

91A.390 Room tax -- Special transient room tax -- Authorization for additional tax by a county with a city of the first class, urban-county governments, and multicounty tourist and convention commissions -- Revenue bonds.

- (1)
 - (a) The commission shall annually submit to the local governing body or bodies which established it a request for funds for the operation of the commission.
 - (b) The local governing body or bodies shall include the commission in the annual budget and shall provide funds for the operation of the commission by imposing a transient room tax on the rent for every occupancy of a suite, room, rooms, cabins, lodgings, campsites, or other accommodations charged by any hotel, motel, inn, tourist camp, tourist cabin, campgrounds, recreational vehicle parks, or any other place in which accommodations are regularly furnished to transients for consideration or by any person that facilitates the rental of the accommodations by brokering, coordinating, or in any other way arranging for the rental of the accommodations as follows:
 1. For a local governing body or bodies, other than an urban-county government, the tax rate shall not exceed three percent (3%); and
 2. For an urban-county government, the tax rate shall not exceed four percent (4%).
 - (c) In addition to the three percent (3%) levy authorized by paragraph (b)1. of this subsection, the local governing body other than an urban-county government may impose a special transient room tax not to exceed one percent (1%) for the purposes of:
 1. Meeting the operating expenses of a convention center; and
 2. In the case of a consolidated local government, financing the renovation or expansion of a convention center that is government-owned and located in the central business district of the consolidated local government, except that if a consolidated local government imposes the special transient room tax authorized under this paragraph on or after August 1, 2014, revenue derived from the levy shall not be used to meet the operating expenses of a convention center until any debt issued for financing the renovation or expansion of a government-owned convention center located in the central business district of the consolidated local government is retired.
 - (d) Transient room taxes shall not apply to rooms, lodgings, campsites, or accommodations supplied for a continuous period of thirty (30) days or more to a person.
 - (e) The local governing body or bodies that have established a commission by joint or separate action shall enact an ordinance for the enforcement of the tax measure enacted pursuant to this section and the collection of the proceeds of this tax measure on a monthly basis.
- (2) All moneys collected pursuant to this section and KRS 91A.400 shall be maintained in an account separate and unique from all other funds and revenues collected, and shall be considered tax revenue for the purposes of KRS 68.100 and KRS 92.330.
- (3) A portion of the money collected from the imposition of this tax, as determined by

the tax levying body, upon the advice and consent of the tourist and convention commission, may be used to finance the cost of acquisition, construction, operation, and maintenance of facilities useful in the attraction and promotion of tourist and convention business, including projects described in KRS 154.30-050(3)(a). The balance of the money collected from the imposition of this tax shall be used for the purposes set forth in KRS 91A.350. Proceeds of the tax shall not be used as a subsidy in any form to any hotel, motel, inn, motor court, tourist camp, tourist cabin, campgrounds, recreational vehicle parks, or any other person furnishing accommodations, or restaurant, except as provided in KRS 154.30-050(3)(a)3.c. Money not expended by the commission during any fiscal year shall be used to make up a part of the commission's budget for its next fiscal year.

- (4) A county with a city of the first class may impose an additional tax, not to exceed one and one-half percent (1.5%) of the rent. This additional tax, if approved by the local governing body, shall be collected and administered in the same manner as the tax authorized by subsection (1)(b) of this section and shall be used for the purpose of funding additional promotion of tourist and convention business.
- (5) An urban-county government may impose an additional tax, not to exceed one percent (1%) of the rents included in this subsection. This additional tax shall be collected and administered in the same manner as the tax authorized by subsection (1)(b) of this section with the exception that this additional tax shall be used for the purpose of funding the purchase of development rights program provided for under KRS 67A.845.
- (6) Local governing bodies which have formed multicounty tourist and convention commissions as provided by KRS 91A.350(3) may impose an additional tax. This additional tax, if approved by each governing body, shall be collected and administered in the same manner as the tax authorized by subsection (1)(b) of this section, with the exception that this additional tax shall not be subject to a tax rate cap and shall be used for the purpose of funding regional efforts relating to:
 - (a) The promotion of tourist and convention business and convention centers; or
 - (b) The construction, maintenance, repair, renovation, improvement, expansion, acquisition, development, promotion, or operation of real property, personal property, or facilities within the jurisdiction of the multicounty tourist and convention commission in order to encourage tourism, visitation, recreation, or economic development.

In no event shall any revenues collected as provided for under KRS 91A.350(3) be utilized for the construction, renovation, maintenance, or additions to any convention center that is located outside the boundaries of the Commonwealth of Kentucky.

- (7) The commission, with the approval of the tax levying body, may borrow money to pay its obligations that cannot be paid at maturity out of current revenue from the transient room tax, but shall not borrow a sum greater than can be repaid out of the revenue anticipated from the transient room tax during the year the money is borrowed. The commission may pledge its securities for the repayment of any sum borrowed.
- (8) The fiscal court or legislative body of a consolidated local government or city

establishing a commission pursuant to KRS 91A.350(1) or (2) and, in its own name, a commission established pursuant to of KRS 91A.350(1) is authorized and empowered to issue revenue bonds pursuant to KRS Chapter 58 for public projects. Bonds issued for the purposes of KRS 91A.345 to 91A.394, may be used to pay any cost for the acquisition of real estate, the construction of buildings and appurtenances, the preparation of plans and specifications, and legal and other services incidental to the project or to the issuance of the bonds. The payment of the bonds, with interest, may be secured by a pledge of and a first lien on all of the receipts and revenue derived, or to be derived, from the rental or operation of the property involved. Bond and interest obligations issued pursuant to this section shall not constitute an indebtedness of the county, consolidated local government, or city. All bonds sold under the authority of this section shall be subject to competitive bidding as provided by law, and shall bear interest at a rate not to exceed that established for bonds issued for public projects under KRS Chapter 58.

- (9) A commission established pursuant to KRS 91A.350(3) is authorized and empowered to issue revenue bonds in its own name, payable solely from its income and revenue, pursuant to KRS Chapter 58 for revenue bonds for public projects. Bonds issued for the purposes of KRS 91A.345 to 91A.394, may be used to pay any cost for the acquisition of real estate, the construction of buildings and appurtenances, the preparation of plans and specifications, and legal and other services incidental to the project or to the issuance of the bonds. The payment of the bonds, with interest, may be secured by a pledge of and a first lien on all of the receipts and revenue derived, or to be derived, from the rental or operation of the property involved. Bond and interest obligations issued pursuant to this section shall not constitute an indebtedness of the county. All bonds sold pursuant to this section shall be subject to competitive bidding as provided by law, and shall not bear interest at rates exceeding those for bonds issued for public projects under KRS Chapter 58.

Effective: June 27, 2025

History: Amended 2025 Ky. Acts ch. 98, sec. 16, effective June 27, 2025; and ch. 109, sec. 4, effective June 27, 2025. -- Amended 2022 Ky. Acts ch. 212, sec. 19, effective January 1, 2023. -- Amended 2014 Ky. Acts ch. 38, sec. 1, effective August 1, 2014. -- Amended 2008 Ky. Acts ch. 178, sec. 26, effective July 15, 2008. -- Amended 2007 Ky. Acts ch. 95, sec. 27, effective March 23, 2007. -- Amended 2002 Ky. Acts ch. 167, sec. 1, effective July 15, 2002; and ch. 346, sec. 104, effective July 15, 2002. -- Amended 2000 Ky. Acts ch. 154, sec. 2, effective July 14, 2000; and ch. 344, sec. 5, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 372, sec. 8, effective July 15, 1998. -- Amended 1994 Ky. Acts ch. 505, sec. 1, effective July 15, 1994. -- Amended 1992 Ky. Acts ch. 56, sec. 3, effective July 14, 1992; and ch. 165, sec. 4, effective July 14, 1992. -- Amended 1990 Ky. Acts ch. 302, sec. 2, effective July 13, 1990. -- Amended 1986 Ky. Acts ch. 11, sec. 1, effective July 15, 1986. -- Amended 1974 Ky. Acts ch. 324, sec. 4. -- Amended 1970 Ky. Acts ch. 59, sec. 2. -- Created 1968 Ky. Acts ch. 138, sec. 3.

Formerly codified as KRS 83.350.

Legislative Research Commission Note (6/27/2025). This statute was amended by 2025 Ky. Acts chs. 98 and 109, which do not appear to be in conflict and have been codified together.