CHAPTER 109

(HB 552)

AN ACT relating to economic development.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 7 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky-Ireland Trade Commission of the General Assembly is hereby established. The purpose of the commission shall be to:

(a) Advance bilateral trade and investment between Kentucky and Ireland;

(b) Initiate joint action on policy issues of mutual interest to Kentucky and Ireland;

(c) Promote business and academic exchanges between Kentucky and Ireland;

(d) Encourage mutual economic development support between Kentucky and Ireland;

(e) Encourage mutual infrastructure investment in Kentucky and Ireland; and

(f) Address other issues as determined by the commission.

(2) The commission shall be composed of eleven (11) members. The manner of appointment and terms of the members shall be as follows:

(a) Four (4) members shall be appointed by the Governor, to serve for a term of four (4) years and until their successors are appointed. Three (3) of these members shall include:

1. One (1) member from a public postsecondary institution; and

2. Two (2) members representing the Irish-American community or interests, who shall not be members of the same political party;

(b) The president of the Kentucky Chamber of Commerce or his or her designee;

(c) Two (2) members of the Senate appointed by the President of the Senate and one (1) member of the Senate appointed by the Minority Floor Leader of the Senate, who have knowledge of or current or past involvement in organizations that promote Irish affairs or who have interest in the well-being of trade relations between Kentucky and Ireland; and

(d) Two (2) members of the House of Representatives appointed by the Speaker of the House of Representatives and one (1) member of the House of Representatives appointed by the Minority Floor Leader of the House of Representatives, who have knowledge of or current or past involvement in organizations that promote Irish affairs or who have interest in the well-being of trade relations between Kentucky and Ireland.

(3) The commission has authority to:

(a) Meet monthly upon agreement of the co-chairs;

(b) Seek comment, testimony, documents, records, or other information from various government agencies and organizations representing Irish affairs to identify policy issues of mutual interest to Kentucky and Ireland; and

(c) Provide research-driven policy proposals and actionable items when areas of development or improvement are identified.

(4) The President of the Senate and the Speaker of the House of Representatives shall each designate one (1) co-chair of the commission from among that chamber's members appointed to the commission.

(5) Any vacancy which may occur in the membership of the commission shall be filled within thirty (30) days, in the same manner as the original appointment, for the balance of the expired term.

(6) A majority of the entire membership of the commission shall constitute a quorum.

(7) All initial appointments to the commission shall be made no later than July 1, 2025. All initial legislative appointments shall remain until January 1, 2027. All subsequent appointments of legislative members shall be in January of each odd-numbered year.

(8) Each nonlegislative member shall be entitled to compensation for his or her service in an amount of one hundred dollars ($100) for each regularly scheduled meeting of the commission he or she attends, and shall be entitled to reimbursement for all necessary expenses in connection with the performance of his or her duties.

(9) The Legislative Research Commission shall have exclusive jurisdiction over the employment of personnel necessary to carry out this section.

(10) The commission shall report its findings and recommendations to the Governor and the Legislative Research Commission within one (1) year of its organizational meeting, and by December 1 of each year thereafter regarding any potential legislative or administrative actions with respect to their findings.

➔SECTION 2. A NEW SECTION OF KRS CHAPTER 45A IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

(a) "License agreement" means an agreement for a marina operator to use land owned or leased by the Commonwealth as a state marina;

(b) "Marina facilities" means buildings or structures at a marina used to access navigable waterways, store or dock boats, or provide services to boat owners including but not limited to docks, ramps, piers, stores, and restaurants, and refueling, washing, and repairing facilities;

(c) "Marina operator" means an owner of marina facilities at a state marina or an operator of a state marina; and

(d) "State marina" means a marina located on land owned or leased by the Commonwealth and that is considered to be part of the Kentucky Department of Parks.

(2) The Finance and Administration Cabinet may renew or extend a license agreement with a marina operator without otherwise complying with the provisions of this chapter, provided that the following criteria are met:

(a) The marina operator has fulfilled all of his or her obligations under the license agreement;

(b) The marina operator is in good standing with the Kentucky Department of Parks; and

(c) The Finance and Administration Cabinet determines, in writing, that it is in the best interest of the Commonwealth to enter into a license agreement with the marina operator.

➔Section 3. KRS 91A.360 is amended to read as follows:

(1) The commission established pursuant to KRS 91A.350(2) shall be composed of seven (7) members to be appointed, in accordance with the method used to establish the commission. Members of a commission established by joint action of the local governing bodies of a county and a city or cities located therein shall be appointed, jointly, by the chief executive officers of the local governing bodies that established the commission. Members of a commission established by separate action of the local governing body of a county or a city located therein shall be appointed separately by the chief executive officer of the local governing body that established the commission. The chief executive officer of a city shall mean the mayor and the chief executive officer of a county shall mean the county judge/executive. Appointments to a commission shall be made by the appropriate chief executive officer or officers in the following manner:

(a) Two (2) commissioners shall be appointed from a list of three (3) or more names submitted by the local city hotel and motel association and one (1) commissioner shall be appointed from a list of three (3) or more names submitted by the local county hotel and motel association, provided that if only one (1) local hotel and motel association exists which covers both the city and county, then three (3) commissioners shall be appointed from a list of six (6) or more names submitted by it. If no formal local city or county hotel and motel association is in existence upon the establishment of a commission or upon the expiration of the term of a commissioner appointed pursuant to this subsection, then up to three (3) commissioners shall be appointed by the appropriate chief executive officer or officers from persons residing within the ***county or city***~~[jurisdiction]~~ of the commission and representing local hotels or motels. A local city or county hotel and motel association shall not be required to be affiliated with

the Kentucky Hotel and Motel Association to be recognized as the official local city or county hotel and motel association***;***~~[.]~~

(b) One (1) commissioner shall be appointed from a list of three (3) or more names submitted by the local restaurant association or associations. If no formal local restaurant association or associations exist upon the establishment of a commission or upon the expiration of the term of a commissioner appointed pursuant to this subsection, then one (1) commissioner shall be appointed by the appropriate chief executive officer or officers from persons residing within the ***county or city***~~[jurisdiction]~~ of the commission and representing a local restaurant. A local restaurant association or associations shall not be required to be affiliated with the Kentucky Restaurant Association to be recognized as the official local restaurant association or associations***;***~~[.]~~

(c) One (1) commissioner shall be appointed from a list of three (3) or more names submitted by the chamber or chambers of commerce existing within those governmental units, which by joint or separate action have established the commission. If the commission is established by joint action of a county and a city or cities, then each chamber of commerce shall submit a list of three (3) names, and the chief executive officers of the participating governmental units shall jointly appoint one (1) commission member from the aggregate list. If no local chamber of commerce is in existence upon the establishment of a commission or upon the expiration of the term of a commissioner appointed pursuant to this subsection, then one (1) commissioner shall be appointed by the appropriate chief executive officer or officers from persons residing within the ***county or city***~~[jurisdiction]~~ of the commission and representing local businesses***; and***~~[.]~~

(d) Two (2) commissioners shall be appointed in the following manner:

1. By the chief executive officer of the county or city, if the commission has been established by separate action of a county or city; or

2. One (1) each by the chief executive officer of the county and by the chief executive officer of the most populous city participating in the establishment of the commission, if the commission has been established by joint action of a county and a city or cities.

(2) A candidate submitted for appointment to the commission, pursuant to subsection (1)(a) to ~~[(1)]~~(c) ***of this section***, shall be appointed by the appropriate chief executive officer or officers within thirty (30) days of the receipt of the required list or lists. Vacancies shall be filled in the same manner that original appointments are made.

(3) The commissioners shall be appointed for terms of three (3) years, provided, that in making the initial appointments, the appropriate chief executive officer or officers shall appoint two (2) commissioners for a term of three (3) years, two (2) commissioners for a term of two (2) years and three (3) commissioners for a term of one (1) year. There shall be no limitation on the number of terms to which a commissioner is reappointed. Subsequent appointments shall be for three (3) year terms.

(4) The commission shall elect from its membership a ***chair***~~[chairman]~~ and a treasurer, and may employ personnel and make contracts necessary to carry out the purpose of KRS 91A.345 to 91A.394. The contracts may include~~[,]~~ but shall not be limited to~~[,]~~ the procurement of promotional services, advertising services, and other services and materials relating to the promotion of tourist and convention business. Contracts of the type enumerated shall be made only with persons, organizations, and firms with experience and qualifications for providing promotional services and materials, such as advertising firms, chambers of commerce, publishers, and printers.

(5) The books of the commission and its account as established in KRS 91A.390(2) shall be audited as provided in KRS 65A.030. The independent certified public accountant or Auditor of Public Accounts shall make a report to the commission, to the associations submitting lists of names from which commission members are selected, to the appropriate chief executive officer or officers, to the~~[State]~~ Auditor of Public Accounts, and to the local governing body or bodies that established the commission that was audited. A copy of the audit report shall be made available by the commission to members of the public upon request and at no charge.

(6) A commissioner may be removed from office, by joint or separate action, of the appropriate chief executive officer or officers of the local governing body or bodies that established the commission, as provided by KRS 65.007.

(7) The commission shall comply with the provisions of KRS 65A.010 to 65A.090.

➔Section 4. KRS 91A.390 is amended to read as follows:

(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(2)(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(2)(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~~[, not to exceed one percent (1%) of the rents]~~. 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.

➔Section 5. KRS 154.90-010 is amended to read as follows:

(1) The Northern Kentucky Convention Center Corporation is hereby established to develop and manage the Northern Kentucky Convention Center. The corporation shall be attached to the Tourism, Arts and Heritage Cabinet for administrative purposes. The corporation shall be directed by a board consisting of ***eleven (11)***~~[seven (7)]~~ members appointed as follows:

(a) The county ***judges/executive***~~[judge/executives]~~ of Kenton, Campbell**,** and Boone Counties, with the approval of their respective fiscal courts, shall each appoint ***two (2) members***~~[one (1) member]~~ to the board~~[. An appointee under this subsection shall have demonstrated successful business experience in a field related to the convention business]~~;

(b) The mayor of the city within which the convention center is located shall appoint one (1) member, with the approval of the city commission; and

(c) The Governor shall appoint ***four (4)***~~[three (3)]~~ members.

(d) One (1) of the initial appointees of the Governor shall have a one (1) year term, one (1) shall have a two (2) year term, and one (1) shall have a three (3) year term. All other appointments, and all subsequent appointments by the Governor, shall be for four (4) year terms.

(e) Members may be removed by the appointing authority only for cause and after being afforded notice, a hearing, and a finding of fact by the appointing authority. A copy of charges, transcript of the record of the hearings, and findings of fact shall be filed with the Secretary of State.

(2) The Northern Kentucky Convention Center Corporation shall be a body corporate with full corporate powers. A quorum of the corporation shall consist of four (4) members, with a majority of members present authorized to act upon any matter legally before the corporation. Minutes and records shall be kept of all meetings of the corporation and all official actions shall be recorded.

(3) The corporation may enact bylaws concerning the election of officers and other administrative procedures it deems necessary.

Veto Overridden March 27, 2025.