

**CITY OF DAYTON, KENTUCKY
ORDINANCE NO. 2026-2**

**AN ORDINANCE AMENDING SECTIONS §110.06, §110.12,
AND § 110.19 AND ADDING A NEW § 110.22 TO
CHAPTER 110 OF THE CITY OF DAYTON, KENTUCKY,
CODE OF ORDINANCES.**

BE IT ORDAINED BY THE CITY OF DAYTON, CAMPBELL COUNTY,
KENTUCKY:

Chapter 110, Business License Taxes, in Title XI, Business Regulations, of the City of Dayton Code of Ordinances is hereby amended as follows, with words being deleted ~~lined through~~ and words being added underlined.

OCCUPATIONAL LICENSE FEES

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**§ 110.06 OCCUPATIONAL LICENSE FEE PAYMENT REQUIRED AND LICENSE
FEE SCHEDULE.**

(A) Every person or business entity engaged in any business for profit and any person or business entity that is required to make a filing with the Internal Revenue Service or the Kentucky Revenue Cabinet shall be required to file and pay to the city an Occupational License fee for the privilege of engaging in such activities within the city. The Occupational License fee shall be measured as follows:

(1) The Occupational License fee for employees shall be 2.50% of all wages and compensation paid or payable for work done or services performed or rendered in the city by every resident and nonresident who is an employee;

(2) Every business shall pay an Occupational License fee on its gross receipts or sales in the city. Persons shall submit federal tax forms (i.e., Forms 1120 and 1120-S or 1040 Schedule C or a certified affidavit if no federal tax return is filed) that show gross receipts or sales for the previous tax year.

(B) Computation of the gross receipts of all businesses, trades, professions, or occupations from activities conducted within the city during the preceding calendar shall be made upon forms provided by the City Clerk/Treasurer in the amount as outlined in the following table except as excluded herein:

<i>Total Gross Receipts (Dollars)</i>	<i>Amount of Tax (Dollars)</i>
\$ 0 – 5,000	\$ 60.00
\$ 5,001 - 10,000	\$ 100.00
\$ 10,001 - 25,000	\$ 150.00
\$ 25,001 - 50,000	\$ 200.00
\$ 50,001-100,000	\$ 250.00
\$ 100,001 - 200,000	\$ 350.00
\$ 200,001 - 300,000	\$ 450.00
\$ 300,001 - 400,000	\$ 550.00
\$ 400,001 - 500,000	\$ 700.00
\$ 500,001 - 600,000	\$ 850.00
\$ 600,001 - 700,000	\$ 1,000.00
\$ 700,001 - 800,000	\$ 1,150.00
\$ 800,001 - 900,000	\$ 1,300.00
\$ 900,001 - 1,000,000	\$ 1,450.00
\$ 1,000,001 - 2,000,000	\$ 1,600.00
\$ 2,000,001 - 3,000,000	\$ 1,750.00
\$ 3,000,001 - 4,000,000	\$ 2,500.00
\$ 4,000,001 - 5,000,000	\$ 3,500.00
\$ 5,000,001 – 10,000,000	\$ 4,500.00
\$ 10,000,001 and above	\$ 6,000.00

(C) A rental property owner engaged in the business of leasing real property, including, but not limited to, residential, commercial, or industrial properties, shall pay an annual license tax to the

city in the amount of .01 times the rental property owner's gross receipts but not less than the amount of one hundred dollars (\$100.00) instead of the amounts listed in the table above. Rental property owners are required to submit applicable federal tax forms with their return and fee, including but not limited to a Form 1040 Schedule E with Schedules C and E, Form 1120 or 1120-S, Form 8825, depending on how the business entity has been organized, or other tax forms that show gross rents paid or other income for rental properties during the previous tax year(s), with their return and payment of this fee.

(D) Every person engaged in the business of selling fireworks shall pay an annual license tax to the city in the amount of one thousand dollars (\$1,000.00) instead of the amounts listed in the table above.

(E) A fee two and one-half percent (.025) on the wages and compensation paid or payable for work done or services performed or rendered in the city by every resident and nonresident who is an employee in amount

(F) If any business entity dissolves, ceases to operate, or withdraws from the city during any taxable year, or if any business entity in any manner surrenders or loses its charter during any taxable year, the dissolution, cessation of business, withdrawal, or loss or surrender of charter shall not defeat the filing of returns and the assessment and collection of any Occupational License fee for the period of that taxable year during which the business entity had business activity in the city.

§ 110.12 AUDIT PROVISIONS.

(A) As soon as practicable after each return is received, the city may examine and audit the return. If the amount of fee computed by the city is greater than the amount returned by the business entity, the additional fee shall be assessed and a notice of assessment mailed to the business entity by the city within five years from the date the return was filed, except as otherwise provided in this section.

(1) In case of a failure to file a return or the documents required by § 110.06(C) or filing of a fraudulent return, the city may assess the additional fee at any time and there shall be no time limitations for bringing an action under this chapter.

(2) In the case of a return where a business entity understates gross receipts, or omits an amount properly includable in gross receipts, or both, which understatement or omission, or both, is in excess of 25% of the amount of gross receipts stated in the return, the additional fee may be assessed at any time within six years after the return was filed.

(3) In the case of an assessment of additional fee relating directly to adjustments resulting from a final determination of a federal audit, the additional fee may be assessed before the expiration of the times provided in this subsection, or six months from the date the city receives the final determination of the federal audit from the business entity, whichever is later.

(4) The times provided in this division may be extended by agreement between the business entity and the city. For the purposes of this division, a return filed before the last day prescribed by law for filing the return shall be considered as filed on the last day. Any extension granted for filing the return shall also be considered as extending the last day prescribed by law for filing the return.

(B) Every business entity shall submit a copy of the final determination of the federal audit within 30 days of the conclusion of the federal audit.

(C) In addition to all other remedies available to the city, the city may initiate a civil action for the collection of any additional unpaid fee within the times prescribed in division(A) above.

§ 110.19 REVOCATION OR SUSPENSION OF OCCUPATIONAL AND BUSINESS LICENSES.

(A) Any occupational license or other business license issued under this chapter, or any other authority of the city, may, after notice to the holder thereof, ~~and after a hearing before City Council as hereinafter provided;~~ be revoked; or suspended ~~by the City Council~~ for the following reasons:

(1) If any person licensed under this chapter or who is required to have an Occupational License under this chapter (“licensee”) is convicted of a felony, a misdemeanor for which a jail sentence may be imposed, any other crime in which moral turpitude is involved, or any other crime which directly relates to the business, occupation, or profession of which a license was issued pursuant to the terms of this chapter. However, in making the decision to revoke or suspend the license, the City Council shall consider:

- (a) The nature or seriousness of the crime for which the person was convicted;
- (b) The relationship of the crime to the purpose of regulating the business, occupation, or profession for which the license was issued;
- (c) The relationship of the crime to the ability, capacity and fitness required to perform the duties and to discharge the responsibilities of the operation of the business, occupation, or profession for which the license was issued; and
- (d) The extent to which the person may have been successfully rehabilitated.

(2) If there shall occur in, on or at the premises covered by the license any constitution that is a nuisance or obnoxious to the morals and general welfare of the public;

(3) If any person is disorderly in, on or at the premises covered by the license and disturbs the good order of the community or the license holder suffers or permits any disorderly conduct in, on, or at the licensed premises;

(4) If the ~~holder of the~~ licensee shall misrepresent any material facts as to the kind of business in the licensee’s application or return or other fact necessary or proper to determine the regulatory fee to be paid;

(5) Owners of all commercial, office, and industrial structures in the city and multi-family residential structures with more than three residential units must be inspected by the Bellevue-

Dayton Fire Department prior to the issuance of an Occupational License by the city, and every year thereafter, these owners must schedule an annual inspection with the Fire Department, and failure to do so will result in the city denying issuance of an Occupational License to the licensee.

(6) If the ~~holder of the~~ licensee shall refuse right of entry to the Building Inspector, ~~Fire Department,~~ or other city officer or employee requiring entry for the purpose of conducting inspection as specified or permitted by ordinance; or

(7) The City Administrator may revoke or suspend any Occupational License issued by the city for any period of time determined by the City Administrator to be reasonable and appropriate under the circumstances for any of the following reasons:

(a) Failure of any person, fiduciary, business entity, or employer (“employer”) to obtain an Occupational License to operate a business in the city; or

(b) Failure to timely file any return required by this chapter or to provide any supporting documents required by this chapter; or

(c) Failure of an employer to withhold, collect, and pay any employee payroll taxes or Occupational License fees due to the city pursuant to this subchapter; or

(d) Failure of any employer, person, fiduciary, or business entity to pay any fee imposed by this subchapter when such fee is due to the city; or

(e) Failure of an employer or licensee to comply with the applicable provisions of this chapter.

(68) ~~If there shall occur in, on or at the premises covered by the license any violation of any city or state code or ordinance or if the license holder suffers or permits any violation of any city or state code or ordinance in, on or at the licensed premises. If a licensee allows or permits any other violation of any state statute or city ordinance on the licensed premises.~~

(B) When the ~~Mayor or~~ City Administrator ~~or~~ ~~ive~~ Officer has probable cause to believe that a license should be revoked for any of the causes enumerated herein, ~~he or she shall prefer charges against the holder of the license with the City Clerk/Treasurer. The charges shall be in writing and each charge shall be clearly set out. Within three days after the filing of the charges and of the time of the hearing thereof shall be mailed to the licensee at the address shown on the license and a hearing before the City Council shall be held within ten days after the filing of the charges with the Council. The evidence shall be transcribed and the action and decision of the Council on the charges shall be reduced to writing and recorded in the minute book. the City Administrator shall notify the licensee in writing that the city is seeking a revocation or suspension, which shall be sent to the licensee by certified U.S. mail, return receipt requested, at the address listed on its Occupational License and by posting such notice at licensee’s place of business. The notice shall set forth the city’s reason(s) for revoking or suspending the Occupational License for cause and shall direct the licensee that it may respond in writing to this notice within ten days from the date of the notice to show cause why the Occupational License should not be revoked or suspended. This notification shall be sent to both the owner and operator of the business, if the two are not the same, but only if these individuals or entities and their addresses were identified on the Occupational License application filed with the city. During its ten-day response period, the licensee shall have the opportunity to~~

present any relevant evidence to rebut the city's charges outlined in its notice or evidence that the aforementioned fees and/or taxes have been paid or are not due, that the documentation required by ordinance has been submitted to the city, or other relevant evidence showing good cause for failure to file returns, pay fees or taxes, or to submit documentation required under this chapter to the city. The failure of the licensee to timely file federal tax returns with the IRS, absent a valid time extension request filed by the licensee with the IRS or other legally valid reason, shall *not* constitute good cause. If the licensee's mailing address is different than the mailing address on its application for an occupational license, the license also shall submit the correct address to the city with its response. Any evidence presented after the 10-day period will not be accepted by the city.

(C) Within thirty (30) days after the expiration of the ten (10) day response period, the city Administrator shall review all evidence submitted by the licensee and, if necessary, order any audits needed to determine whether or not the contested amounts are disputed in good faith. After this review, the City Administrator shall make a preliminary determination whether a cause for revocation or suspension of the licensee's Occupational License is found to exist, and if so, then to promptly conduct a due-process hearing at which time the licensee shall be allowed to appear and present witnesses and/or evidence on its behalf. Notice of the hearing shall be sent by the city Administrator to the licensee, by certified mail, return receipt requested at least seven (7) days prior to the scheduled hearing. A record of the hearing shall be kept. The City Administrator may designate an independent hearing officer who has not participated in the investigation to conduct the hearing. At the hearing, the city shall bear the burden of proving by a preponderance of the evidence that grounds for revocation or suspension exist. If the licensee fails to appear at the hearing, or fails to establish full compliance with this chapter, the City Administrator shall revoke or suspend the Occupational License of the business, and the licensee shall immediately cease operation of its business for the duration of the revocation or suspension period. Notice of revocation or suspension ("notice") of any Occupational License shall be sent to the licensee and/or operator of the business by certified mail.

(D) Right of appeal. Any licensee whose an Occupational License has been revoked or suspended by the city pursuant to the foregoing provisions may appeal the revocation or suspension to the City's Code Enforcement Board, by filing with the City Clerk, within seven (7) days after the date of revocation or suspension notice, a written notice of appeal, along with a copy of the notice of revocation or suspension it received and a statement of reasons why the revocation or suspension should be overruled. Within thirty (30) days after the filing of the notice of appeal hereunder, the Code Enforcement Board shall review all evidence and testimony provided by the licensee or the city at the revocation hearing. The Code Enforcement Board shall uphold the revocation or suspension imposed by City Administrator if it is supported by substantial evidence or overrule it if not supported by substantial evidence. The Code Enforcement Board shall notify the City Administrator and the licensee of its decision within seven days after the completion of its review and decision. The city shall send the Code Enforcement Board decision to the licensee by regular U.S. mail. The decision of the Code Enforcement Board shall be a final administrative determination by the city, which may be appealed pursuant to § 38.11 of the City Code of Ordinances.

(E) Revocation or suspension of an Occupational License hereunder shall be in addition to the imposition of any other penalty prescribed by this chapter or any other ordinance, statute, or law. The city may take any and all necessary and appropriate measures to enforce this section, including but not limited to, obtaining injunctive relief from a court of competent jurisdiction to prevent a person or entity from operating a business within the city when it fails to obtain an Occupational License or its licensee has been revoked or suspended by the city as set forth herein.

§ 100.22 INVESTIGATIVE POWERS OF CLERK-TREASURER; AUTHORITY TO PROMULGATE REGULATIONS.

(A) The City Clerk/Treasurer, or any agent or employee designated by him or her, is authorized to examine the books, papers, and records of any employer or supposed employer or of any licensee or supposed licensee to determine the accuracy of any return made, or if no return was made to, ascertain the amount of the license fee due under the terms of this subchapter. Each employer or supposed employer or licensee shall give to the City Clerk/Treasurer or to his or her duly authorized agent or employee the means, facilities, and opportunity to conduct the examination and investigation.

(B) The City Clerk/Treasurer is authorized to examine any person under oath concerning any gross receipts that were or should have been shown in a return, and he or she may compel the production of books, papers, records, and the attendance of all persons before him or her, whether as parties or as witnesses, whom he or she believes to have knowledge of gross receipts due or other compensation, to the extent that any officer empowered to administer oaths in the Commonwealth of Kentucky is permitted to so order.

(C) The City Clerk/Treasurer, or any agent or employee designated by him or her, acting under the direction of the City Administrator, is charged with the enforcement of the provisions of this subchapter, and is empowered to prescribe, adopt, promulgate, and enforce regulations relating to any matter pertaining to the administration and enforcement of the provisions of this subchapter, including, but not limited to, provisions for the reexamination and correction of returns as to which an overpayment or underpayment is claimed or found to have been made and these regulations shall be binding upon all licensees and employers.

PASSED by City Council of the City of Dayton, Campbell County, Kentucky assembled in regular session.

First Reading: February 10, 2025

Second Reading: _____

MAYOR BEN BAKER

ATTEST:

TRISTIAN KLEIN
CITY CLERK/TREASURER

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified and acting Clerk/Treasurer of the City Council of Dayton, Kentucky (the "City"), and as such I further certify that the foregoing Ordinance is a true, correct, and complete copy of the Ordinance duly adopted by the City Council of the City after two readings on the dates referenced above, and has been signed by the Mayor and is now in full force and effect, all as appears from the official records of the City in my possession and under my control.

IN WITNESS WHEREOF, I have hereunder set my hand this _____ day of _____
2026.

Tristan Klein
City Clerk/Treasurer