

ORDINANCE NO. 8, SERIES 2015

AN ORDINANCE OF THE COUNTY OF FRANKLIN, KENTUCKY, IN CONNECTION WITH THE AMENDMENT OF ORDINANCE NO. 15, SERIES 2006, WHICH RELATES TO THE ENACTMENT OF AN ADDITIONAL TRANSIENT ROOM TAX OF TWO PERCENT (2%) PURSUANT TO AUTHORITY OF KRS 91A.392(1) TO BE APPLIED TO THE RETIREMENT OF PROPOSED DEDICATED TAX REVENUE BONDS, IN AN AMOUNT SUFFICIENT TO PROVIDE NET BOND PROCEEDS NOT TO EXCEED THREE MILLION DOLLARS (\$3,000,000) FOR THE PURPOSE OF FINANCING THE RENOVATION, REPAIR, RECONSTRUCTION AND EQUIPPING OF THE GRAND THEATRE, SITUATED IN THE CENTRAL BUSINESS DISTRICT OF FRANKFORT, KENTUCKY, TO CONSTITUTE A FINE ARTS CENTER, USEFUL TO THE PROMOTION OF TOURISM. THIS AMENDMENT CONCERNS THE APPLICATION OF THE ADDITIONAL TRANSIENT ROOM TAX TO THE COUNTY OF FRANKLIN, KENTUCKY DEDICATED TAX REVENUE REFUNDING BONDS, SERIES 2015 (SAVE THE GRAND THEATRE PROJECT), WHICH ARE INTENDED TO REFUND THE COUNTY OF FRANKLIN, KENTUCKY ADJUSTABLE RATE DEDICATED TAX REVENUE BONDS, SERIES 2007 (SAVE THE GRAND THEATRE PROJECT, INC.) FOR WHICH THE ADDITIONAL TRANSIENT ROOM TAX WAS ADOPTED.

WHEREAS, "Save the Grand Theatre, Inc." (the "Company"), a nonprofit, no-stock charitable corporation, and an entity described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, was established for the purpose of acquiring the Grand Theatre, a structure of historic importance situated in the central business district of Frankfort, Kentucky, a de jure city of the second class in Franklin County, Kentucky and causing the Grand Theatre to be renovated, repaired, reconstructed and equipped as a fine arts facility to serve the general public and to promote and enhance the growth of tourism in the Commonwealth and in Franklin County, Kentucky; and

WHEREAS, the Company completed the renovation of the Grant Theatre in 2009 partially through proceeds received from the sale of the County of Franklin, Kentucky Adjustable Rate Dedicated Tax Revenue Bonds, Series 2007 (Save the Grand Theatre Project, Inc.) (the "Series 2007 Bonds"); and

WHEREAS, the source of repayment of the Series 2007 Bonds is the Transient Room Tax (the "Dedicated Tax") adopted by the Franklin County Fiscal Court under Ordinance No. 15, Series 2006; and

WHEREAS, in order to save interest costs related to the Series 2007 Bonds, the Franklin County Fiscal Court is by separate ordinance being requested to refund the Series 2007 Bonds through issuing its Dedicated Tax Revenue Refunding Bonds, Series 2015 (Save the Grand Theatre Project) (the "Series 2015 Bonds") to be secured by the Dedicated Tax; and

WHEREAS, in issuing the Series 2015 Bonds the timing of the retirement of the principal of the Series 2015 Bonds, the maturity date of the Series 2015 Bonds and the amount of principal required to be paid on each payment date will be the same as the Series 2007 Bonds, thereby not increasing the Dedicated Tax; and

WHEREAS, KRS 91A.392 authorizes the fiscal court of a county containing a city of the second class to levy an additional transient room tax not to exceed 2% of the rent for every occupancy of an accommodation of motor courts, motels, hotels, inns or like or similar accommodation businesses.

NOW, THEREFORE, BE IT ORDAINED BY THE FISCAL COURT OF THE COUNTY OF FRANKLIN, COMMONWEALTH OF KENTUCKY:

#### SECTION 1

(a) Pursuant to KRS 91A.392, in addition to the 3% transient room tax imposed by KRS 91A.390(1), there is hereby imposed an additional transient room tax of 2% of the rent for every occupancy of a suite, room or rooms, charged by all persons, companies, corporations or other like or similar persons, groups or organizations doing business as motor courts, motels, hotels, inns or like or similar accommodation businesses (the "Special Tax") upon the transient guests who occupy one or more suites, or rooms in motor courts, motels, hotels, inns or like or similar accommodation businesses for a consecutive period of thirty (30) days or less.

(b) All money collected from the Special Tax authorized by this Ordinance shall be held in trust and applied for the sole and exclusive purpose of retiring the Series 2015 Bonds, issued by the County of Franklin, Kentucky.

The Series 2015 Bonds shall be scheduled to mature over a term not to exceed seventeen (17) years.

(c) All persons, companies, companies, corporation or other like or similar persons, groups or organizations doing business as motor courts, motels, hotels, inns or like or similar accommodation businesses, shall pay the 2% tax herein imposed at the same time and in the same manners that they pay the 3% transient room tax authorized by KRS 91A.390(1). The same interest and penalties applicable to the aforesaid transient room tax of 3% shall also be applicable to the Franklin County Revenue Commission as the designated collection agency for Franklin County and same is authorized to create appropriate regulations pertaining to the implementation and enforcement of this tax and to take all appropriate actions to collect and enforce payment of the aforesaid additional 2% tax as are authorized for collection and payment of the existing 3% transient room tax authorized under KRS 91A.390. The Franklin County Revenue Commission is directed to disburse the additional 2% tax directly to the Company, on a quarterly basis after deducting its customary fees and expenses.

(d) Following all necessary governmental actions, authorizations and consents required for the authorization and issuance of the Series 2015 Bonds, the initial collection of the Dedicated Tax shall commence the end of January, 2016 for the calendar quarter ended December 31, 2015, and thereafter the collection shall be the end of each April (for the calendar

quarter from January 1 – March 31), July (for the calendar quarter from April 1 – June 30), October (for the calendar quarter from July 1 – September 30) and January (for the calendar quarter from October 1 – December 31) thereafter.

(e) The Fiscal Court covenants that the additional 2% transient room tax authorized by this Ordinance shall remain in full force and effect while the Series 2015 Bonds (or any bonds refunding the Series 2015 Bonds for so long as the principal amount of the refunding bonds does not exceed the outstanding principal of the Series 2015 Bonds at the time of refunding (excepting costs of issuance), and no changes will occur in the maturity date and the payment dates of such refunding bonds) are outstanding, provided, however, that upon either (i) the end of seventeen (17) years of dedicated tax collection or, (ii) the retirement of all Series 2015 Bonds (or such refunding bonds thereof), whichever comes first, the 2% transient room tax authorized by this section shall terminate and the Fiscal Court shall take appropriate action to repeal such tax.

## SECTION 2

The provisions of this Ordinance are hereby declared to be severable and, if any section, phrase or provision shall, for any reason, be declared invalid, such declaration of invalidity shall not affect the validity of the remainder of this Ordinance.

## SECTION 3

All ordinances (including those portions of Ordinance No. 15, Series 2006, amended hereby), resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

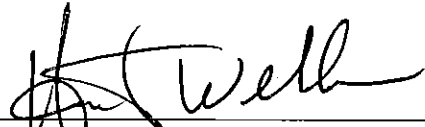
## SECTION 4

This Ordinance shall be in full force and effect from and after its adoption and approval as provided by law.

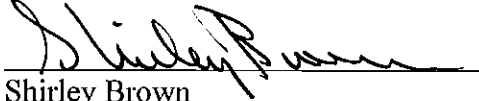
GIVEN FIRST READING APPROVAL at a duly convened meeting of the Fiscal Court of the County of Franklin, Kentucky, held on the 16<sup>th</sup> day of October, 2015.

GIVEN SECOND READING AND ADOPTED at a duly convened meeting of the Fiscal Court of the County of Franklin, Kentucky, held on the 27 day of October, 2015 on the same occasion signed in open session by the County Judge/Executive as evidence of his approval, attested by the Fiscal Court Clerk, and ordered to be enrolled.

(SEAL)

  
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Huston Wells  
County Judge/Executive

ATTEST:

  
\_\_\_\_\_  
Shirley Brown  
Fiscal Court Clerk