

Small Business Start-up Guide

1. **Contact Planning & Zoning to determine if your desired location is properly zoned.** www.iompc.org or 687-8650

If using an existing building and not changing the use or making external renovations

1. Contact OMPC office for staff review of project
2. OMPC office must sign off on business license application

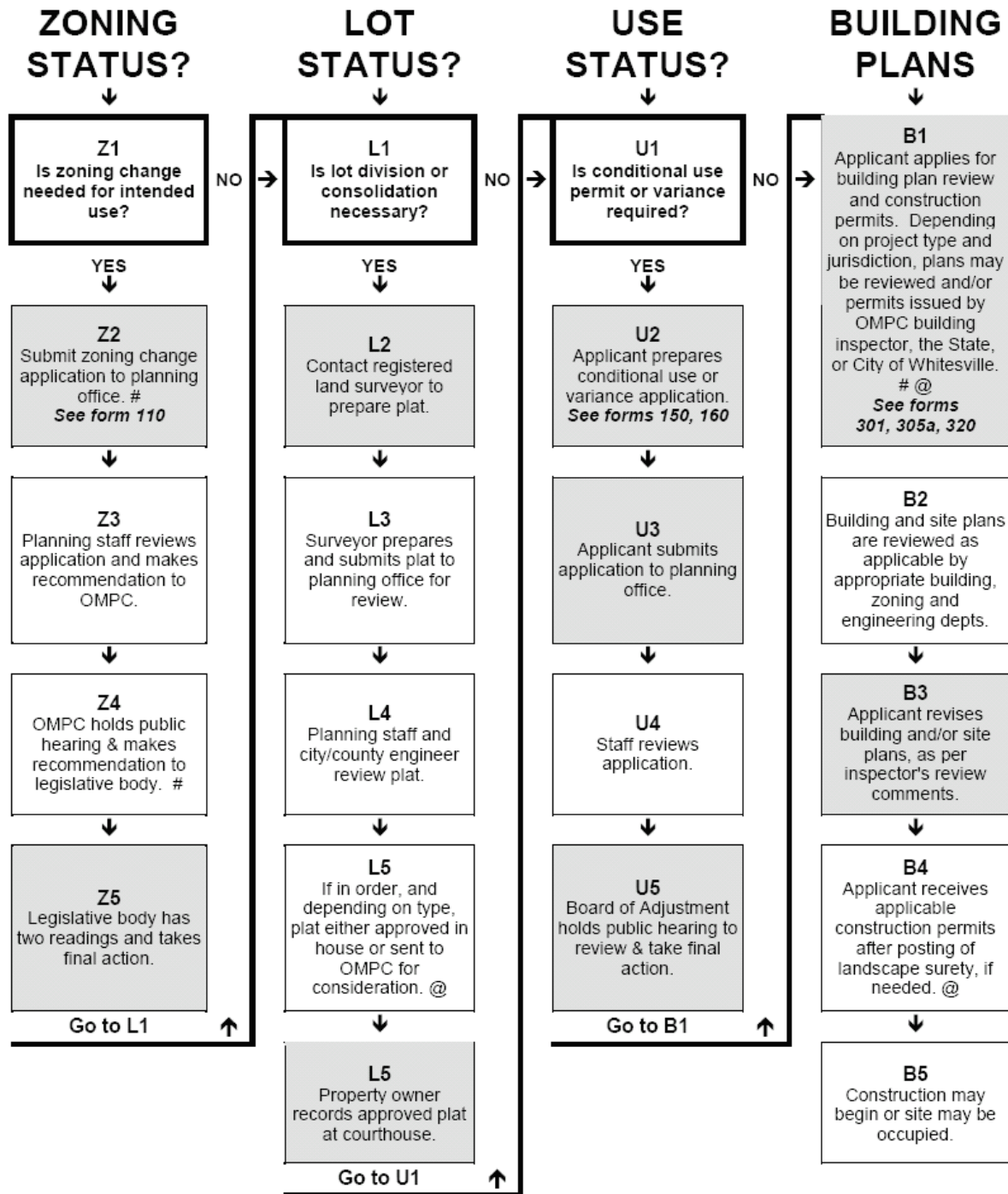
If using an existing building and changing the use but no building additions

1. Contact OMPC office to determine if location must be rezoned.
2. Rezoning process – Total estimated time: 2-3 months
 1. Complete rezoning application and submit no later than 21 days before the OMPC commission meeting (2nd Thursday of the month). At this meeting the project and any objections are heard by the OMPC commission. Any objections from the public are considered as evidence by the commission but do not decide if property is rezoned or not.
 2. After the OMPC public meeting, the commission makes recommendation to City or County commission to approve or deny the request.
 3. Rezoning ordinance must have 2 public readings before approved by the legislative body (City or County).

For more details, please see the attached “Summary of Building Approval Process” outline.

If building new or making additions to existing building.

1. Contact OMPC office to determine if location must be rezoned (see above if property must be rezoned)
2. OMPC staff will determine if project is in the floodplain.
 - If in the floodplain, you must apply for a permit from the KY Division of Water – Total est. time: 3 weeks
3. Obtain a building permit – Total estimated time 2-3 days (best case)
 - If only internal renovations:
 1. Submit floor plan and building permit application to OMPC office for review
 2. Receive permit
 - If new construction or making external renovations/additions:
 1. Submit site plan (existing or prepared by a surveyor) with building permit application
 2. Show new addition and all proposed improvements.
 3. Contact City or County engineer to review any drainage issues
 4. OMPC will determine if parking, landscaping, and all other zoning requirements are adequate and make recommendations.
 5. Once all conditions are met building permit is issued



Steps where applicant attends meeting or completes necessary paperwork.

Steps where a development plan may be required.

@ Steps where surety may be required for installation of improvements.

2. Decide what type of business organization you would like to create.

Kentucky Secretary of State: <http://sos.ky.gov>

All businesses must obtain a business license from the City regardless of organization. However, not all businesses must register with the State. Please consult with your accountant or legal counsel to determine which form fits your needs.

Sole Proprietorship

A sole proprietorship is owned and operated by an individual. It does not have a separate existence apart from its owner. No filing with the Secretary of State is necessary to form a sole proprietorship, but if the sole proprietorship is operating under assumed name, an assumed name filing with the county clerk is required. The individual owner is personally responsible for the debts of the business.

Corporation

A corporation is a business organization that is separate and apart from its owners. A corporation has the same powers as an individual to do all things necessary to carry out its business. A board of directors manages the corporation and officers are responsible for the daily operations of the corporation. Shareholders are not personally responsible for the debts of the corporation. A corporation is formed by filing Articles of Incorporation with the Kentucky Office of the Secretary of State.

General Partnership

A general partnership is an association of two or more persons to carry on as co-owners of a business for profit. KRS 362-175. No filing with the Secretary of State is necessary to form a general partnership, but if the general partnership is doing business under an assumed name, an assumed name filing is required with the Secretary of State and county clerk. An Application for Certificate of Assumed Name is available on the Kentucky Secretary of State website (sos.ky.gov). Generally, every partner is an agent of the partnership and is personally responsible for the debts of the partnership. KRS 362.190; KRS 362.220.

Limited Partnership

A limited partnership is an association of two or more persons with one or more limited partners and one or more general partners. KRS 362.401 (7). Limited partners are not personally responsible for the debts of the limited partnership unless they participate in management of the partnership. KRS 362.437. General partners are responsible for managing the business of the partnership and are personally responsible for the debts of the partnership. KRS 632.447. A limited partnership is formed by filing a Certificate of Limited Partnership with the Secretary of State. KRS 362.415. More information on forming a limited partnership is available on the Kentucky Secretary of State website (sos.ky.gov).

Limited Liability Company

A limited liability company is an unincorporated business organization formed by filing Articles of Organization with the Secretary of State. A limited liability company may be managed by members or managers. The members and managers are not personally responsible for debts of the limited liability company. The main advantage to choosing a limited liability company over a corporation is that LLC members enjoy limited liability but the entity can be taxed as a partnership, which is a more favorable tax treatment.

Registered Limited Liability Partnership

A registered limited liability partnership is a partnership that is registered with the Secretary of State. KRS 362.555. Each partner is personally responsible for the debts of the partnership except for the debts of the partnership arising from negligence or misconduct committed by another partner while the partnership is a registered limited liability partnership. KRS 362.220 (2). A registered limited liability partnership is formed by filing a Statement of Registration with the Secretary of State. KRS 362.555. More information on registering as a limited liability partnership is available on the Kentucky Secretary of State website (sos.ky.gov).

3. Determine if you must file for a Federal Employment Identification Number (EIN).

If you answer “Yes” to any of the following questions then you must file for an EIN number.

- Do you have employees?
- Do you operate your business as a corporation or a partnership?
- Do you file any of these tax returns: Employment, Excise, or Alcohol, Tobacco and Firearms?
- Do you withhold taxes on income, other than wages, paid to a non-resident alien?
- Do you have a Keogh plan?
- Are you involved with any of the following types of organizations?
 - Trusts, except certain grantor-owned revocable trusts, IRAs, Exempt Organization Business Income Tax Returns
 - Estates
 - Real estate mortgage investment conduits
 - Non-profit organizations
 - Farmers' cooperatives
 - Plan administrators

In most cases this number can be obtained online via the IRS website (www.irs.gov).

Additionally, if you provide health insurance for your employees, you may need a National Standard Employer Identifier (NSEI) for your electronic health transactions. To determine if you need an NSEI, refer to the Department of Health and Human Services' website (<http://aspe.hhs.gov/admnsimp/faqemp.htm>).

Additional information for starting a business and complying with Federal regulations may be found in the IRS publication, Checklist for Going Into Business, and can be obtained at <http://www.sba.gov/library/pubs/mp-12.pdf>

4. Apply for a business licenses and permits.

City of Owensboro/Daviess County – Contact Owensboro Finance Dept: 687-8523

The business license application can be obtained on the City's website (www.owensboro.org) or at City Hall. The City issues licenses for businesses located either inside the City limits or in the County. Below is the process for obtaining a business license.

1. Complete application and submit to City Hall.
 - If completed application is hand-delivered to City Hall then license will be issued immediately.
 - If application is mailed to City Hall then license will be mailed within 10 days after receipt of the application.
2. If business is located inside the City limits there is a \$47 fee. If located in the County there is no fee.

Kentucky Revenue Cabinet

All businesses must be issued a state tax number. The application can be obtained online at <http://revenue.ky.gov/business/register.htm>

Kentucky Office of Employment and Training

The KY OET handles all unemployment insurance issues for the State. You must be registered and issued an unemployment insurance tax ID number. To access their online services visit <https://kewes.ky.gov/>.

Kentucky Workman's Compensation Board

Coverage is required by the State for any employer who has one or more employees. Information can be obtained from your local insurance agent.

Social Security Administration

All businesses must contact the Social Security Administration to establish payment of social security taxes. Much of the information related to this topic can be found on the SSA business services website (<http://www.ssa.gov/bso/bsowelcome.htm>) or you may call the local office at (270) 685-3931.