

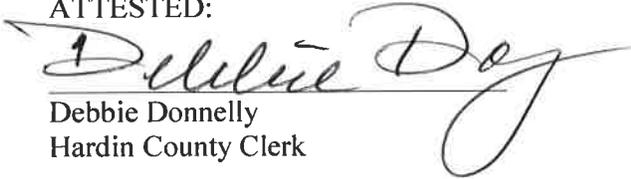
**HARDIN COUNTY FISCAL COURT
RESOLUTION NO. 2021-109**

BE IT RESOLVED, upon the recommendation of Hardin County Judge/Executive Harry L. Berry and with the concurrence of the Resources and Community Support Committee to approve the following Industrial Revenue Bond fee schedule and instructions:



Harry L. Berry
Hardin County Judge/Executive

ATTESTED:



Debbie Donnelly
Hardin County Clerk

COUNTY OF HARDIN, KENTUCKY
INDUSTRIAL REVENUE BOND FEE SCHEDULE

Issuance Fee

CATEGORY A -

IRBS for Property Tax Abatement that create thirty or fewer full-time equivalent jobs

Amount Per Level	Cumulative Principal	Issuance Fee Charge Per Level	Issuance Fee Per Level	Cumulative Issuance Fee
\$25,000,000	\$25,000,000	0.002000	\$50,000	\$50,000
25,000,000	50,000,000	0.001000	25,000	75,000
25,000,000	75,000,000	0.001000	25,000	100,000
25,000,000	100,000,000	0.000160	4,000	104,000
50,000,000	150,000,000	0.000120	6,000	110,000
50,000,000	200,000,000	0.000010	500	110,500

CATEGORY B -

IRBS for Property Tax Abatement that create more than thirty full-time equivalent jobs

Amount Per Level	Cumulative Principal	Issuance Fee Charge Per Level	Issuance Fee Per Level	Cumulative Issuance Fee
\$25,000,000	\$25,000,000	0.001500	\$37,500	\$37,500
25,000,000	50,000,000	0.000750	18,750	56,250
25,000,000	75,000,000	0.000750	18,750	75,000
25,000,000	100,000,000	0.000120	3,000	78,000
50,000,000	150,000,000	0.000090	4,500	82,500
50,000,000	200,000,000	0.000008	375	82,875

CATEGORY C -

IRBS for Interest Rate Savings for Federal Tax Purposes

Amount Per Level	Cumulative Principal	Issuance Fee Charge Per Level	Issuance Fee Per Level	Cumulative Issuance Fee
\$25,000,000	\$25,000,000	0.001000	\$25,000	\$25,000
25,000,000	50,000,000	0.000500	12,500	37,500
25,000,000	75,000,000	0.000500	12,500	50,000
25,000,000	100,000,000	0.000080	2,000	52,000
50,000,000	150,000,000	0.000060	3,000	55,000
50,000,000	200,000,000	0.000005	250	55,250

Annual Issuer Fee (Calculated Based Upon on the Original Amount Outstanding)

In each year in which bonds issued by the County remain outstanding, an annual fee must be paid to the County by the Borrower on the anniversary date of the issuance of the bonds in an amount equal to 50% of the applicable issuance fee described above.

Note: The last issuance fee charge per level for each category noted above applies to all principal issued in excess of \$150,000,000.

COUNTY OF HARDIN, KENTUCKY

INSTRUCTIONS TO INDUSTRIAL REVENUE BOND FEE SCHEDULE

The County of Hardin, Kentucky (the "County") has adopted the attached Industrial Revenue Bond Fee Schedule (the "Fee Schedule") with respect to industrial revenue bonds* issued by the County for the benefit of third parties. These instructions explain which categories of bonds go with which fees, how the fees are determined, and when the fees should be collected. In order to determine the fees applicable to any particular issue of industrial revenue bonds, please follow the following steps:

1. Determine the type of industrial revenue bonds to be issued by the County.

The Fee Schedule separates industrial revenue bonds into three general categories:

- A. Industrial revenue bonds issued on behalf of *a for-profit business* to finance projects that will employ *thirty or fewer new employees*, where the purpose of the bonds is to provide the employer *an abatement of property taxes* that would otherwise be owed to the Commonwealth, the County, and the other taxing jurisdictions with the County for so long as the bonds are outstanding.
- B. Industrial revenue bonds issued on behalf of *a for-profit business* to finance projects that will employ *more than thirty new employees*, where the purpose of the bonds is to provide the employer *an abatement of property taxes* that would otherwise be owed to the Commonwealth, the County, and the other taxing jurisdictions with the County for so long as the bonds are outstanding.
- C. Industrial revenue bonds issued on behalf of *a nonprofit organization* for the purpose of achieving interest savings for the nonprofit by *exempting interest paid on the bonds from federal income taxation* under Section 103 of the Internal Revenue Code of 1986, as amended. There is no minimum new job requirement for this category.

In some limited cases *for-profit businesses* are permitted to participate in industrial revenue bond issues for the purpose of *achieving interest savings* (consistent with Category C above). In such cases, companies may ask the County to provide *both* benefits described above, i.e., a property tax abatement for the project financed and interest savings on the bonds issued by County. In such cases, the County should classify the bonds in Category A or B rather than Category C for purposes of the Fee Schedule.

* Please note that the term "industrial revenue bonds" is just one of several common terms used to refer to bonds issued by the County for the benefit of third parties. Other common terms include "IRBs", "conduit bonds" and "revenue bonds." All of the foregoing terms have the general meaning and can be used interchangeably.

2. Determine the Issuance Fee applicable to the bond issue.

Once the property classification for the bonds has been determined, County personnel should determine the proper Issuance Fee for the bonds under the Fee Schedule. The company or organization requesting the bond issuance will ask the County to issue a specific amount of industrial revenue bonds for its benefit. Often the amount is stated as a “par amount” and it is common for the amount to be rounded to the nearest thousand dollars or five thousand dollars. The Fee Schedule applies the Issuance Fee based on the total “par amount” borrowed. The fee structure is tiered, so that the greater the “par amount” requested, the lesser the total Issuance Fee becomes as an overall percentage of the “par amount” of bonds issued. For example, If bonds were requested under the first category on the schedule in a maximum “par amount” of \$125,000,000, the Issuance Fee would equal \$107,000 (\$50,000 for the first \$25,000,000 issued, plus \$25,000 for the second \$25,000,000 issued, plus \$25,000 for the third \$25,000,000 issued, plus \$4,000 for the fourth \$25,000,000 issued, plus \$3,000 for the last \$25,000,000 issued). If the “par amount” of bonds requested would exceed \$200,000,000 in any instance, the last incremental fee in the schedule would apply for any amount in excess of \$200,000,000. The fee should be applied to the actual amount of industrial revenue bonds issued instead of the amount authorized in a resolution or ordinance of the Fiscal Court, except where bonds are issued with a stated maximum par amount that the borrower may draw down against for a stated period of time (common for bond issues in Categories A and B). In that case, the Issuance Fee should be based on the maximum “par amount” of bonds authorized by the Fiscal Court.

3. Determine the annual fee.

The County should also charge an annual fee for serving as the issuer of any industrial revenue bond issue. The annual fee should be half of the original Issuance Fee. County personnel should request bond counsel and/or the County Attorney to ensure that the legal documents governing any such bond issue require the payment of the annual fee and specify when and where each annual fee should be paid. County personnel should further request bond counsel and the County Attorney to consider nonpayment of the annual fee an event of default under the bond documents (this is not normative, but may be requested). County personnel should also calendar the due date of each annual payment to ensure it is not forgotten or overlooked.

4. Collect the applicable Issuance Fee on the date industrial revenue bonds are issued.

County personnel should collect the Issuance Fee from the company requesting the issuance of any industrial revenue bonds on the date that the bonds are issued. Any issuance Fee may be paid from the proceeds of a bond issue or from other available funds of the borrower.

5. Collect the annual Issuer Fee.

The annual fee and should be due and payable to the County on the annual anniversary of the issuance date of the related bonds. County personnel should follow up with any company or organization that fails to remit an annual fee by the applicable due date to ensure collection. If a company or organization fails to pay its annual fee after repeated collection attempts, contact

competent bond counsel to determine what rights the County may have to aid in collection under the related bond documents.

OTHER INFORMATION

When issuing industrial revenue bonds described in Category A and B in Section 1 above, the County should (i) coordinate with the PVA to ensure that any real property financed by the bonds is treated as exempt from ad valorem taxes for all local tax purposes and, (ii) if the borrower has sought the approval of the Kentucky Economic Development Finance Authority for the applicable abatement of state property taxes pursuant to KRS Chapter 103, coordinate with the PVA to ensure that any real property financed by the bonds is reported as exempt from ad valorem taxes for state tax purposes also.

In addition to the Fees described herein, the County should negotiate and enter into a "Payment In Lieu of Taxes" or "PILOT" Agreement with any borrower requesting the County to issue bonds classified in Categories A or B in Section 1 above. The Agreement should require the borrower to agree to make all local school districts whole for any ad valorem school taxes abated as a result of the bond issue.