ORDINANCE NO. 178, SERIES 2022

AN ORDINANCE AMENDING SEVERAL SECTIONS OF CHAPTER 32 OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT CODE OF ORDINANCES REGARDING LOUISVILLE METRO REVENUE COMMISSION AND USE OF REVENUES COLLECTED.

SPONSORED BY: COUNCIL MEMBER BILL HOLLANDER

WHEREAS, Chapter 32 of the Louisville/Jefferson County Metro Government Code of Ordinances ("LMCO") pertains to administrative bodies including the Louisville Metro Revenue Commission ("LMRC"); and

WHEREAS, the LMRC identified amendments to conform language to the Revenue Commissioners' Bylaws and practice of the administrative body; and

WHEREAS, the LMRC acts as collection agent of Occupational License Tax for the benefit of Louisville Metro Government, JCPS, TARC, and Anchorage School System, and the collection agent of Transient Tax for the benefit of Louisville and Jefferson County Visitors and Convention Commission, and is authorized to charge a collection fee in support of the operational expenses and collection services rendered by the LMRC; and

WHEREAS, a Louisville Metro Government 2017 capital expenditure authorized the LMRC's purchase of a tax administration and collection operating system; and

WHEREAS, it is highly recommended that the LMRC's integrated tax administration and collection system undergoes regularly scheduled system upgrades every five years, and

WHEREAS, it is in the best interest of all Louisville Metro citizens to allocate specific funding permitting the LMRC to maximize revenue collection using the most up-to-date tax administration and collection operating system possible; and

WHEREAS, the Metro Council desires to make these updates.

NOW, THEREFORE, BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT AS FOLLOWS:

SECTION 1: LMCO § 32.450 is hereby amended to read as follows:

§ 32.450 ESTABLISHMENT; COMMISSIONERS OF THE LOUISVILLE/JEFFERSON COUNTY METRO REVENUE COMMISSION.

(A) The Louisville and Jefferson County Revenue Commission as previously established and operated under provisions of sections 32.110 through 32.114 of the Louisville Code of Ordinances is hereby continued under the provisions of this subchapter and shall hereinafter be named the Louisville/Jefferson County Metro Revenue Commission.

(B) The Revenue Commission's obligation to pay the general obligation bonded debt of the Louisville/Jefferson County Metro Government is continued as established by law. The Mayor, the President of the Metro Council, the Superintendent of Jefferson County Public Schools, and three citizen members appointed by and serving at the pleasure of the Mayor, and approved by the Metro Council, shall constitute the "Commissioners of the Louisville/Jefferson County Metro Revenue Commission", and by that name shall continue to have corporate powers and existence, may sue and be sued, and do everything necessary to execute the duties and powers conferred upon them by law. The Commissioners may make and enforce bylaws, rules, and regulations, not contrary to law, for the conduct of the business of the Revenue Commission, and may have and use a common seal, or act without a seal.

(C) Each Commissioner, before entering upon the discharge of the duties of his office, shall make oath to discharge the duties of his office faithfully and according to law. The oath shall be reduced to writing, signed by the affiant and attested by the officer

administering the oath, and shall be filed and kept as a part of the records of the Revenue Commission.

(D) The Mayor, the Superintendent of Jefferson County Public Schools, and the President of the Metro Council may appoint permanent designated representatives to serve in their stead as Commissioners of the Revenue Commission. However, the designee of the President of the Metro Council shall be a Metro Council member.

(E) The Superintendent of Jefferson County Public Schools shall be a member of the Commission only so long as the Louisville/Jefferson County Metro Revenue Commission collects the occupational license tax for schools.

(F) The ~~Commissioners currently serving shall serve out their current terms of office. Upon the expiration of those current terms of office, the~~ Commissioners, other than the Mayor, the President of the Metro Council and the Superintendent of Jefferson County Public Schools, shall serve for a term of three years and until their successors have been appointed by the Mayor and qualified. No person who is a member of the Metro Council, or an officer of the Metro Government or State of Kentucky, or who does not possess the same qualifications as are required for a member of the Metro Council, shall be eligible to be appointed as a citizen member of the Commission.

(G) The Commissioners may allow each commissioner, other than the salaried officers, compensation for attending the meetings of the Commissioners, ~~but not more than $10 for each meeting attended,~~ as identified in the Bylaws of the Revenue Commissioners, and they may allow reasonable compensation to those members for any special services required of them by the Commissioners.

(H) The Commissioners shall annually elect one of their own as President.

(I) ~~The Commissioners shall, by a majority vote, nominate a treasurer and secretary to the Mayor,~~ The Secretary-Treasurer shall serve at the pleasure of the Mayor and ~~who~~ shall give bond with good and sufficient surety, which bond is to be approved by the Commissioners, and shall take oath in the manner required of the Commissioners. ~~The treasurer and secretary shall serve at the pleasure of the Mayor. The treasurer and secretary~~ The Secretary-Treasurer shall keep an accurate record of all proceedings of the Board of Commissioners, receive and disburse all moneys by order of the Commissioners, and keep an accurate account thereof, and perform all other acts required by the Commissioners. The ~~treasurer and secretary~~ Secretary-Treasurer shall account for all money and other things of value belonging to the Revenue Commission that come into ~~his~~ their hands or control.

(J) The employees of the Revenue Commission shall be governed by personnel ordinances, policies, and procedures as are in effect for other Metro Government departments, agencies, and offices in accordance with § 35.001. In addition, employees of the Revenue Commission, including contract staff, with access to or use of federal tax information shall submit to a background investigation in compliance with 26 U.S.C. § 6103(p)(4) and the Revenue Commission shall promulgate a Background Investigation Policy to implement this subsection.

SECTION II: LMCO 32.452 is hereby amended to read as follows:

§ 32.452 CONTROL AND USE OF; TAXES FOR MONTHLY AND ANNUAL STATEMENTS.

(A) The Revenue Commission shall be under the control and management of the Commissioners~~,~~ and shall be held and sacredly used for the payment of the principal and interest of the general obligation bonded debt of the Metro Government. The Metro

Council may not pass ordinances to diminish the assets of the Revenue Commission until all of the debts of the Metro Government chargeable to the Revenue Commission are paid~~,~~ but may pass ordinances to increase the assets of the fund.

(B) The Metro Council shall yearly determine and appropriate to the Revenue Commission an amount sufficient to meet the debts of the Metro Government chargeable to the Revenue Commission for the coming year based upon the estimate presented to Metro Government ~~by the Commissioners~~. In addition the Metro Council shall, during the regular budget process, appropriate to the Revenue Commission an amount it determines sufficient to pay the cost of the administration of the Revenue Commission. Such budgets shall be submitted during the regular budget making process ~~through the Mayor~~.

(C) License fees or taxes, including penalties and interest, imposed by the Metro Council for revenue purposes shall be collected by the Commissioners. The proceeds from the taxes shall be paid to the ~~secretary and treasurer~~ Secretary-Treasurer of the Revenue Commission until income from all sources of the Revenue Commission is sufficient to pay the interest charges for the current fiscal year of the Revenue Commission in addition to a sum sufficient to amortize the outstanding principal general obligation bonded indebtedness of the Metro Government on a yearly basis in accordance with regularly used amortization tables. Revenue remaining after meeting the foregoing requirements shall be transferred to the Metro Government, except for funds identified in subsection (H) which shall be transferred in accordance therein. ~~Such~~ All revenues not otherwise excepted shall be credited to the general fund of the Metro Government as received and may be expended for general purposes or for capital improvements.

(D) All general obligation bonds that constitute obligations of a Metro Government shall be made a charge upon the Revenue Commission, except that no bonds shall be made a charge upon the Revenue Commission unless sufficient provision has been made, at the time of issuing the bonds or at the time of the charge, for the payment of interest and principal of the bonds.

(E) If any money or property of the Revenue Commission is injured, withheld or abstracted, the Commissioners may sue for and recover the same or any part thereof, in their corporate name.

(F) Any stock owned by the Metro Government in the Louisville Water Company shall be held by the Revenue Commission as a part of the resources of Metro Government.

(G) The Commissioners shall require monthly detailed statements from the Secretary-Treasurer ~~treasurer and secretary~~ as to the condition of the fund. ~~On or after January 1 of each year the treasurer and secretary shall furnish to the Metro Council a full detailed statement of the fund and its receipts and disbursements for the preceding year.~~

(H) Beginning in Fiscal Year 2024, the Revenue Commission shall set aside in a capital improvement fund four and a half percent (4.5%) of its fee for collection of all tax revenue annually accruing over a period of five (5) years for the express purpose of funding regularly scheduled tax administration and collection operating system upgrades. This amount will be set aside after the Revenue Commission's cost of operation is subtracted from the collection fee. If the balance of the collection fee is insufficient to fund the full four and a half percent (4.5%), the balance of the collection fee will be set aside

in the capital improvement fund. Any remaining balance of the collection fee shall be transferred to Metro Government pursuant to paragraph (C) of this section. Upon the expiration of the five (5) year term, subject to Metro Council appropriation, the funds shall be released to the Revenue Commission. Any funds accrued in excess of the cost of said upgrades shall be transferred to the general fund of the Metro Government and expended for general purposes or for capital improvements. The capital improvement fund will continue to be funded in this manner every five years for the purpose of regularly scheduled upgrades to the tax administration and collection system until such time as the system is replaced or no longer in use.

SECTION III: LMCO 32.453 is hereby amended to read as follows:

§ 32.453 DEPOSITORY; WITHDRAWALS.

The Commissioners shall deposit the funds in their hands in a bank located or doing business in the Metro Government. The bank shall give bond with good and sufficient security~~, to be approved by the Commissioners~~. No withdrawal shall be made from the Revenue Commission except upon the order of the ~~treasurer and secretary~~ Secretary-Treasurer, approved and certified by the President of the Commissioners.

SECTION IV: This Ordinance shall take effect upon its passage and approval or otherwise becoming law.

Sonya Harward
Metro Council Clerk

David James
President of the Council

Greg Fischer
Mayor

12/07/2022
Approval Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney

LOUISVILLE METRO COUNCIL
READ AND PASSED
December 1, 2022

By: Laura Ferguson

O-347-22 Ordinance Amending Several Sections of Chapter 32 of the LMCO regarding the Louisville/Jefferson County Metro Revenue Commission (lf)