

AN ACT relating to local transient room tax.

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

➔Section 1. KRS 91A.392 is amended to read as follows:

- (1) In addition to the three percent (3%) transient room tax authorized by KRS 91A.390 and the one percent (1%) transient room tax authorized by KRS 153.440, a consolidated local government, or the fiscal court in a county containing an authorized city, except those counties that are included in a multicounty tourist and convention commission under KRS 91A.350, may levy an additional transient room tax not to exceed two percent (2%) of the rent for every occupancy of a suite, room, or rooms charged by all persons, companies, corporations, or other similar persons, groups, or organizations doing business as motor courts, motels, hotels, inns, or similar accommodations businesses.
- (2) ***(a) Except as provided in paragraph (b) of this subsection,*** all money collected from the tax authorized by this section shall be applied toward the retirement of bonds issued pursuant to KRS 91A.390(8) to finance in part the expansion or construction or operation of a governmental or nonprofit convention center or fine arts center useful to the promotion of tourism located in the central business district of the consolidated local government or the authorized city located in the county.
 - (b) 1. When, in any fiscal year, the money collected from the tax authorized by this section exceeds the amount required to satisfy the annual debt service for the bond for that fiscal year, all or a portion of the excess amount collected for that fiscal year may be used to defray the costs to operate, renovate, or expand the governmental or nonprofit convention center or fine arts center described in paragraph (a) of this subsection, if an amount equal to one (1) year's required debt service is held in reserve to satisfy any future debt service obligations of the***

bond.

2. This paragraph shall not apply to the tax collected by a consolidated local government or a fiscal court in a county containing a city of the first class.

- (3) After the retirement of the bonds provided for in this section, the additional transient room tax levied pursuant to this section shall be void, and the consolidated local government or fiscal court shall take action to repeal the ordinance which levied the tax.
- (4) As used in this section, "authorized city" means a city of the first class and a city included on the registry maintained by the Department for Local Government under subsection (5) of this section.
- (5) On or before January 1, 2015, the Department for Local Government shall create and maintain a registry of cities that, as of August 1, 2014, were classified as cities of the second class. The Department for Local Government shall make the information included on the registry available to the public by publishing it on its Web site.

➔Section 2. This Act takes effect July 1, 2015.