COMMONWEALTH OF KENTUCKY
CITY OF LONDON
ORDINANCE NO. 2014-04

AN ORDINANCE ESTABLISHING A RESTAURANT RETAIL SALES TAX

BE IT ORDAINED by the City of London, Kentucky as follows: Whereas the City Council has determined that the citizenry of London would benefit from the revenues generated by a restaurant retail sales tax, The City Council enacts the following:

Sections
1. Imposed
2. Restaurant defined
3. Temporary food stands, booths, street concessions and similar type operations-Applicability
4. Amount-Payment submission
5. Late payment penalties and interest charges
6. Maintenance of supporting documents--Inspection authority
7. Violations-Penalty
8. Maintenance of funds-Use
9. Bond requirements for individual handling and disbursing funds
10. Liens
11. Confidential information
12. Enactment

1) Imposed. A. For the purpose of operation of the City of London Tourism Commission and to finance the cost of acquisition, construction, operation and maintenance of facilities useful in the attraction and promotion of tourist and convention business, including the city park system, there is imposed and levied a special tax of three percent (3%) of the gross retail sales of restaurants doing business within the city.

B. The tax imposed herein shall be in addition to other general taxes and the occupational or business license taxes payable to the City of London.

2) Restaurant defined. As used in this chapter, "restaurant" means 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 grills, tearooms, sandwich shops, soda fountains, taverns, cocktail lounges, delicatessens, roadside stands, street vendors, catering kitchens, commissaries, non package ice cream and/or yogurt, service stations or similar places in which food is prepared for sale for consumption on the premises or elsewhere. It does not include schools or food vending machines nor does it include any organization identified by the Commonwealth of Kentucky or the Internal Revenue service as a non-profit charitable organization.

3) Temporary food stands, booths, street concessions and similar type operations-Applicability. Temporary food stands, booths, street concessions and similar type operations, when food is prepared and sold for immediate consumption, are not exempt from this tax.

4) Amount-Payment submission. Every person, company, corporation, or other like or similar persons, groups or organizations doing business as restaurants located in the city shall pay monthly to the City Treasurer a tax of three percent (3%) of the gross retail sales collected by them during the preceding month. Such tax shall be due and payable to the City Treasurer fifteen (15) days after the last day of each month, together with a return on a form furnished by or obtained from the City Treasurer, setting forth as aggregate amount of gross retail sales charged and collected during the period to which the tax applies, together with such other pertinent information as the treasurer may require. Restaurants would begin collecting July 1, 2014.

5) Late payment penalties and interest charges. Any tax imposed by this chapter which remains unpaid after it becomes due, as set forth herein, shall have added to it a penalty of ten percent (10%) together with interest at the rate of twelve (12%) percent against the total amount of tax overdue at any time. After sixty (60) days, the amount of penalty shall be compounded each month.

6) Maintenance of supporting documents-Inspection authority. It will be the responsibility of the taxpayer to maintain books, records and papers in support of all amounts reported on the monthly return. The city will be permitted to examine the books, records and papers of the taxpayer upon notification in writing to the taxpayer.

7) Violations-Penalty. Any Person who purposefully refuses to file a return, pay the tax due, or who knowingly files a false or fraudulent return required herein, shall be guilty of a misdemeanor subject to a fine of not more than one hundred dollars ($100.00) for each violation, imprisonment for not more than thirty (30) days, or both. Each violation shall constitute and be punishable as a separate offense.

8) Maintenance of funds-Use. The funds collected from this tax shall be maintained by the City Treasurer in a special fund and disbursed to the commission monthly in accordance with its annual budget. All such money shall be used solely for the purpose of promoting recreational, convention and tourist activity and the maintance and operation of the facilities related hereto, in the city as set out in KRS 91 A 390, and shall not be used to provide a subsidy in any form to any hotel, motel, or restaurant. Any money not expended by the City of London Tourism Commission during any fiscal year will be used to make up a part of the City of London Tourism Commission's budget for the next fiscal year. The City Council forbids the City of London Tourism Commission from issuing revenue bonds or borrowing money beyond the fiscal year without the express approval of the City of London Council Members. The fiscal year shall be from July 1 to June 30.

9) Bond requirements for individuals handling and disbursing funds. The treasurer and any other officer of the commission writing checks or handling funds shall be bonded in an amount commensurate to the largest amount of money on hand in any given month.

10) Lien. A lien is granted unto the City of London upon all property, real and personal, of any restaurant facility, to secure the unpaid tax receipts due from that restaurant. The lien shall be perfected by filing a notice of tax due and statement of lien in the Office of the County Court Clerk, describing the property on which the lien is asserted.

11) Confidential Information. No present or former commissioner or employee of the Tourist and Convention Commission or City or any other person shall divulge any information acquired by him of the affairs of any person, or information regarding tax schedules, returns or reports required to be filed with the commission or other proper officer, 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 information respecting his own report. Further, this prohibition does not preclude the commission or any employee of the commission or City from testifying in any court, or from introducing as evidence returns or reports filed with the commission or City, in an action for violation of state or federal tax laws.

12) Enactment. Except as otherwise stated herein, this ordinance shall become effective upon reading, vote and publication as required by law.

Troy Rudder
TROY RUDDER, MAYOR

Attested: Carolyn Adams
Carolyn Adams, City Clerk

First Reading	March 5, 2014
Second Reading	March 20, 2014
Publication date:	March 24, 2014