

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2016 REGULAR SESSION**

MEASURE

2016 BR NUMBER 1211

HOUSE BILL NUMBER 441/GA

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE An ACT relating to transient room taxes imposed by urban-county governments.

SPONSOR Representative R. Palumbo

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: _____

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY _____ OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2015-2016	2016-2017	2017-2018	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES				
EXPENDITURES				
NET EFFECT				

() indicates a decrease/negative

MEASURE'S PURPOSE: HB 441 would allow an urban-county government to impose an additional transient room tax not to exceed 2.5% to provide funding for the direct expenditure for or repayment of debt associated with the renovation, expansion, or improvement of a convention center on or after the effective date of this Act.

PROVISIONS/MECHANICS: KRS 153.450 is amended to allow the levy of an additional 2.5% local transient room tax by an urban-county government, require the proceeds from the levy to be used only for the direct expenditure for, or repayment of debt associated with the renovation, expansion, or improvement of a convention center and require that the levy sunset upon completion the project and repayment of all associated debt.

FISCAL EXPLANATION: HB 441 will have no impact on the General Fund. Each percentage point increase is expected to generate \$1.6 million a year in local revenue, for a total of approximately \$4 million in additional local revenue each year.

DATA SOURCE(S): Herald-Leader article dated February 25, 2016

PREPARER: Charlotte T. Quarles **NOTE NUMBER:** 139 **REVIEW:** JRS **DATE:** 3/9/2016

LRC 2016-BR1211-HB441