

ORDINANCE NO. 225.95

AN ORDINANCE OF THE KENTON COUNTY FISCAL COURT, KENTUCKY, PROVIDING FOR A CREDIT OF ITS OCCUPATIONAL LICENSE FEE FOR NEW EMPLOYEES AS PART OF AN ECONOMIC DEVELOPMENT PROJECT BY Atlas Air, Inc. UNDER THE KENTUCKY BUSINESS INVESTMENT PROGRAM (KRS 154.32-010–KRS 154.32-100).

WHEREAS, Atlas Air, Inc. will expend approximately \$34 million expanding their aviation services facility to Viox Road, Erlanger, in Kenton County Kentucky. Additionally, Atlas Air, Inc. is expected to create 593 full-time Kentucky resident jobs with an average wage of \$80,000/year excluding benefits.

WHEREAS, Atlas Air, Inc. is soliciting support from the Kenton County Fiscal Court for its application under the Kentucky Business Investment Program (KBI) under KRS 154.32-010–KRS 154.32-100. The application of Atlas Air, Inc. received preliminary approval from the Kentucky Economic Development Finance Authority (KEDFA) as an approved Economic Development Project on July 25, 2019.

WHEREAS, KRS 154.32-010 (3) (b) permits that the "approved company or, with the authority's consent, an affiliate of an approved company may require that each employee subject to tax imposed by KRS 141.020, whose job is determined by the authority to be created as a result of the economic development project, as a condition of employment, agree to pay an assessment of up to four percent (4%) of taxable wages."

WHEREAS, the Kenton County Judge Executive and the Mayor of the City of Erlanger indicated in writing on May 20, 2019 and May 24, 2019 their willingness to support a combined **1% credit** of the new salaries subject to the Kenton County and City of Erlanger Occupational License Fees on new Kentucky-resident jobs created by Atlas Air, Inc. as part of this Economic Development Project for a ten-year period after project completion and since Atlas Air, Inc. has decided to expand in the City of Erlanger, this **1% credit** is projected to be split between Kenton County and the City of Erlanger. This local credit of **1%** will be prorated based on the relative estimate of the new salaries subject to the occupational license fees for the Kenton County Fiscal Court and the City of Erlanger generated by this economic development project over a ten-year period. Kenton County will have the opportunity to support a **0.25%** (roughly 83% of the total Kenton County Occupational revenue) credit of the new salaries subject to occupational license fee (which is 0.7097% on the first \$25,000 of income followed by 0.1097% on income above \$25,000 up to the social security limit). The City of Erlanger will have the opportunity to support a **0.75%** (roughly 50% of the total City of Erlanger Occupational Fees) credit of its new salaries subject to the Occupational License Fees for a ten-year period and, totaling a **1%** credit locally. This local credit will cause a **3% Kentucky personal income tax credit** on such new jobs under KBI and thus a total **4% credit**.

WHEREAS, KRS 154.32-010 also entitles each employee paying the wage assessment fee to an equal credit against his/her Kentucky income tax and an equal credit against his/her local occupational license fee, both for ten years. Atlas Air, Inc. under KRS 154.32-010, will impose a 4% wage assessment as a condition of employment and shall be authorized to deduct

the 4% assessment from each payment of wages to qualified employees, with such assessment only to be utilized as permitted by KRS 154.32-010–KRS 154.32-100.

NOW, THEREFORE BE IT ORDAINED BY THE KENTON COUNTY FISCAL COURT:

Section One

The Kenton County Fiscal Court authorizes a credit, in the form of a refund, of its Occupational License Fees paid pursuant to the Kentucky Business Investment Program (KRS 154.32-010–KRS 154.32-100) for and throughout a ten-year period (beginning and ending as stipulated in the Wage Assessment Agreement executed between KEDFA and Atlas Air, Inc. **equal to .25%** on the wages of the new Atlas Air, Inc. Kentucky-resident employees created as part of this Economic Development Project. Wages for this purpose are capped by the Social Security Maximum.

Section Two

That if any section or part of any section or any provision of this Ordinance shall be declared invalid by a Court of appropriate jurisdiction, for any reason, such declaration shall not invalidate, or adversely affect, the remainder of this Ordinance. All ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed to the extent of said conflict.

Section Three

This ordinance shall be in effect and in full force from and after its passage, publication and recording, according to law.

Adopted this _____ day of _____, 2021.

First Reading - _____ Yes _____ No _____

Second Reading - _____ Yes _____ No _____

Kenton County Fiscal Court

KRIS KNOCHELMANN
Judge-Executive

ATTEST:

COUNTY CLERK