Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2016 Regular Session

Part I: Measure Information

Bill Request #: 156				
Bill #: HB 55 SCS 1				
Bill Subject/Title:	AN ACT relating to planning and zoning in consolidated local governments			
Sponsor: Representative Jim S. Wayne				
Unit of Government:	City Charter County	County Consolidated Local	X	Unified Local
Office(s) Impacted:	Revenues	Consolidated Eccur		Covernment
Requirement: Mandatory _X Optional				
Effect on Powers & Duties: X Modifies Existing Adds New Eliminates Existing				

Part II: Purpose and Mechanics

The purpose of HB 55 **as introduced** is to rebut challenges to the authority of small cities within a consolidated local government to regulate land use within their boundaries; for example, challenges to their authority to require nuisance abatement and to enforce local building permit processes. Section 1 of the bill, as introduced, would amend KRS 100.137 to remove the requirement that cities within a consolidated local government with a population equal to or greater than 3,000, or with a population less than 3,000 that regulated land use prior to January 1, 2014, "shall enact" legislation implementing or amending the comprehensive land use and zoning plan of the consolidated local government planning commission.

SCS1 to HB 55 contains none of the original provisions of the bill; SCS1 would amend KRS 153.450 to allow an urban county government to raise revenue to fund the renovation, expansion, or improvement of a convention center.

KRS 91A.390 currently authorizes an urban-county government to impose a transient room tax, i.e. on renting of hotel and motel rooms, etc. of up to 4%. HB SCS1 would amend KRS 153.450 to authorize an urban-county government to levy an additional

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 therefor 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

Preparer: Mary Stephens **Reviewer:** JWN **Date:** 4/15/16