desires to entice businesses back into the downtown area with certain economic incentives; and

WHEREAS, this Ordinance has been enacted in furtherance of the health, safety and welfare of the citizens of the City of Russellville, Kentucky;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL IN AND FOR THE CITY OF RUSSELLVILLE, KENTUCKY, AS FOLLOWS:

SECTION I. DEFINITIONS. The following definitions shall have the following meanings for this Ordinance, and for this Ordinance only:

- A. *Historic downtown business district:* shall mean those existing buildings located within and bounded by Summer Street; Winter Street; Fifth Street; and Third Streets.

- B. *Business:* shall mean any lawful for-profit occupation, trade or profession which establishes a new business in the historic downtown business district and opens for business on or after October 1, 2007. The following new businesses will not be eligible for the Rebate extended by this Ordinance:

1. pawn shops;
 2. consignment or thrift shops;
 3. "rent to own" stores;
 4. check-to-cash financing businesses.
- C. *Employee*: shall mean one who is employed by a business at least 35 hours per week whose gross wages are subject to the City's occupational license fee Ordinance. An "employee" shall not mean the owner of a business who is required to file an annual Net Profits License Fee return with the City.
- D. *Capital improvement*: a repair or restoration of any aspect of real property, or an addition of any structure or major piece of equipment built or installed upon real property, all of which permanently increases the real property's value, capacity, and useful life.

SECTION II. REBATES FROM OCCUPATIONAL LICENSE FEE ORDINANCE

- A. **ELIGIBILITY** - Any new business with at least one (1) full-time employee opening in the historic downtown business district on or after October 1, 2007, after investment of not less than \$10,000 in capital improvements, shall be eligible for the Occupational License Fee and Net Profits License Fee Rebates contained in this Ordinance for a period not to exceed three (3) years from the date the business obtains an Occupational License from the City.
- B. **PROOF OF CAPITAL IMPROVEMENT** – any business, as defined in this Ordinance, seeking the Rebate shall appear before the City Council with evidence to show the required capital improvements have been made.
- C. **PROOF OF EMPLOYEE(S) HIRED** – any business, as defined in this Ordinance, seeking the Rebate shall appear before the City Council with evidence to show at least one (1) full-time employee has been hired, such as IRS Form W-4.
- D. **GRANTING OF REBATE STATUS** – City Council shall have the authority to grant or deny Rebate Status under this Ordinance upon presentation of the requirements set forth in this Ordinance.

SECTION III. REBATE FOR OCCUPATIONAL LICENSE FEES.

- A. Any business which meets the criteria of this Ordinance shall be eligible to apply for a Rebate from Occupational License Fees for up to three (3) years as follows:

1. On at least a quarterly basis, the business shall file the Return of Payroll Tax Withheld form with the City, showing the gross wages paid to employees (Line 2).
 2. The business shall calculate the amount of occupational license fee owed (Line 5).
 3. Eligible businesses shall then be eligible for a Rebate from withholding, and payment, of the amount on Line 5, and shall write on Line 9 "Rebate by Ordinance 2007-11".
- B. Any business which at any time has failed to meet the criteria of Ordinance 2007-11 will be required to recapture all amounts previously granted a Rebate by this Ordinance by making payment, in full, for the amounts previously subject to Rebate status by this Ordinance, within thirty (30) days after receiving written notice from the City.
- C. It shall not be a defense to the business that the amounts were not withheld by the employer from the earnings of the employee, and it is the employer who shall be responsible to the City for payment thereof.

SECTION IV. REBATE FOR NET PROFITS LICENSE FEES

- A. Any business which meets the criteria of this Ordinance shall be eligible for a Rebate for Net Profits License Fees for up to three (3) years as follows:
1. On an annual basis, the business shall file with the City its Net Profits License Fee Return.
 2. The annual Net Profits License Fee Return shall be completed in full, and the amount owed to the City listed on Line 17.
 3. Eligible businesses shall then be eligible for a Rebate from payment of an annual Net Profits License Fee to the City, and shall write on Line 20 "Rebate by Ordinance 2007-11".
- B. Any business which at any time has failed to meet the criteria of Ordinance 2007-11 will be required to recapture all amounts previously subject to Rebate by this Ordinance by making payment, in full, for the amounts previously subject to Rebate by this Ordinance, within ninety (90) days after receiving written notice from the City.

SECTION V. SEVERABILITY. The provisions of this Ordinance are severable. If any sentence, clause or part of this Ordinance or the application thereof to any particular

state of case is for any reason found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall not affect or repeal any of the remaining provisions, sentences, clauses or sections or parts of this Ordinance, it being the legislative intent of this body to ordain and in act each other.

SECTION VI. REPEAL OF EXISTING ORDINANCES. All ordinances or parts of ordinances in conflict herewith now in effect, to the extent of said conflict, are hereby repealed.

SECTION VII. EFFECTIVE DATE. This ordinance shall become effective upon passage and publication as required by law.

FIRST READING conducted the 17th day of July, 2007.

SECOND READING and passage on the 7th day of August, 2007.



GENE ZICK, MAYOR

ATTEST:



BOB RIGGS, CITY CLERK

Ayes: Davenport, Lanny; Jones, Russell; McPherson, Lanny; Philips, Chuck; Stratton, Mark; Whipple, Jack.

Nays: none.

Absent: none.

Abstaining: none.

LEGAL PUBLICATION OF ORDINANCE IN SUMMARY

The City Council of Russellville, Kentucky, has enacted Ordinance 2007-11 entitled "AN ORDINANCE ESTABLISHING INCENTIVES FOR PRIVATE INVESTMENT IN DOWNTOWN RUSSELLVILLE BY CREATING OCCUPATIONAL LICENSE FEE REBATES AND NET PROFIT FEE REBATES UNDER ESTABLISHED CRITERIA SET FORTH IN THE ORDINANCE; PROVIDING FOR A SEVERABILITY CLAUSE, REPEALER CLAUSE, AND ESTABLISHING AN EFFECTIVE DATE."

In accordance with KRS 86A.060(9), the undersigned, a licensed, practicing attorney in the Commonwealth of Kentucky, summarizes this Ordinance as follows:

1. This Ordinance contains definitions for "historic downtown business district"; "business"; "employee"; and "capital improvement."
2. This Ordinance provides that any new business with at least one (1) full-time employee opening in the historic downtown business district on or after October 1, 2007, after investment of not less than \$10,000 in capital improvements, shall be eligible for the Occupational License Fee and Net Profits License Fee Rebates for a period not to exceed three (3) years.
3. One seeking preferred status under this Ordinance must first obtain approval from City Council after presenting proof of capital investment and retention of employee(s).
4. Details of implementation of this preferred status are contained within the Ordinance.
5. The Ordinance provides for termination of preferred status should certain requirements not be met, and for retroactive payment of license fees in such instances.
6. This Ordinance contains a severability clause and repealer clause.
7. The full text of this Ordinance is available for copying and inspection at City Hall, Russellville, Kentucky, during normal business hours.

The City Council of Russellville, Kentucky enacted this Ordinance after a first reading conducted on July 17, 2007, and a second reading conducted on August 7, 2007.

CERTIFICATION OF COUNSEL

I hereby certify the foregoing is an accurate summary of City of Russellville Ordinance 2007-11.

C. Robert Hedges
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