



**INTERLOCAL AGREEMENT FOR THE COORDINATION  
AND CONSOLIDATION OF THE COLLECTION OF  
MUNICIPAL OCCUPATIONAL LICENSE FEES AND  
TAXES**

**(Revised Edition, August 26, 2009)**

This agreement is by and between the County of Kenton, in the Commonwealth of Kentucky, hereinafter identified and referred to as the "County," and the Cities of Bromley, Covington, Edgewood, Elsmere, Erlanger, Crescent Springs, Crestview Hills, Fort Mitchell, Fort Wright, Independence, Lakeside Park, Ludlow, Park Hills, Taylor Mill, and Villa Hills, in Kenton County, Kentucky, hereinafter identified and referred to as the "Participating Cities."

**WITNESSETH:**

**WHEREAS,** each of the Participating Cities and the County have established, required, levied, assessed and imposed, by ordinance, various license fees and taxes on businesses, occupations, trades, professions and employments, pursuant to the authority of Section 181 of the Kentucky Constitution, KRS 67.083 and KRS 92.280 (2), hereinafter identified and referred to as "occupational license fees and taxes;" and

**WHEREAS,** the Participating Cities and County recognize that it would be more efficient and economical for the administration and enforcement of their respective occupational license fee and tax ordinances and the collection of those fees and taxes to be conducted by one of them on behalf of all of them; and

**WHEREAS,** most of the Participating Cities have previous joint or separate agreements with the County for the administration and enforcement of their respective occupational license fee and tax ordinances and the collection of those fees and taxes by the County, on behalf of each of them; and

**WHEREAS,** the Participating Cities and the County are in agreement for

the County to continue with the administration and enforcement of their respective occupational license fee and tax ordinances and the collection of those fees and taxes on behalf of each of them, through this new Interlocal Agreement, without any separate legal or administrative agency;

**NOW, THEREFORE,** pursuant to the authority of KRS 65.210 through KRS 65.300 and the mutual and reciprocal covenants hereof, the County and each of the Participating Cities hereby agree as follows:

**Section 1.0 Purpose**

The purpose of this Interlocal Agreement is to continue with the consolidation of the administration and enforcement of the respective occupational license fee and tax ordinances of each of the Participating Cities and the County, and the collection of those license fees and taxes by the County, on behalf of each of them; but only through the provisions of this Interlocal Agreement, rather than the previous joint or separate agreements of most of the Participating Cities with the County.

**Section 2.0 Kenton County License Inspector**

The consolidation of the administration and enforcement of the respective occupational license fee and tax ordinances of each of the Participating Cities and the County, and the collection of those license fees and taxes by the County, shall be conducted through the existing office of the Kenton County License Inspector, with the general oversight thereof jointly by the Mayor of each Participating City and the Judge Executive of the County, or their respective designees, without any separate legal or administrative agency created hereby.

**Section 3.0 Effective Date**

This Interlocal Agreement shall become effective simultaneously with the full and complete compliance with all of the requirements of K.R.S. 65.260.

**Section 4.0 Duration**

This Interlocal Agreement shall continue in effect until the termination of it according to the terms and provisions in it, or by the operation of law.

**Section 5.0 Termination of Previous Collection Agreements**

When this Interlocal Agreement becomes effective pursuant to the provisions of Section 3.0, each, every, any and all previous agreements of the County with each, every, any and all of the Participating Cities, individually or otherwise, shall then cease and terminate and become ineffective for any purpose, other than the payment by the County of those sums to Participating Cities for which they have collected and not paid any of their respective occupational license fees and taxes.

**Section 6.0 Participation of Other Cities**

Any other city in Kenton County that is not included as a Participating City in this Interlocal Agreement, may subsequently become included as a Participating City within the terms and provisions of this agreement, effective upon the first day of either March, July, October or December following the enactment of an ordinance of the legislative body thereof authorizing and directing that city to enter into this Interlocal Agreement as a Participating City.

**Section 7.0 Participating City Covenants**

Each Participating City shall and hereby agrees as follows:

7.1 County Agency

7.1.1 Participating Cities other than Covington

Every Participating City other than the City of Covington hereby appoints and designates the County as the agent of that Participating City; but only for the limited purpose of the consolidation of the administration, enforcement and collection of all of the respective occupational license fee and tax ordinances of each of the Participating Cities.

7.1.2 City of Covington

The City of Covington hereby appoints and designates the County as the agent of the City of Covington; but only for the limited purpose of the consolidation of the administration, enforcement and collection of the annual business regulatory license fee imposed by the City of Covington, including, without limitation, the multi-jurisdictional occupational permit that is effective in the City of Covington and some or all of the other Participating Cities. It is expressly understood that this Interlocal Agreement authorizes the County to administer, enforce and collect for the City of Covington only the annual business regulatory

license fee imposed by the City of Covington, including, without limitation, the multi-jurisdictional occupational permit that is effective in the City of Covington and some or all of the other Participating Cities; and it does not authorize the County to administer, enforce or collect any other City of Covington fee or tax, such as, but not limited to occupational license fees on employment and business operations measured by income.

## 7.2 County Compensation

As compensation for the services of the County, pursuant to the provisions of this Agreement, each Participating City shall pay the following fees to the County:

### 7.2.1 Collection Fees

A collection fee consisting of a percentage of the occupational license fees and taxes collected by the County for that City. Initially, the percentage shall be 2%; but the percentage may be increased by the County in any odd numbered year; provided that:

(a) Before February 1 of that year, the County notifies each Participating City of the increase by certified mail, return receipt requested, along with documentation of the increased costs of the County in providing the services sufficient to justify the increase; and

(b) The increase shall not become effective until the first day of the month of July following that notice.

The fee shall be paid monthly, through a deduction of the fee by the County from the monthly payments of the County to each Participating City required by the provisions of this Agreement.

### 7.2.2 Consulting Fees

A consultation fee of \$75.00 per hour for each hour of service provided by the Information Technology Department of the County to, and at the request of, and at the location designated by that Participating City, with a minimum of one hour of service for each separate response.

### 7.2.3 Indemnification

Each Participating City shall indemnify and hold each of the

other Participating Cities and the County harmless from any and all liabilities and the cost of defending any and all actions at law or in equity including, without limitation, reasonable court costs and attorneys' fees which are in any way related to the occupational license fee and tax ordinances of that Participating City, other than those related to any act, omission or decision of the Kenton County License Inspector, the County or any agent or employee thereof that is in any way related to this Agreement.

## **8.0 County Covenants**

The County shall and hereby agrees to provide and engage in all of the following services, for and on behalf of each of the Participating Cities, along with all of the space, equipment, utilities, supplies, personnel, time and labor necessary for those services:

### **8.1 Administration**

The administration and enforcement of the occupational license fee and tax ordinances of each Participating City, including, without limitation, the design and production of all print and electronic documents necessary for that administration.

### **8.2 Collection**

The collection of all of the occupational license fees and taxes that are due to each Participating City pursuant to their respective ordinances.

### **8.3 Payment**

The payment in the following manner of all of the occupational license fees and taxes collected by the County for each of the Participating Cities:

8.3.1 The County shall pay to each Participating City all of the occupational license fees and taxes collected by the County for that city, and all interest earned on them, within ten (10) calendar days after the end of the month in which they are collected by the County; but less all sums due thereon to the County from that Participating City pursuant to the provisions of Section 7.2 of this Interlocal Agreement; and except for each Participating City's respective proportionate part of an annual multi-jurisdictional fee for an annual occupational permit that is effective in each of those

Participating Cities (annual multi-jurisdictional fee), which shall be paid pursuant to the provisions of the following Section 8.3.1.1 of this Agreement.

8.3.1.1 Within ten (10) calendar days after the end of the calendar month in which any multi-jurisdictional fees are collected by the County, the County shall disburse those fees in the following manner:

8.3.1.1.1 The County shall pay to the City of Covington Twenty-Five Dollars (\$25.00) of each multi-jurisdictional fee received by the County, less all sums due thereon to the County, pursuant to the provisions of Section 7.2 of this Interlocal Agreement.

8.3.1.1.2 The County shall pay to each Participating City other than the City of Covington, a proportion of the remainder of the multi-jurisdictional fees after deducting the Covington payment, which proportion, for each Participating City other than the City of Covington, during each fiscal year, shall be the total number of multi-jurisdictional licensees that conducted any business in that Participating City during the previous calendar year, divided by the sum of those totals for all of the Participating Cities other than the City of Covington, with those totals determined annually by the County by April 1 from the Annual Occupational Licensee Fee & Business Renewal Return and the Employees Quarterly Withholding Returns received by the County from the multi-jurisdictional licensees in the previous calendar year. The County shall deduct from the amount due to each Participating City the County collection fee.

Example: During a calendar year, the numbers of the multi-jurisdictional licensees that conducted business in Participating Cities other than Covington were as follows:

Bromley	5
Edgewood	6
Elsmere	7
Erlanger	8

Crescent Springs	9
Crestview Hills	10
Fort Mitchell	11
Fort Wright	12
Independence	13
Lakeside Park	14
Ludlow	15
Park Hills	16
Taylor Mill	17
Villa Hills	<u>18</u>
Total	161

In the following fiscal year, the County would monthly pay to the City of Bromley after the payment to Covington, 5/161 or 3.106% of the remainder of all of the multi-jurisdictional fees received by the County during the previous month, 6/161 or 3.727% to Edgewood, 7/161 or 4.35% to Elsmere etc. The County shall deduct from the amount due to each Participating City the County collection fee.

8.3.1.1.3 The method or formula for the proportional distribution among the Participating Cities of the multi-jurisdictional fees received by the County shall always be determined by and subject to the unanimous agreement of the Participating Cities; and the County shall comply with any change in that method or formula within (30) days after receipt of documentary evidence of that approval from each Participating City.

8.3.1.1.4 While the terms and provisions of this Agreement have been negotiated among the County and the Participating Cities, the County has been receiving and holding but not disbursing multi-jurisdictional license fees. Within thirty (30) days after this agreement becomes effective, the County shall pay those multi-jurisdictional license fees to the Participating Cities according to the provisions of Sections 8.3.1.1.1 and 8.3.1.1.2 of this Agreement and the numbers of the multi-jurisdictional licensees that conducted business in the Participating Cities other than the City of Covington during the calendar year of 2008.

#### 8.4 Enforcement

The criminal enforcement of all of the occupational license fee and tax ordinances of each Participating City, through the judicial procedures available for that enforcement in Kenton County, Kentucky.

8.5 Computerized Information

The computerization of all of the facts and information about the services of the County pursuant to the provisions of this Interlocal Agreement, and the computer access to those facts and that information by each Participating City, so that:

8.5.1 Within ten (10) days after the end of each calendar month, each Participating City shall have computer access to all of the information about each payment received by the County for that Participating City during the preceding calendar month, including, without limitation, the name and address of each payer, the date and amount of each payment, and the mathematical computation of each payment.

8.5.2 Within one (1) year after this Agreement has become effective, the County shall:

8.5.2.1 Make information about the requirements of the occupational license fee and taxes of each Participating City, and all changes in them, available to the public on a website.

8.5.2.2 Provide to each Participating City, for accounting and budgetary purposes, in an Excel format as much as possible, computer access to all of the data, facts and information of the County about the occupational license fees, taxes and licenses for that Participating City, with the ability to search the County database by physical location address, and with schedules of:

- (a) All domiciled and non-domiciled businesses operating in each Participating City.
- (b) All businesses with a multi-jurisdictional occupational permit.
- (c) Street order schedule of all active businesses in each Participating City.
- (d) Businesses opened and closed each calendar month.
- (e) Those who pay the most taxes and licenses in each



Participating City.

(f) Comparative data from quarter to quarter or year to year, for everybody from whom there is collected any occupational license fee or tax.

(g) Those persons who are delinquent each month, with information about which quarters or years for which they are delinquent.

(h) Businesses in each Participating City by status code (active, inactive, terminated).

(i) Businesses in each Participating City, classified by the North American Industrial Classification System (NAICS) code.

(j) The assumed names for everybody from whom there is collected any occupational license fee or tax., and also the names of every other business with whom they have a parent or subsidiary association.

8.5.2.3 Participate in user group meetings with Participating Cities at least four times each year.

8.5.3 Within two (2) years after this Agreement has become effective the County shall, to the best of its ability, implement:

8.5.3.1 The provision of separate on-line access to business license information for police and fire personnel of each Participating City, according to street address, and contact information, and business license status and safety information, including, without limitation, hazardous materials.

8.5.3.2 The utilization of a lock box system.

8.5.3.3 The on-line filing and payment of occupational license fees and taxes by credit and debit card.

8.5.3.4 The monthly comparison of the records of the County with those of the Secretary of State for new businesses.

8.5.3.5 A system to inform occupational license applicants that in addition to the issuance of an occupational permit or a business regulatory license, that conformity with all of the zoning regulations applicable to the locations identified in the application for them may be required by the Participating City.

8.5.3.6 The inclusion in each annual occupational license fee and tax return a list of non-employee payments for services completed within the County greater than \$600 along with the name, tax payer ID number, addresses and amount or a copy of each I.R.S. form 1099-MISC issued by the licensee for nonemployee compensation for labor and services provided in each Participating City; and the comparison of the information included in those forms with the information of the County.

8.5.4 Upon the termination by any Participating City of its participation in this Interlocal Agreement, the County shall, within ten (10) days after the effective date of that termination, pay all sums due to that terminating city, and make available to that terminating city, in an electronic format, any and all of the records and accounts of the County for the administration, enforcement and collection activities of the County in regard to the occupational license fee and tax ordinances of that terminating city.

8.5.5 Upon the termination of this Interlocal Agreement by either the County or all of the then Participating Cities, the County shall within thirty (30) days after the effective date of that termination, pay all sums due to each Participating City, and make available to each Participating City, in an electronic format, any and all of the records and accounts of the County for the administration, enforcement and collection activities of the County in regard to the occupational license fee and tax ordinances of those Participating Cities.

8.5.6 The County shall and hereby agrees to indemnify and hold each Participating City harmless from any and all liabilities and the costs of defending any and all actions at law or in equity including, without limitation, reasonable court costs and attorneys' fees, which are in any way related to any act, omission or decision of the Kenton County License Inspector, the County or any agent or employee thereof that is in any way related to this Agreement.

## **9.0 Termination of Participation**

### **9.1 By Any Participating City**

Any Participating City may terminate its participation in this Interlocal Agreement by causing a certified copy of an enacted ordinance for that termination to be mailed by certified mail, return receipt requested, to the County and each of the other then Participating Cities, at least one-hundred eighty (180) calendar

days before the effective date thereof.

**9.2 By The County**

The County may terminate its participation in this Interlocal Agreement by causing a certified copy of an enacted ordinance for that termination to be mailed by certified mail, return receipt requested, to each of the then Participating Cities, at least one-hundred eighty (180) calendar days before the effective date thereof;

**9.3 Availability of County Records**

9.3.1 Upon the termination of their participation in this Interlocal Agreement by any, but not all of the Participating Cities, the County shall, within ten (10) days after the effective date thereof, pay to each such terminating city all sums due and unpaid to that terminating city, and make available to each such terminating city, in an electronic format, any and all of the records and accounts of the County for the administration and enforcement of the occupational license fee and tax ordinances of each such terminating city, and the collection of those fees and taxes.

9.3.2 Upon the termination of their participation in this Interlocal Agreement by the County or all of the then Participating Cities, the County shall, within thirty (30) days after the effective date thereof, pay to each such Participating City all sums due and unpaid to each of them, and make available to each of them, in an electronic format, any and all of the records and accounts of the County for the administration and enforcement of the occupational license fee and tax ordinances of each of them, and the collection of those fees and taxes

**10 Termination of Interlocal Agreement**

Upon the effective date of the termination of their respective participation in this Interlocal Agreement by either the County or all of the then Participating Cities, this Interlocal Agreement shall then terminate and be of no force or effect, except for the provisions of Sections 7.2.3, 8.5.6 and 9.3, which shall continue after the effective date of those terminations.

**11.0 Standard Contract Provisions**

**11.1 Governing Law**

This Interlocal Agreement shall be interpreted, construed and enforced according to the laws of Kentucky.

11.2 Assignment

This Interlocal Agreement may not be assigned by either the County or any Participating City without the written consent of the County and all of the other Participating Cities.

11.3 Amendment

This Interlocal Agreement may not be amended by any means other than a written agreement signed by the County and the then Participating Cities.

11.4 Entire Agreement

This Interlocal Agreement constitutes the entire agreement and understanding between the County and the Participating Cities in regard to the subject matter thereof; and it supersedes all prior negotiations, representations, understandings and agreements between any of them, written or oral, all of which are no longer effective.

11.5 Captions and Headings

The captions and headings of the paragraphs and sub-paragraphs of this Interlocal Agreement have been inserted for convenience of reference only, and shall in no way affect the interpretation of any of the terms and provisions of this Interlocal Agreement.

11.6 Execution and Counterparts

This Interlocal Agreement may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

11.7 Third Party Beneficiaries Excluded

This Interlocal Agreement is only for the benefit of the County and the Participating Cities; and the enforcement of it is limited to them. No provision of this Agreement shall be interpreted or construed to provide any benefit or right to anybody else, directly, indirectly or otherwise.

11.8 Force Majeure

Neither the County nor any Participating City shall have any responsibility or liability pursuant to the provisions of this Interlocal Agreement for delay or default caused by war, riot, fire, acts of God or other causes beyond their reasonable control; but, upon the cessation of such cause, each of them shall diligently pursue the performance of those provisions delayed or precluded by such cause.

11.9 Ambiguities

The County and the Participating Cities each acknowledge that they have been represented by separate counsel in the negotiation of this Interlocal Agreement, to such an extent that there is precluded thereby any and all rules of interpretation and construction of the provisions of this Interlocal Agreement to the effect that any ambiguities therein shall be interpreted against the one who prepared or drafted that provision.

11.10 Waiver

No consent to or waiver by either the County or any Participating City of any breach or default of any provision of this Interlocal Agreement by any of the others, whether express or implied, shall constitute or be interpreted as a consent to, waiver of or excuse for any other subsequent breach or default of the same or any other provision of this Interlocal Agreement.

11.11 Severability

In the event that any one or more of the provisions of this Interlocal Agreement, or any part of a provision, shall be judicially determined to be contrary to law or otherwise invalid or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision or part of a provision of this Interlocal Agreement; and such provision or part of a provision shall be reformed so that it would be legal, valid and enforceable or this Interlocal Agreement shall be reformed, interpreted and construed as if such provision or part of a provision had never been included in this Interlocal Agreement.

11.11.1 Notices

All notices required by the provisions of this Interlocal Agreement shall be in writing and mailed to the chief executive officer of the County or Participating City at the address thereof according to the records of the Kentucky Department of Local Government, by certified mail, return receipt requested.

**IN WITNESS WHEREOF** this agreement has been signed by the executive authorities of Kenton County and the cities of Bromley, Covington, Edgewood, Elsmere, Erlanger, Crescent Springs, Crestview Hills, Fort Mitchell, Fort Wright, Independence, Lakeside Park, Ludlow, Park Hills, Taylor Mill, and Villa Hills,

pursuant to the authority of the respective resolutions and ordinances of the legislative bodies thereof.

Local Government	Signature	Date
Kenton County	<u><i>Ralph Drees</i></u>	<u>2/24/2010</u>
City of Bromley	<u><i>Shirley Little</i></u>	<u>2/26/2010</u>
City of Covington	<u><i>Tommy Bowman</i></u>	<u>12/22/09</u>
City of Edgewood	<u><i>John Lutz</i></u>	<u>1/16/2010</u>
City of Elsmere	<u><i>Billy Boy</i></u>	<u>2/24/10</u>
City of Erlanger	<u><i>[Signature]</i></u>	<u>11-3-09</u>
City of Crescent Springs	<u><i>James Child</i></u>	<u>1-16-10</u>
City of Crestview Hills	<u><i>Paul W. Meier</i></u>	<u>1-16-10</u>
City of Fort Mitchell	<u><i>Thomas E. Kolach</i></u>	<u>2-24-10</u>
City of Fort Wright	<u><i>Joe Murray</i></u>	<u>1-16-10</u>
City of Independence	<u><i>Chris Mancini</i></u>	<u>1-16-10</u>
City of Lakeside Park	<u><i>Katherine Tennant</i></u>	<u>1-16-10</u>
City of Ludlow	<u><i>E &amp; F Acharya</i></u>	<u>1-16-10</u>
City of Park Hills	<u><i>Mal Hellen</i></u>	<u>1-16-10</u>
City of Taylor Mill	<u>see next page</u>	<u>_____</u>

City of Taylor Mill      Mark Keenly      Mayor  
City of Villa Hills      Mike Sedon      2-24-10

**APPROVAL OF THE KENTUCKY DEPARTMENT OF LOCAL GOVERNMENT**

Pursuant to K.R.S. 65.260, The Department of Local Government of the Commonwealth of Kentucky hereby determines that this Agreement is in proper form and compatible with the laws of the Commonwealth of Kentucky.

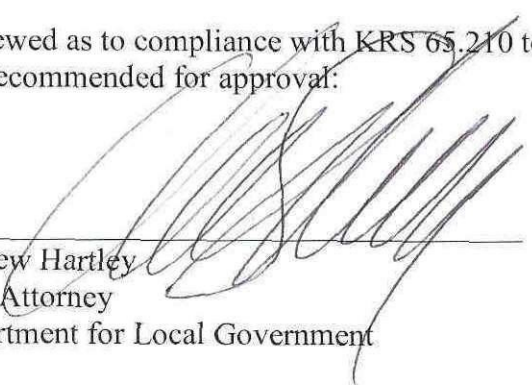
**COMMONWEALTH OF KENTUCKY  
DEPARTMENT OF LOCAL GOVERNMENT**

BY: Jim Wilder  
DATE: 3-9-10

INTERLOCAL COOPERATION AGREEMENT

ICA 10-003 Kenton County – Kenton County Cities: Occupational License Fee Collection

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

  
\_\_\_\_\_  
Andrew Hartley  
Staff Attorney  
Department for Local Government

8/3/10  
Date