

ORDINANCE NO. 2018-O-08

AN ORDINANCE OF THE CITY OF INDEPENDENCE, KENTUCKY, PROVIDING FOR A CREDIT OF ITS OCCUPATIONAL LICENSE FEE FOR NEW EMPLOYEES AS PART OF AN ECONOMIC DEVELOPMENT PROJECT BY A.O. SMITH CORPORATION UNDER THE KENTUCKY BUSINESS INVESTMENT PROGRAM (KRS 154.32-010–KRS 154.32-100).

WHEREAS, A.O. Smith Corporation has expended \$3 million to expand their manufacturing operation located at 8160 Holton Drive in the City of Independence, Kentucky. Additionally, A.O. Smith Corporation will create 12 new full-time Kentucky resident jobs with an annual salary of \$52,000, including benefits.

WHEREAS, A.O. Smith Corporation is soliciting support from the City of Independence of its application under the Kentucky Business Investment Program (KBI) under KRS 154.32-010–KRS 154.32-100. The application of A.O. Smith Corporation received preliminary approval from the Kentucky Economic Development Finance Authority (KEDFA) as an approved Economic Development Project on August 28, 2014.

WHEREAS, KRS 154.32-010 (3) (b) permits that the "approved company or, with the authority's consent, an affiliate of an approved company may require that each employee subject to tax imposed by KRS 141.020, whose job is determined by the authority to be created as a result of the economic development project, as a condition of employment, agree to pay an assessment of up to four percent (4%) of taxable wages."

WHEREAS, Former Mayor Donna Yeager of the City of Independence indicated in writing on August 26, 2014 her willingness to support a credit equal to 0.5% of the City of Independence Occupational License fee due on new Kentucky-resident jobs created by A.O. Smith Corporation as part of this Economic Development Project for a ten-year period after project completion. This local credit of 0.5% will be based on the relative estimate of occupational license fees for the City of Independence generated by this economic development project over a ten-year period. This local credit will also initiate a 1.5% Kentucky personal income tax credit on such new jobs under KBI thus a total 2.0% credit.

WHEREAS, KRS 154.32-010 also entitles each employee paying the wage assessment fee to an equal credit against his/her Kentucky income tax and an equal credit against his/her local occupational license fee, both for ten years. A.O. Smith Corporation under KRS 154.32-010, will impose up to a 2.0% wage assessment as a condition of employment and shall be authorized to deduct the 2.0% assessment from each payment of wages to qualified employees, with such assessment only to be utilized as permitted by KRS 154.32-010–KRS 154.32-100.

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF INDEPENDENCE, KENTUCKY AS FOLLOWS:

SECTION I

The City of Independence authorizes a 0.5% credit of its Occupational License Fee pursuant to the Kentucky Business Investment Program (KRS 154.32-010–KRS 154.32-100) for and throughout a ten-year period (beginning and ending as stipulated in the Wage Assessment Agreement executed between KEDFA and A.O. Smith Corporation) on the wages of the new A.O. Smith Corporation Kentucky-resident employees created as part of this Economic Development Project.

SECTION II

That if any section or part of any section or any provision of this Ordinance shall be declared invalid by a Court of appropriate jurisdiction, for any reason, such declaration shall not invalidate, or adversely affect, the remainder of this Ordinance. All ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed to the extent of said conflict.

SECTION III

This ordinance shall be in effect and in full force from and after its passage, publication and recording, according to law.



Christopher J. Reinersman, Mayor

ATTEST:



Gina Gabbard, City Clerk

First Reading: July 2, 2018
Second Reading: July 11, 2018
Ayes: 4
Nays: 0

Publication Date: _____