

COMMISSIONERS ORDINANCE NO. O-2017-002

AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF THE CITY OF NEWPORT, KENTUCKY AMENDING THE CODE OF ORDINANCES §37.210, §37.213(A) and §37.214(C), CONCERNING JOB DEVELOPMENT INCENTIVE PROGRAM DEFINITIONS AND ELIGIBILITY REQUIREMENTS.

BE IT ORDAINED BY THE CITY OF NEWPORT, KENTUCKY:

SECTION I

That the Section 37.210 of the Code of Ordinances shall be and is hereby amended to read, as follows:

§ 37.210 DEFINITIONS

Unless the context requires otherwise, the following terms as used in the subchapter shall have the following meanings.

APPLICANT. A business for occupational license fee withholdings credit pursuant to this subchapter exclusive of retail industry jobs, bars, hotels/motels or jobs in a sexually oriented business/adult entertainment business as elsewhere defined within the City's Code of Ordinances.

APPROVED COMPANY. An applicant approved by the Job Development Incentive Committee.

COMMITTEE. The Job Development Incentive Committee.

CREDIT. The rebate or reimbursement of the City's occupational license withholdings.

DIRECTOR. The Job Development Incentive Director or City Manager acting in that capacity.

EMPLOYEE WITHHOLDINGS. The occupational license fee withholdings from an employee's wages, salaries, bonuses or commissions as set forth in this chapter.

FUND. Job Development Incentive Fund.

NEW BUSINESS. A person, corporation, firm, partnership, limited liability company, sole proprietorship, or similar business entity engaging or intending to engage in a professional or commercial activity within the City that has operated in the City for thirty (30) days or less at the time of its application and thereafter remains located within the City during the entire term of the Program.

NEW JOBS. The creation of no less than \$250,000.00 in Newport taxable wages of employees of the applicant as a result of the project and in the on-going operation of the applicant's business and shall not include jobs temporarily created or retained by construction of the project, jobs in the retail industry, restaurant, bars, hotels/motels or jobs in a sexually oriented business/adult entertainment business as elsewhere defined within the City's Code of Ordinances.

SERVICE or TECHNOLOGY. Any activity involving the performance of work in accordance with the *Standard Industrial Classification Manual* as revised by the United States Office of Management and Budget from time to time, or any successor publication, but excluding the divisions of Agriculture, Forestry, and Fishing, Mining, Construction, Manufacturing, wholesale trade, and retail trade. Notwithstanding the excluded classifications by divisions, those service and technology activities of a company engaged in an ineligible activity may be operated as a separate division and, with the approval of the Job Development

Incentive Committee and subject to the recordkeeping requirements established by the Committee, may be deemed an eligible activity.

SECTION III

That the Section 37.213(A) of the Code of Ordinances shall be and is hereby amended to read, as follows:

(A) There is hereby created a Job Development Incentive Program Committee composed of four members as follows:

- (1) The City's Economic Development Director, or designee;
- (2) The City's Development Services Director;
- (3) The City's Chief Financial Officer or Financial Officer; and

(4) A representative selected by the City Manager, such representative shall serve a term of one (1) year or until a successor is appointed.

SECTION III

That the Section 37.214(C) of the Code of Ordinances shall be and is hereby amended to read, as follows:

§ 37.214(C) ELIGIBILITY REQUIREMENTS.

(C) *Employee withholdings credits.* The employee withholding credits are designed to and intended to provide a credit to eligible applicants of the withholding fees payable to the City, which are generated by new employees. To be eligible for the credit, the applicant must generate a minimum of \$250,000.00 in Newport taxable wages each [~~fiscal~~] calendar year of the credit. If approved, the applicant may retain, at the City's discretion, a percentage amount to be determined by the Director of the employees' withholdings generated by new jobs otherwise owed to

the City for a period up to ten (10) years as determined by the City. This credit is to be applied to the employee withholdings payable to the City and not for any other taxes or fees payable to the City, the Newport Independent School System or to any other taxing agency, district or authority. It shall be the responsibility of an approved company to deduct the employee withholdings from the employees' paychecks. It shall also be the responsibility of an approved company to report all employee withholdings to the City on forms prescribed by the City.

At the City's discretion, the percentage rate and/or the time period may be extended up to a maximum of 20 years should the applicant generate a minimum of \$15,000,000.00 in Newport taxable wages or a minimum of \$10,000,000 in Newport taxable wages combined with a minimum of \$10,000,000 in capital investments during each of the additional qualifying ten (10) years.

In the event any applicant should fail to generate the minimum requisite Newport tax wages set forth above during any ~~[fiscal]~~ calendar year of the approved term, the City, at its discretion, may lower the percentage amount for each of the remaining ~~[fiscal]~~ calendar years.

Those applicants set forth in (A)(3) above shall qualify without the necessity of meeting the minimum Newport taxable wage amount requirements hereunder but shall remain subject to all other provisions of the Program.

SECTION IV

That this Ordinance shall be signed by the Mayor, attested to by the City Clerk, recorded, published and effective upon publication.

PASSED: First reading December 12, 2016

PASSED: Second reading January 23, 2017

Jerry R. Peluso, Mayor

ATTEST:

Amy B. Able, City Clerk

PUBLISHED: By title and summary in the Campbell County Recorder the 2nd day of February 2017.

NOT an official copy