

**COMMONWEALTH OF KENTUCKY  
HARDIN COUNTY FISCAL COURT  
ORDINANCE NO. 337, SERIES 2023**

**AN ORDINANCE AMENDING ORDINANCE NO. 326, SERIES 2021  
UPDATING THE  
THE CREATION OF AN INDUSTRIAL TAXING DISTRICT AND THE  
IMPOSITION, ADMINISTRATION  
AND PAYMENT OF A SPECIAL AD VALOREM TAX THEREIN**

WHEREAS, Hardin County hosts a 1551 acre Industrial Megasite in southern Hardin County upon which Blue Oval SK, LLC has now located and begun construction and development of two battery manufacturing facilities; and

WHEREAS, the current phase of Blue Oval SK., LLC development will employ approximately 5000 people at its manufacturing site with room for additional growth and expansion on the site;

WHEREAS, additional supportive residential, commercial and industrial development is planned and expected for Hardin County based upon the siting of Blue Oval SK, LLC;

WHEREAS, as a result, population growth in Hardin County is estimated to grow by 22,000 people during the next 5 years;

WHEREAS, sustained growth is dependent upon the availability and maintenance of adequate government services and infrastructure in unincorporated Hardin County; and

WHEREAS, the location of industry at that site has and will continue to increase the demand on government services and infrastructure needs in all of unincorporated Hardin County exceeding that of those available currently to incorporated areas within the county such as, but not limited to, emergency services, roadway construction and maintenance, law enforcement and utility infrastructure; and

WHEREAS, KRS 68.600, *et seq.* authorizes the creation of an Industrial Taxing District for the purpose of establishing, maintaining and operating governmental services within such an area of an economic development project that will result in the creation of at least 500 new jobs and the imposition of a special ad valorem tax for that purpose;

WHEREAS the Industrial Taxing District created under KRS 68.602 shall constitute a taxing district within the meaning of Section 157 of the Kentucky Constitution;

Now, having adopted the above as the findings of the Hardin Fiscal Court, BE IT THEREFORE ORDAINED by the Hardin County Fiscal Court as follows:

### **Section 1 – Definitions**

As used in this ordinance, the following terms shall have the following meanings:

- (1) *Agricultural property* means a parcel, including all income-producing improvements, that is classified by the Hardin County Property Valuation Administrator as “farm” based upon its current use.
- (2) *Commercial property* means a parcel that is classified by the Hardin County Property Valuation Administrator as “commercial”, based upon its current use and includes all multifamily dwellings, except a duplex.
- (3) *County* means Hardin County, Kentucky.
- (4) *District* means the Industrial Taxing District and is that area described in Section 2 as depicted in Exhibit A and which may be amended from time to time based upon a duly adopted amendment of this Ordinance;
- (5) *Industrial property* means a parcel upon which economic activity concerned with the processing of materials and/or the manufacture of goods and that is classified by the Hardin County Property Valuation Administrator as “commercial”, based upon its current use.
- (6) *Residential property* means a parcel classified by the Hardin County Property Valuation Administrator as residential based upon its current use.
- (7) *Work population* means people present during times that the employer is operational, including multiple shifts during a 24-hour period.
- (8) *Telecommunications property* means a parcel classified as “telecommunications” by the Hardin County Property Valuation Administrator.

### **Section 2- District Boundaries**

The Special Industrial Tax District shall include the current unincorporated boundaries of Hardin County as of the date of passage of this Amended Ordinance. The District created herein and pursuant to KRS 68.602 shall constitute a taxing district within the meaning of Section 157 of the Constitution of Kentucky.

### **Section 3 – District Demographics**

The estimated work population of the area within the initial boundaries of the District designated in Section 2 known as the District was 457. And the estimated residential population of the initial District was 1403. The population of Hardin County according to

current census data is 111,000 and is projected to grow 20% in the next 3-5 years to 133,000. It is expected that the location of additional commerce and industry which will employ the statutory minimum of at least 500 people in shift work will significantly increase the business population as well as the residential population within the District and will increase the demand upon infrastructure and local governmental services such as but not limited to emergency medical, fire, law enforcement, roadway construction and maintenance, and utility infrastructure;

#### **Section 4- Projected Increased Service Demands of District**

The 1551-acre Industrial Site located within the District contemplates the location of commercial and/or industrial business which will employ more than 500 people. Increased population from both work population and residential population density will place an increased demand upon current government services than that which is currently available in the area. Support for the development of the identified area will require county government to provide increased infrastructure such as the provision of nearby 24-hour emergency medical, fire and law enforcement personnel, equipment and services as well as roadway construction and maintenance, and utility infrastructure. There currently does not exist an emergency medical service, fire or law enforcement substation within 6-10 miles of the site. The increased population to all of unincorporated Hardin County will put additional strain on roadways as well as result in an increased demand for provision of all county services.

#### **Section 5- Ad Valorem Tax Rate**

- A. The District created herein under Section 2 and pursuant to KRS 68.602 shall constitute a taxing district within the meaning of Section 157 of the Constitution of Kentucky. There shall be and there is hereby established a tax rate of ten cents (0.10) per \$100 of the assessed valuation of each parcel of:
  - 1) Commercial property (as defined herein as PVA designated commercial and industrial property) located within the District;
  - 2) Telecommunication property located within the District;
- B. Both the rate and the District boundaries may be changed by a duly adopted Amendment of this Ordinance.
- C. Residential and Agricultural parcels of real estate are excluded from the application of the tax based upon those land uses being currently predominant and thus not increasing the demand on and for government services. It is the intention of this Ordinance that the cost of increased government services be borne by the development creating the need therefore.
- D. The ad valorem Industrial Tax shall be collected in the same manner as are other county ad valorem taxes and shall be turned over the Fiscal Court of Hardin County.

E. The special Industrial Tax shall be in addition to all other ad valorem taxes.

### **Section 6- Projected Cost of Increased Government Services: EMS and Fire**

- A. Construction Cost - The estimated cost of constructing an approximate 15,000 square foot Emergency Medical Service and Fire Service facility is projected to be \$300/square foot, at a total approximate cost of \$4.5 million. The cost of construction is increasing at a high rate currently and so could be expected to increase sharply. Debt service on that amount is estimated at 5% for a period of 20 years for a cost of \$360,000 per year (2021 cost estimates).
- B. Personnel Cost - The estimated annual cost to provide 24-hour Emergency Service crews is \$540,000, including salaries and benefits. In addition, the annual cost to provide 24-hour Fire Service crews is estimated to cost \$1,100,000, including salaries and benefits. Those costs can be expected to increase at an estimated rate of 3% each year with estimated costs for both fire and EMS service in year 2 to be \$1,689,200 and for year 3 to be \$1,739,876 (2021 cost estimates).
- C. Operational Cost - The cost of supplies, utilities, maintenance and insurance for a new Emergency Medical Service and Fire Facility is estimated at \$600,000 per year for the next 3 years (2021 cost estimates).
- D. Initial Outlay - It is estimated to require an initial purchase for equipment and vehicles for Emergency Medical Service of \$500,000 and for Fire Service of \$1,500,000. Debt service on those costs is expected to cost approximately \$450,000 per year going forward. Equipment is expected to need replacement at 5-year intervals. (2021 cost estimates).

### **Section 7- Projected Revenue Generated**

The 2021 total assessed real property valuation of the Commercial and Telecommunications real estate parcels contained within the geographic area of the District is \$15,326,000.00.

Application of the tax at the rate of ten cents (0.10) per one hundred dollars (\$100) of the assessed valuation of the Commercial and Telecommunications parcels within the District will generate approximately \$15,326 in tax revenue toward the additional government expenses created by the infrastructure demand within the District. The increase in revenue generated will increase or decrease as the valuation of those parcels increases or decreases.

### **Section 8- Governed by Hardin Fiscal Court (KRS 68.606)**

The District shall be administered by Hardin Fiscal Court, which shall control and manage the affairs of the District and shall set the tax rate annually as required in the same manner as other ad valorem taxes. The tax revenue shall be turned over to Hardin Fiscal Court for use in the defined service area. Changes to this Ordinance require an Amendment of the Ordinance.

The Kentucky Revenue Cabinet shall be notified of the tax rate imposed upon adoption of this section and of any subsequent rate changes.

**Section 9- Effective date**

This Amended Ordinance shall become effective upon passage and the tax created by this Ordinance shall be applied beginning the 2023 Tax Year.

Amended Ordinance given First Reading the 28<sup>th</sup> day of November, 2023.

Amended Ordinance given Second Reading the 12<sup>th</sup> day of December, 2023.

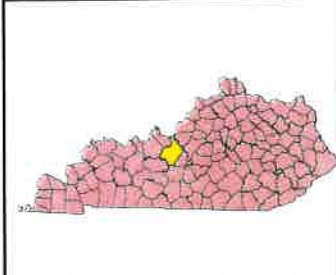
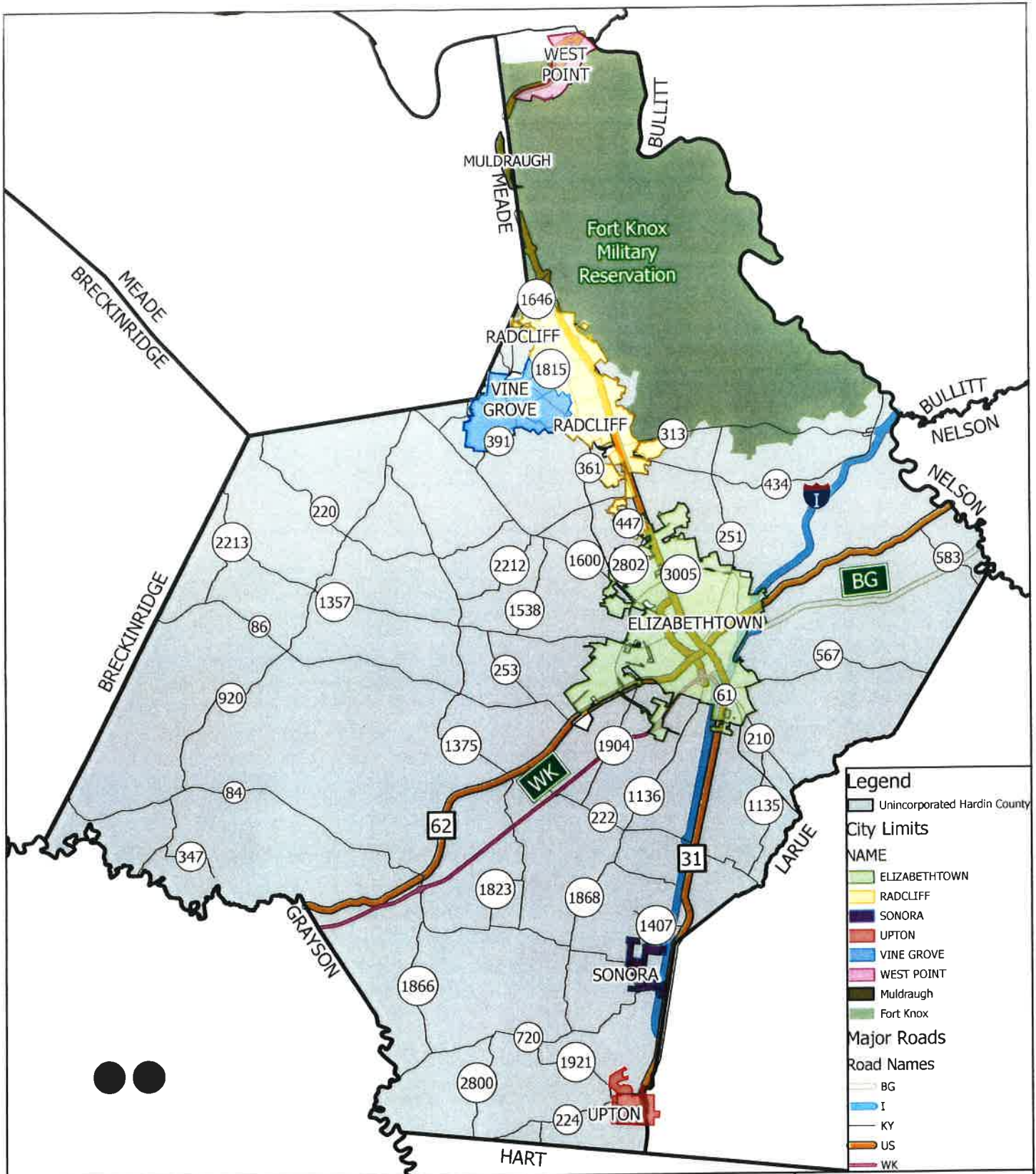
Keith L. Taul  
Hardin County Judge Executive

Attest:

Brian D. Smith  
Hardin County Clerk

Prepared:

Jennifer B. Oldham  
Hardin County Attorney



**Unincorporated Hardin County**

2023

Coordinate System: WGS 1984 Web Mercator Auxiliary Sphere

**Exhibit A**

0 2.5 5 Mi

0 5 10 Km