

ORDINANCE NUMBER 2007-4

AN ORDINANCE LEVYING A RESTAURANT TAX AND PROVIDING FOR ITS COLLECTION

WHEREAS, The City Council desires to fund marketing and development of tourist activity within and around the City of Mt. Vernon;

WHEREAS, The City of Mt. Vernon has created by Ordinance a joint city/county Tourist Commission for the promotion of these activities within the City of Mt. Vernon, known as the Mt. Vernon-Rockcastle County Tourist Commission.

The City Council of the City of Mt. Vernon, Kentucky does hereby ordain as follows:

Section 1. Pursuant to KRS 91A.400, there is hereby levied upon the retail sales of all food and non-alcoholic beverages by restaurants in Mt. Vernon, Kentucky, a tax of three percent (3%) of the gross amount of such sales; which shall be passed on to the customer or ultimate consumer.

Section 2. A. On or before the twentieth day of each calendar month, each restaurant operator shall report to the executive director of the Mt. Vernon-Rockcastle County Tourist Commission, on forms provided by the Commission, the gross sales of that restaurant from food and non-alcoholic beverages for the preceding calendar month, and calculate the tax due for that month by computing three percent (3%) of its gross sales from food and non-alcoholic beverages, and the operator shall remit with the form the tax due to the Mt. Vernon-Rockcastle County Tourist Commission.

B. For each 1-30 day period the report and the tax, or either, is past due, there shall be added as a penalty two percent (2%) of the tax due. There is a minimum of \$10.00 regardless of the amount of tax due, if any.

C. Any person who violates this ordinance beyond thirty days, shall be fined an additional \$20.00 for each offense. Each day the tax is past due shall constitute a separate offense.

Section 3. A lien is hereby granted unto the tourist commission upon all property, real and personal of any restaurant facility, to secure the unpaid tax receipts due from that restaurant, which lien shall be perfected by filing a notice of the amount due and statement of lien in the office of the Rockcastle County Court Clerk, Mt. Vernon, Kentucky, describing the property on which the lien is asserted. This filing can be exercised at any point said restaurant is delinquent over thirty days.

Section 4. A. The Mt. Vernon-Rockcastle County Tourist Commission shall only expend

the money within the guidelines of KRS 91A.350. The Mt. Vernon- Rockcastle County Tourist Commission will retain fifty percent (50%) of tax receipts for marketing and promotional efforts and the City of Mt. Vernon will receive fifty percent (50%) of the tax receipts to be distributed to tourism-related "quality of life" recipients/initiatives in the City of Mt. Vernon as deemed eligible by a joint committee comprised of two appointed members from the City Council and two directors of the board of the Tourist Commission. Potential "quality of life" recipients identified that directly impact the tourism industry include, but are not limited to, the following: Kentucky Music Hall of Fame, Lake Linville Development, City Events/Festivals, Parks and Recreation, Revitalization or Beautification, Trolley Historic Tour Development, Revenue for Matching Funds for /Grant Applications and Historical/Genealogy Society Development.

- B. The Tourist Commission shall remit payments for "quality of life" projects as they are presented each quarter until 50% of the total monies collected has been expended. The first "quality of life" funds will become available the second quarter the tax is in effect. The tourist commission will provide to the city a report of available funds within 30 days of the close of each quarter. Any "quality of life" funds not used within a fiscal year shall be made available to the city of Mt. Vernon in the following fiscal years until said funds have been expended.

Section 5. A. A restaurant as used in this ordinance is any fixed or mobile commercial establishment that engages in the preparation and serving of ready-to-eat foods in portions to the consumer, including, but not limited to: restaurants; coffee shops, cafeterias; short order cafes; luncheonettes; grilles; tea rooms; sandwich shops; soda fountains; street vendors; catering events kitchens; delicatessen; non-packaged ice cream or similar places in which food is prepared for sale for consumption on the premises or elsewhere. It does not include schools, food vending machines, establishments serving beverages only in single service or original containers.

- B. Nonprofit corporations or civic organizations hosting events with food sales **shall be exempt** from collecting this tax.

Section 6. No present or former employee of the Mt. Vernon-Rockcastle County Tourist Commission or any other person shall divulge any information acquired by her/him of the affairs of any person, or information regarding tax schedules, returns or reports required to be filed with the Tourist Commission, or any information produced by a hearing or investigation, insofar as the information may have to do with the affairs of the person's business. This prohibition does not extend to information required in prosecutions for making false reports or any other infraction of this ordinance, nor does it extend to any matter, which is in any way made a matter of public record, nor does it preclude furnishing any taxpayer or his properly authorized agent with

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information respecting his own report. Further, this prohibition does not preclude the Tourist Commission or any employee of the Commission from testifying in any court, or from introducing as evidence returns or reports filed with the Tourist Commission, in an action for violation of state or federal tax laws.

Section 7. Every restaurant as defined in this ordinance shall keep such records, receipts, invoices, and other pertinent papers in such form as the Tourist Commission may require, for not less than four (4) years from the making of such records unless the Tourist Commission in writing sooner authorizes their destruction. The Tourist Commission or the City Clerk may have access to all of the above records to the extent necessary to determine proper compliance with this chapter.

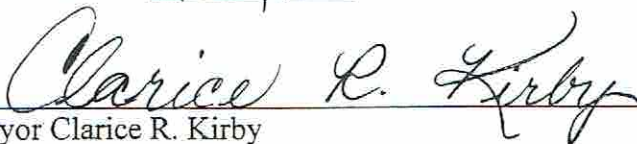
Section 8. The tax provided for in this Ordinance is levied, commencing on the third day of December, 2007. The first report and remittance of tax due from restaurant operators shall be on the 20th day of January, 2008.

This ordinance shall be effective upon its adoption and publication as required by law.

Passed First Reading Aug. 20th, 2007

Passed Second Reading Sept 17th, 2007

Published Nov. 7, 2007



Mayor Clarice R. Kirby

ATTEST: 

City Clerk Jeanette Robinson