

COMMONWEALTH OF KENTUCKY
SHELBY COUNTY FISCAL COURT
ORDINANCE NO. 04-1601, SERIES 2019

AN ORDINANCE ADOPTING AN INTERLOCAL COOPERATION AGREEMENT
BETWEEN THE CITY OF SHELBYVILLE, THE CITY OF SIMPSONVILLE AND
SHELBY COUNTY RE-ESTABLISHING A JOINT TOURISM & CONVENTION
COMMISSION AND LEVYING A TRANSIENT ROOM TAX

WHEREAS, the governing bodies of the City of Shelbyville, the City of Simpsonville and Shelby County each previously adopted an ordinance which established a joint tourism and convention commission and levied a transient room tax pursuant to KRS Chapter 91A; and

WHEREAS, said ordinance was codified in Section 22.804 of the City of Shelbyville Code of Ordinances, Section 36.07 of the City of Simpsonville Code of Ordinances, and Sections 31.15 to 31.19 of the Shelby County Code of Ordinances; and

WHEREAS, the three governing bodies have reviewed that ordinance and now wish to repeal that ordinance as written in their individual codes of ordinances and re-establish a joint Shelbyville, Simpsonville and Shelby County tourism and convention commission and levy a transient room tax via an Interlocal Cooperation Agreement which was executed by the mayors of both cities and the county judge executive on March 18, 2019;

NOW, THEREFORE, BE IT ORDAINED BY SHELBY COUNTY, KENTUCKY, through the Shelby County Fiscal Court, as follows:

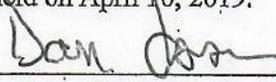
SECTION 1: Sections 31.15 to 31.19 of the Shelby County Code of Ordinances is hereby repealed.

SECTION 2: The Interlocal Cooperation Agreement attached hereto as "Attachment A," which re-establishes a joint Shelbyville, Simpsonville and Shelby County tourism and convention commission and levies a transient room tax, is hereby adopted.

This Ordinance shall become effective upon publication and may be published in summary.

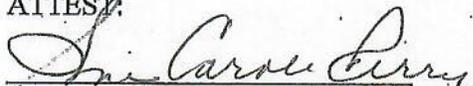
INTRODUCED, SECONDED AND GIVEN A FIRST READING AND APPROVAL at a duly convened meeting of the Shelby County Fiscal Court held on April 2, 2019.

INTRODUCED, SECONDED AND GIVEN A FIRST READING AND APPROVAL at a duly convened meeting of the Shelby County Fiscal Court held on April 16, 2019.



Dan Ison, Shelby County Judge/Executive

ATTEST:



Sue Carole Perry, Shelby County Clerk

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT (hereinafter "Agreement") is made and entered into this 18th day of MARCH, 2019 pursuant to the Kentucky Interlocal Cooperation Act, KRS 65.210 et seq., by and between, the City of Shelbyville, Kentucky (hereinafter "Shelbyville"), the City of Simpsonville, Kentucky (hereinafter "Simpsonville"), and the County of Shelby, Kentucky (hereinafter "Shelby County").

WHEREAS, the governing bodies of the parties to this Agreement have each previously adopted an ordinance which established a joint tourism and convention commission and levied a transient room tax pursuant to KRS Chapter 91A.; and

WHEREAS; said ordinance has been codified in Section 22.804 of the City of Shelbyville Code of Ordinances, Section 36.07 of the City of Simpsonville Code of Ordinances, and Sections 31.15 to 31.19 of the Shelby County Code of Ordinances; and

WHEREAS, the governing bodies of the parties to this Agreement have reviewed that ordinance and, based upon that review, now wish to repeal that ordinance as written in their individual codes of ordinances and re-establish a joint Shelbyville, Simpsonville and Shelby County tourism and convention commission and levy a transient room tax per this Agreement which must be approved and enacted through an ordinance to be passed by each of the governing bodies of the parties;

NOW THEREFORE, in consideration of the mutual covenants contained herein, it is agreed as follows:

1. Section 22.804 of the City of Shelbyville Code of Ordinances, Section 36.07 of the City of Simpsonville Code of Ordinances, and Sections 31.15 to 31.19 of the Shelby County Code of Ordinances shall each be repealed by the corresponding governing bodies of Shelbyville, Simpsonville and Shelby County.
2. This Agreement shall not take effect unless and until the governing bodies of Shelbyville, Simpsonville and Shelby County shall each, by separate ordinances, adopt this Agreement establishing a joint Shelbyville, Simpsonville and Shelby County tourism and convention commission and levying a transient room tax, and said ordinances have been enacted.
3. The provisions of this Agreement shall be as follows:

SECTION 1: There is hereby established a joint tourism and convention commission under the authority of Shelbyville, Simpsonville, and Shelby County to be known as the Shelby County Tourism & Convention Commission (hereinafter "the Commission"), and there is levied a transient room tax in the amount of three percent (3%) of the rent for every occupancy of suite, room, or rooms, charged by all persons, companies, corporations, or other like similar persons, groups, or

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organizations doing business as motor courts, motels, hotels, inns, or like or similar accommodations businesses. In addition, there will be levied a special transient room tax of one percent (1%) for the purpose of covering the operating expenses of a local convention center, with said levy not to take effect until such time as the convention center is constructed and operational.

SECTION 2: Transient room taxes shall not apply to the rental or leasing of an apartment supplied by an individual or business that regularly holds itself out as exclusively providing apartments. Apartment means a room or set of rooms, in an apartment building, fitted especially with a kitchen and leased as a dwelling for a minimum period of thirty (30) days or more.

SECTION 3:

(A) All monies collected pursuant to this Agreement shall be maintained in an account separate and unique from all other funds and revenues collected and shall be considered tax revenue for the purposes of KRS 68.100 and KRS 92.330.

(B) All monies collected pursuant to this Agreement shall be remitted to the Shelby County Treasurer no later than thirty (30) days following the last day of the month in which the transient room taxes have been charged. The Shelby County Treasurer shall then remit said monies to the Commission Treasurer no later than the fifteenth (15th) day of the month following the month in which said monies were collected by Shelby County.

(C) All monies to be collected pursuant to this Agreement that are not remitted to the Shelby County Treasurer as required herein shall bear interest at the rate of twelve percent (12%) per annum on the whole or any part left unpaid which said amount shall be added to the principal amount due when paid.

(D) In the event that any monies to be collected pursuant to this Agreement are not remitted to the Shelby County Treasurer as required herein within sixty (60) days of coming due, any of the parties to this Agreement, or the Commission, may seek enforcement and collection through the Shelby County Attorney's Office.

(E) Any person, owner, corporate officer, director, member, partner or any other individual or entity having an ownership interest in any facility subject to this ordinance is deemed responsible for insuring that all taxes due and owing pursuant to this Agreement are paid in a timely manner. Sixty (60) days or more delinquency on the part of any establishment charged with collecting and paying the transient room tax shall be prima facie evidence of a willful intent not to pay same. Anyone in violation of this Section 3(E) shall, in addition to being required to pay all taxes and penalties due hereunder, be fined not less than \$100 nor more than \$500 and/or imprisoned in the county jail for up to twelve (12) months.

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(F) The Commission shall maintain an authorized transient room tax reporting form that each facility subject to this ordinance shall utilize in collecting and remitting all taxes due pursuant to said ordinance.

(G) The Commission Treasurer shall keep all transient room tax monies in a separate account from all other funds. These funds will be made available to the governing bodies of the parties to this Agreement upon request, subject to the advice and consent of the Commission and provided said request meets tourism-related criteria, all in accordance with the provisions of KRS 91A.350 to 91A.394. Said distributions will be as follows: Shelby County shall receive up to forty five percent (45%) of the monies collected annually; Shelbyville / Shelby County Parks & Recreation shall receive up to twenty percent (20%) of the monies collected annually; Shelbyville shall receive up to fifteen percent (15%) of the monies collected annually; Simpsonville shall receive up to fifteen percent (15%) of the monies collected annually; and Simpsonville Parks & Recreation shall receive up to five percent (5%) of the monies collected annually. The funding requested by Shelbyville / Shelby County Parks & Recreation and by Simpsonville Parks & Recreation must be for tourism-related capital improvement projects, and any such distributions must also be approved by the governing bodies of the parties to this Agreement.

SECTION 4:

(A) The Commission shall be composed of eight (8) members.

(B) Pursuant to KRS 91A.360, appointments to the Commission shall be made in the following manner:

(i) TWO (2) commissioners shall be jointly appointed by the Shelby County Judge/Executive, the Mayor of Shelbyville and the Mayor of Simpsonville from a list of three (3) or more names submitted by the local city hotel and motel association and ONE (1) commissioner shall be jointly appointed by the Shelby County Judge/Executive, the Mayor of Shelbyville and the Mayor of Simpsonville from a list of three (3) or more names submitted by the local county hotel and motel association, provided that if only one (1) local hotel and motel association exists which covers both cities and the county, then THREE (3) commissioners shall be jointly appointed from a list of six (6) or more names submitted by it. If no formal local city or county hotel and motel association is in existence upon the establishment of the Commission or upon the expiration of the term of a commissioner appointed pursuant to this subsection, then THREE (3) commissioners shall be jointly appointed by the Shelby County Judge/Executive, the Mayor of Shelbyville and the Mayor of Simpsonville from persons residing within the jurisdiction of the Commission and representing local hotels or motels. A local city or county hotel and motel association shall not be required to be affiliated with the Kentucky Hotel and Motel Association to be recognized as the official local city or county hotel and motel association.

(ii) ONE (1) commissioner shall be jointly appointed from a list of three (3) or more names submitted by the local restaurant association or associations. If no formal local restaurant

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association or associations exist upon the establishment of the Commission or upon the expiration of the term of a commissioner appointed pursuant to this subsection, then ONE (1) commissioner shall be appointed by the Shelby County Judge/Executive, the Mayor of Shelbyville and the Mayor of Simpsonville from persons residing within the jurisdiction of the Commission and representing a local restaurant. A local restaurant association or associations shall not be required to be affiliated with the Kentucky Restaurant Association to be recognized as the official local restaurant association or associations.

(iii) ONE (1) commissioner shall be jointly appointed from a list of three (3) or more names submitted by the Shelby County Chamber of Commerce. If the Chamber of Commerce is no longer in existence, upon the expiration of the term of a commissioner appointed pursuant to this subsection, then one (1) commissioner shall be appointed by the Shelby County Judge/Executive, mayor of the City of Shelbyville and mayor of the City of Simpsonville from persons residing within the jurisdiction of the commission and representing local businesses.

(iv) ONE (1) commissioner shall be appointed by the Shelby County Judge/Executive, ONE (1) commissioner shall be appointed by the Mayor of Shelbyville, and ONE (1) commissioner shall be appointed by the Mayor of Simpsonville.

(C) A candidate submitted for appointment to the Commission pursuant to paragraphs (B)(i), (B)(ii) and (B)(iii) shall be appointed by the joint action of the Shelby County Judge/Executive, the Mayor of Shelbyville and the Mayor of Simpsonville within thirty (30) days of the receipt of the required list or lists. Vacancies shall be filled in the same manner that original appointments are made.

(D) The commissioners shall be appointed for terms of three (3) years provided that, in making the initial appointments, the Shelby County Judge/Executive, the Mayor of Shelbyville and the Mayor of Simpsonville shall appoint two (2) commissioners for a term of three (3) years, two (2) commissioners for a term of two (2) years, and three (3) commissioners for a term of one (1) year. There shall be no limitation on the number of terms to which a commissioner is reappointed. Subsequent appointments shall be for three (3) year terms.

(E) The Commission shall elect from its membership a chairman and a treasurer and may employ personnel and make contracts necessary to carry out the purpose of KRS 91A.350 to 91A.390. The contracts may include, but shall not be limited to, the procurement of promotional services, advertising services and other services and materials relating to the promotion of tourist and convention business. Contracts of the type enumerated shall be made only with persons, organizations and firms with experience and qualifications for providing promotional services and materials, such as advertising firms, chambers of commerce, publishers and printers.

(F) The books of the Commission and its account as established in KRS 91A.390(2) shall be audited annually by an independent auditor who shall make a report to the Commission, to the associations submitting lists of names from which commission members are selected, to the Shelby

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County Judge/Executive, the Mayor of Shelbyville, the Mayor of Simpsonville, to the State Auditor of Public Accounts, and to the Shelby County Fiscal Court, the Shelbyville City Council and the Simpsonville City Commission. A copy of the audit report shall be made available by the Commission to members of the public upon request and at no charge.

(G) A commissioner may be removed from office by the same procedure by which the commissioner was appointed as provided by KRS 65.007.

(H) Nothing herein shall affect the terms of the present members of the Commission. However, upon expiration of the term of any presently sitting member, the procedures herein shall be utilized to appoint said member's successor.

SECTION 5: The Commission shall be responsible for operating and maintaining a local convention center, once that facility is constructed. Upon completion of the construction of the convention center, the Commission shall relocate its offices to that facility.

SECTION 6: The parties to this Agreement, the Commission, or a duly appointed or designated agent or employee of any of those entities is authorized to examine the books, papers and records of any facility subject to this Agreement in order to determine the accuracy of any return made or, in the event that any such facility fails to make a return, to determine the amount of tax due. Each facility subject to this Agreement shall provide the requesting entity or individual with the means, facilities and records necessary to carry out the terms of this section.

SECTION 7: The initial duration of this Agreement shall be for a period of twenty years; but shall continue for additional renewal terms of ten years each unless terminated by any party hereto. Should any party choose to terminate this Agreement at the end of the initial or any renewal period, it shall do so by giving written notice thereof to all other parties not less than six months prior to the end of that initial or renewal term. In the absence of such notice, this Agreement shall continue in full force for successive terms. Nothing herein shall prevent modification and/or termination at any time by mutual agreement of all parties duly executed and in writing.

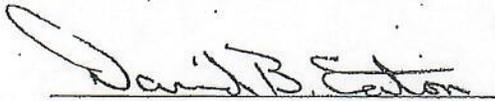
SECTION 8: The Commission, in accordance with its bylaws and any pertinent state or local laws, is authorized to establish and maintain a budget, and to acquire, hold and dispose of both real and personal property. Any assets held by the Commission at the termination of this Agreement shall be divided equally between the parties hereto. No real or personal property will continue to be held in joint ownership. All assets will continue to be held by the Commission until division.

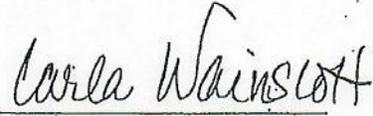
SECTION 9: It is expressly understood and agreed that, with the exception of the provisions herein, the execution of this Agreement does not alter or constitute a waiver in whole or in part of any of the privileges or immunities otherwise enjoyed by any of the governmental entities which are parties hereto.

SECTION 10: If any part of this Agreement shall be held invalid, that part shall be deemed severable and the invalidity thereto shall not affect the remaining parts of this Agreement.

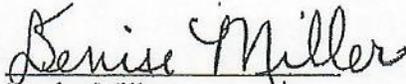
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IN TESTIMONY HEREOF, witness the hands of the parties in their official capacities set forth below on this, the day, month and year first above written. By execution of same, the parties below signed have obtained authority pursuant to appropriate resolution, order or ordinance, and copies are attached hereto as Exhibits.

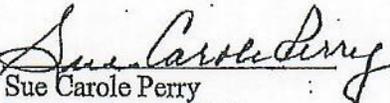

David B. Eaton
Mayor, City of Shelbyville

Attest: 
Carla Wianscott
Shelbyville City Clerk


Cary I. Vowels
Mayor, City of Simpsonville

Attest: 
Denise Miller
Simpsonville City Clerk


Dan Ison
Shelby County Judge-Executive

Attest: 
Sue Carole Perry
Shelby County Clerk

This agreement has been reviewed by the Kentucky Department of Local Government and is approved as being in conformity with applicable statutory criteria for interlocal cooperation agreements.

By: _____
Department of Local Government

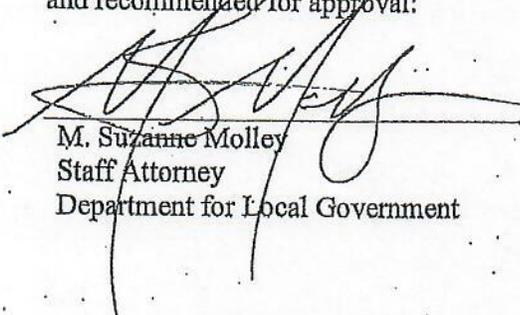
Title: _____

Date: _____

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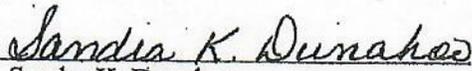
RE: ICA 13-013: Shelbyville, Shelby County and Simpsonville - Shelby County Tourism and Convention Commission.

Reviewed for compliance with KRS 65.210 to 65.300
and recommended for approval:


M. Suzanne Molley
Staff Attorney
Department for Local Government

March 21, 2019
Date

Approved:


Sandra K. Dunahoo
Commissioner
Department for Local Government

March 26, 2019
Date