



# Banking & Insurance Committee

KRS68.200 Motor Vehicle License Fee

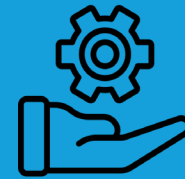
2 June 2022





## ECONOMIC STRATEGY

Insights from business and location service shared with public & private sector leaders

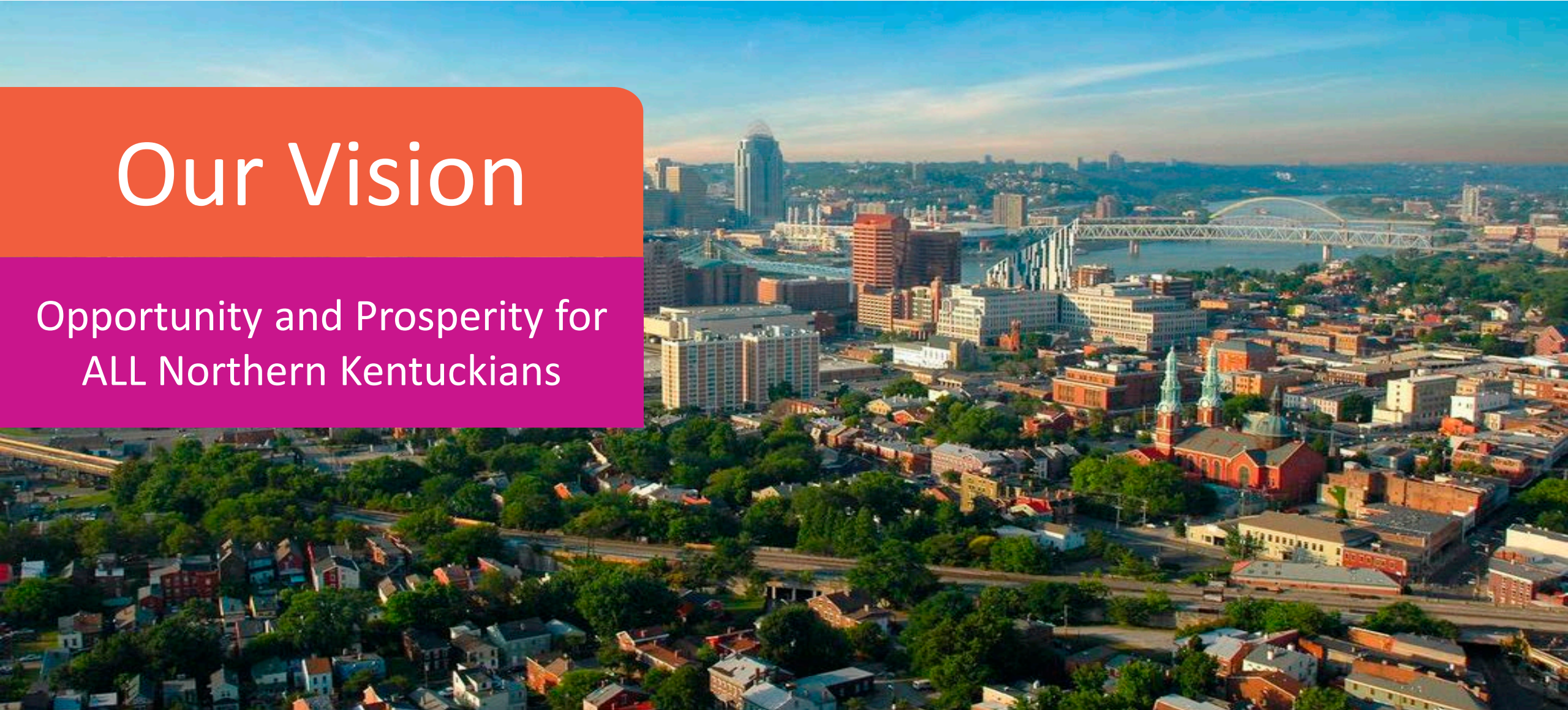


## ECONOMIC DEVELOPMENT

Mitigate the risk of location decisions for clients

# Our Vision

Opportunity and Prosperity for  
ALL Northern Kentuckians



## Established 1994

- *“A fiscal court or the legislative body of an urban-county government shall provide for collection of the license fee”*
- *“The county **shall use the proceeds of the license fee for economic development activities.**”*
- *may levy a license fee on the rental of motor vehicles which **“shall not exceed three percent (3%) of the gross rental charges from rental agreements”***

## Notable Elements

- Groundbreaking tool to fund economic development
- Reliable resource of funding for local economic development
- Largely paid by visitors to the community (similar to hotel fees for tourism)

## Limitations

- 3% rate set in statute, unchanged since 1994
- Does not address technological changes occurring since 1994
- No flexibility in economic disruptions
  - Loss of Delta hub
  - Great Recession
  - COVID Pandemic

## Modernization

- Addresses technological and economic changes since 1994
- Creates a fair playing field for all technologies
- Enables all technologies to support local economic development
- Opens the MVLF to other communities

## Process for Modernization

- **HB8** - Carsharing language included the MVLF
  - Carsharing and car rental industries and lobbies both supported this language
- **Senate Amendment** – included language for “Transportation Network Companies” (Uber/Lyft) in tax reform language



# NORTHERN KENTUCKY TRI-ED

TRI-COUNTY ECONOMIC DEVELOPMENT CORPORATION

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