

ORDINANCE NO. 1882

AN ORDINANCE AMENDING CHAPTER 16 (TAXATION) ARTICLE II (OCCUPATIONAL LICENSES) OF THE CODE OF ORDINANCES FOR THE CITY OF DANVILLE, KENTUCKY, CREATING AN EXEMPTION FOR SPECIAL EVENT PERMITEES FROM HAVING AN OCCUPATIONAL LICENSE AND THE REQUIREMENTS ASSOCIATED WITH SAME AND CREATING A REQUIREMENT FOR SPECIAL EVENT PERMIT FEES TO BE PAID FOR BUSINESSES LEASING, RENTING OR OTHERWISE BEING PROVIDED BOOTHS, STALLS OR OTHER SPACE AT FESTIVALS AND SPECIAL EVENTS.

WHEREAS, the Board of Commissioners deems it necessary and appropriate to amend its existing ordinance pertaining to occupational license taxation by exempting special event permittees from the requirement of obtaining an occupational license and the requirements associated with said licensure because of the de minimis business activity over a short period of time; and to replace it with the requirement that any person or entity conducting a festival or special event shall collect event permit fees from those businesses leasing, renting or otherwise being provided booths, stalls or other space; and

WHEREAS, the City of Danville expends considered time and resources with its Police Department, Fire Department, Public Works Department and other City Staff in coordinating and supporting festivals and special events;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF DANVILLE, KENTUCKY, as follows:

SECTION ONE:

Section 16-18 of the City of Danville Code of Ordinances, titled "Occupational license tax payment required", is hereby amended to read as follows, with subsections (a), (b), (c), (d), and (e) to remain the same:

(f) The occupational license tax imposed in this section shall not apply to the following persons or business entities:

(1) Any bank, trust company, combined bank and trust company, or trust, banking and title insurance company, organized and doing business in this state; any savings and loan association, whether state or federally chartered;

(2) Any compensation received by members of the Kentucky National Guard for active duty training, unit training assemblies and annual field training;

(3) Any compensation received by precinct workers for election training or work at election booths in state, county and local primary, regular or special elections;

(4) Public service corporations that pay an ad valorem tax on property valued and assessed by the Kentucky Department of Revenue pursuant to the provisions of KRS 136.120. Licensees whose businesses are predominately non-public service, who are also engaged in public service activity, are required to pay a license fee on their net profit derived from the non-public service activities apportioned to the city;

(5) Persons or business entities that have been issued a license under KRS 243 to engage in manufacturing or trafficking in alcoholic beverages. Persons engaged in the business of manufacturing or trafficking in alcoholic beverages are required to file a return, but may exclude the portion of their net profits derived from the manufacturing or trafficking in alcoholic beverages;

(6) Insurance companies incorporated under the laws of, and doing business in the state, except as provided in KRS 91A.080;

(7) Any profits, earnings, distributions of an investment fund which would qualify under KRS 154.20-250 through 154.20-284, to the extent any profits, earnings or distributions would not be taxable to an individual investor;

(8) Compensation received for domestic services rendered by those persons classified as domestic servants, as defined in Section 16-16;

(9) A person engaged in agriculture business (raising crops and livestock, who employs less than five (5) employees on a regular time basis (four hundred fifty (450) hours during a quarter), may file a return and pay the withholding tax at the end of the taxable year. Any monies reported on Federal Schedule F as labor hired, contract labor, miscellaneous labor or any other form of labor is considered as labor and shall be paid upon. If contract labor or any other labor was paid upon and treated as 1099 labor, then a copy of the Federal Form 1099 for such labor shall be submitted to the city. If the amount is less than that required by the Internal Revenue Service, then a listing as set forth in section 16-21(f) can be used in lieu of 1099s.

(10) Compensation received for the renting or leasing of one (1) residential unit, as defined above in Section 16-16.

(11) Any person, firm, business entity, nonprofit organization or corporation engaging in the business of promoting, operating, or otherwise conducting a temporary event such as a festival or special event defined in Section 14-102 that leases, rents or otherwise provides the use of temporary booths, stalls or other like spaces to any person, firm, business entity, organization, corporation or combination thereof, unless otherwise subject to occupational license taxation in the City outside of the special event permitted period and location, but shall be required to pay a special event permit fee of

twenty-five dollars (\$25.00) per booth/stall/space leased, rented or otherwise provided, and such permit shall be valid for a period not to exceed five (5) days and shall be valid only for operations at the permitted location. The following regulations shall also apply:

(i) Any person, firm, business entity, nonprofit organization or corporation under Section 16-18(f)(11) above required to pay a special event permit fee to the City shall, prior to engaging in such activity, be required to place a deposit with the City in an amount equal to the number of booths/stalls/spaces available for lease, rent or otherwise provided, multiplied by the special event permit fee of twenty-five dollars (\$25.00) per booth/stall/space.

(ii) The special event permit fee deposit shall be forfeited in full, unless within twenty (20) days following the conclusion date of the event, the permittee requests and applies for a reconciliation of the actual permit fee due to the City, in which case the amount of additional fees or the amount of refund due shall be determined and paid. The City shall also have the right to request a reconciliation from the permittee within twenty (20) days following the conclusion date of the event, to verify the number of booths/stalls/spaces leased, rented or otherwise provided in order to confirm that the correct number of permits were paid for and whether additional permit fees need to be collected or refunded.

(iii) This required special event permit fee shall not be required of any person, firm, or business entity already possessing or otherwise required to possess an occupational license outside of the permitted period and location. This required special event permit fee shall also not be required of any association or corporation organized and operated for the exclusive and sole purpose of religious, charitable,

scientific, literary, educational, civic or fraternal purposes, where no part of the earnings, incomes or receipts of such unit, group or association, inures to the benefit of any private shareholder or other person.

SECTION TWO: This ordinance is effective upon its publication.

SECTION THREE: If any section, subsection, paragraph, sentence, clause, phrase, or portion of this Ordinance is declared illegal or unconstitutional or otherwise invalid, such declaration shall not affect the remaining portions hereof.

GIVEN FIRST READING AND PASSED _____.

GIVEN SECOND READING AND PASSED _____.

PUBLISHED IN THE *ADVOCATE-MESSENGER* _____.

APPROVED:

G. MICHAEL PERROS, MAYOR

ATTEST:

DONNA PEEK, CITY CLERK