

transient room tax of up to 2.5% to be used only to fund renovation, expansion or improvement of a convention center. The bill would therefore allow the Lexington-Fayette Urban County Government (LFUCG), the only urban-county government in the Commonwealth, to impose the additional tax in order to renovate, expand, or improve the Lexington Convention Center.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

HB 55 SCS1 imposes no mandate on local governments but would allow levying of a tax that would have a moderate to significant, positive fiscal impact on an urban county government.

According to the Lexington Convention and Visitors' Bureau, under current economic and other conditions, each percentage increase in the transient room tax generates approximately an additional \$1.6 million. HB 55 SCS1 would therefore allow, but not require, LFUCG to generate approximately an additional \$4 million each year to defray the costs of a project to renovate, expand, or improve the Lexington Convention Center.

Data Source(s): Kentucky Association of Counties, Lexington Convention and Visitors' Bureau, LRC staff

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