

1 AN ACT relating to exempting houseboat rentals from transient room taxes.

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

3 ➔Section 1. KRS 91A.390 is amended to read as follows:

- 4 (1) (a) The commission shall annually submit to the local governing body or bodies  
5 which established it a request for funds for the operation of the commission.
- 6 (b) The local governing body or bodies shall include the commission in the  
7 annual budget and shall provide funds for the operation of the commission by  
8 imposing a transient room tax on the rent for every occupancy of a suite,  
9 room, rooms, cabins, lodgings, campsites, or other accommodations charged  
10 by any hotel, motel, inn, tourist camp, tourist cabin, campgrounds,  
11 recreational vehicle parks, or any other place in which accommodations are  
12 regularly furnished to transients for consideration or by any person that  
13 facilitates the rental of the accommodations by brokering, coordinating, or in  
14 any other way arranging for the rental of the accommodations as follows:
- 15 1. For a local governing body or bodies, other than an urban-county  
16 government, the tax rate shall not exceed three percent (3%); and
- 17 2. For an urban-county government, the tax rate shall not exceed four  
18 percent (4%).
- 19 (c) In addition to the three percent (3%) levy authorized by paragraph (b)1. of this  
20 subsection, the local governing body other than an urban-county government  
21 may impose a special transient room tax not to exceed one percent (1%) for  
22 the purposes of:
- 23 1. Meeting the operating expenses of a convention center; and
- 24 2. In the case of a consolidated local government, financing the renovation  
25 or expansion of a convention center that is government-owned and  
26 located in the central business district of the consolidated local  
27 government, except that if a consolidated local government imposes the

1 special transient room tax authorized under this paragraph on or after  
2 August 1, 2014, revenue derived from the levy shall not be used to meet  
3 the operating expenses of a convention center until any debt issued for  
4 financing the renovation or expansion of a government-owned  
5 convention center located in the central business district of the  
6 consolidated local government is retired.

7 (d) Transient room taxes shall not apply to:

8 1. Rooms, lodgings, campsites, or accommodations supplied for a  
9 continuous period of thirty (30) days or more to a person; or

10 2. *The rental of a houseboat as defined in KRS 235.410.*

11 (e) The local governing body or bodies that have established a commission by  
12 joint or separate action shall enact an ordinance for the enforcement of the tax  
13 measure enacted pursuant to this section and the collection of the proceeds of  
14 this tax measure on a monthly basis.

15 (2) All moneys collected pursuant to this section and KRS 91A.400 shall be maintained  
16 in an account separate and unique from all other funds and revenues collected, and  
17 shall be considered tax revenue for the purposes of KRS 68.100 and KRS 92.330.

18 (3) A portion of the money collected from the imposition of this tax, as determined by  
19 the tax levying body, upon the advice and consent of the tourist and convention  
20 commission, may be used to finance the cost of acquisition, construction, operation,  
21 and maintenance of facilities useful in the attraction and promotion of tourist and  
22 convention business, including projects described in KRS 154.30-050(2)(a). The  
23 balance of the money collected from the imposition of this tax shall be used for the  
24 purposes set forth in KRS 91A.350. Proceeds of the tax shall not be used as a  
25 subsidy in any form to any hotel, motel, inn, motor court, tourist camp, tourist  
26 cabin, campgrounds, recreational vehicle parks, or any other person furnishing  
27 accommodations, or restaurant, except as provided in KRS 154.30-050(2)(a)3.c.

1 Money not expended by the commission during any fiscal year shall be used to  
2 make up a part of the commission's budget for its next fiscal year.

3 (4) A county with a city of the first class may impose an additional tax, not to exceed  
4 one and one-half percent (1.5%) of the rent. This additional tax, if approved by the  
5 local governing body, shall be collected and administered in the same manner as the  
6 tax authorized by subsection (1)(b) of this section and shall be used for the purpose  
7 of funding additional promotion of tourist and convention business.

8 (5) An urban-county government may impose an additional tax, not to exceed one  
9 percent (1%) of the rents included in this subsection. This additional tax shall be  
10 collected and administered in the same manner as the tax authorized by subsection  
11 (1)(b) of this section with the exception that this additional tax shall be used for the  
12 purpose of funding the purchase of development rights program provided for under  
13 KRS 67A.845.

14 (6) Local governing bodies which have formed multicounty tourist and convention  
15 commissions as provided by KRS 91A.350(3) may impose an additional tax, not to  
16 exceed one percent (1%) of the rents. This additional tax, if approved by each  
17 governing body, shall be collected and administered in the same manner as the tax  
18 authorized by subsection (1)(b) of this section, with the exception that this  
19 additional tax shall be used for the purpose of funding regional efforts relating to  
20 the promotion of tourist and convention business and convention centers. In no  
21 event shall any revenues collected as provided for under KRS 91A.350(3) be  
22 utilized for the construction, renovation, maintenance, or additions to any  
23 convention center that is located outside the boundaries of the Commonwealth of  
24 Kentucky.

25 (7) The commission, with the approval of the tax levying body, may borrow money to  
26 pay its obligations that cannot be paid at maturity out of current revenue from the  
27 transient room tax, but shall not borrow a sum greater than can be repaid out of the

1 revenue anticipated from the transient room tax during the year the money is  
2 borrowed. The commission may pledge its securities for the repayment of any sum  
3 borrowed.

4 (8) The fiscal court or legislative body of a consolidated local government or city  
5 establishing a commission pursuant to KRS 91A.350(1) or (2) and, in its own name,  
6 a commission established pursuant to of KRS 91A.350(1) is authorized and  
7 empowered to issue revenue bonds pursuant to KRS Chapter 58 for public projects.  
8 Bonds issued for the purposes of KRS 91A.345 to 91A.394, may be used to pay any  
9 cost for the acquisition of real estate, the construction of buildings and  
10 appurtenances, the preparation of plans and specifications, and legal and other  
11 services incidental to the project or to the issuance of the bonds. The payment of the  
12 bonds, with interest, may be secured by a pledge of and a first lien on all of the  
13 receipts and revenue derived, or to be derived, from the rental or operation of the  
14 property involved. Bond and interest obligations issued pursuant to this section  
15 shall not constitute an indebtedness of the county, consolidated local government,  
16 or city. All bonds sold under the authority of this section shall be subject to  
17 competitive bidding as provided by law, and shall bear interest at a rate not to  
18 exceed that established for bonds issued for public projects under KRS Chapter 58.

19 (9) A commission established pursuant to KRS 91A.350(3) is authorized and  
20 empowered to issue revenue bonds in its own name, payable solely from its income  
21 and revenue, pursuant to KRS Chapter 58 for revenue bonds for public projects.  
22 Bonds issued for the purposes of KRS 91A.345 to 91A.394, may be used to pay any  
23 cost for the acquisition of real estate, the construction of buildings and  
24 appurtenances, the preparation of plans and specifications, and legal and other  
25 services incidental to the project or to the issuance of the bonds. The payment of the  
26 bonds, with interest, may be secured by a pledge of and a first lien on all of the  
27 receipts and revenue derived, or to be derived, from the rental or operation of the

1 property involved. Bond and interest obligations issued pursuant to this section  
2 shall not constitute an indebtedness of the county. All bonds sold pursuant to this  
3 section shall be subject to competitive bidding as provided by law, and shall not  
4 bear interest at rates exceeding those for bonds issued for public projects under  
5 KRS Chapter 58.

6 ➔Section 2. KRS 91A.392 is amended to read as follows:

7 (1) In addition to the three percent (3%) transient room tax authorized by KRS  
8 91A.390(1)(b), and the one percent (1%) transient room tax authorized by KRS  
9 153.440, a consolidated local government, or the fiscal court in a county containing  
10 an authorized city, except those counties that are included in a multicounty tourist  
11 and convention commission under KRS 91A.350, may levy an additional transient  
12 room tax not to exceed two percent (2%) of the rent for every occupancy of a suite,  
13 room, rooms, cabin, lodgings, campsites, or other accommodations charged by any  
14 hotel, motel, inn, tourist camp, tourist cabin, campgrounds, recreational vehicle  
15 parks, or other place in which accommodations are regularly furnished to transients  
16 for a consideration or by any person that facilitates the rental of the  
17 accommodations by brokering, coordinating, or in any other way arranging for the  
18 rental of the accommodations for consideration.

19 (2) The taxes imposed under this section shall not apply to:

20 (a) Rooms, lodgings, campsites, or accommodations supplied for a continuous  
21 period of thirty (30) days or more to a person; or

22 (b) *The rental of a houseboat as defined in KRS 235.410.*

23 (3) (a) Except as otherwise provided in paragraph (b) of this subsection, all money  
24 collected from the tax authorized by this section shall be applied toward the  
25 retirement of bonds issued pursuant to KRS 91A.390(8) to finance in part the  
26 expansion or construction or operation of a governmental or nonprofit  
27 convention center or fine arts center useful to the promotion of tourism

1 located in the central business district of the consolidated local government or  
2 the authorized city located in the county.

3 (b) 1. This paragraph shall apply to the tax levied pursuant to this section,  
4 prior to July 1, 2015, by a fiscal court of a county having a population  
5 between seventy-five thousand (75,000) and one hundred thousand  
6 (100,000) based on the 2010 federal decennial census.

7 2. When, in any fiscal year, the money collected from the tax authorized by  
8 this section exceeds the amount required to satisfy the annual debt  
9 service for the bond for that fiscal year, all or a portion of the excess  
10 amount collected for that fiscal year may be used to defray the costs to  
11 operate, renovate, or expand the governmental or nonprofit convention  
12 center or fine arts center described in paragraph (a) of this subsection, if  
13 an amount equal to one (1) year's required debt service is held in reserve  
14 to satisfy any future debt service obligations of the bond.

15 (4) After the retirement of the bonds provided for in this section, the additional  
16 transient room tax levied pursuant to this section shall be void, and the consolidated  
17 local government or fiscal court shall take action to repeal the ordinance which  
18 levied the tax.

19 (5) As used in this section, "authorized city" means a city of the first class and a city  
20 included on the registry maintained by the Department for Local Government under  
21 subsection (6) of this section.

22 (6) On or before January 1, 2015, the Department for Local Government shall create  
23 and maintain a registry of cities that, as of August 1, 2014, were classified as cities  
24 of the second class. The Department for Local Government shall make the  
25 information included on the registry available to the public by publishing it on its  
26 website~~[Web site]~~.

27 ➔Section 3. KRS 142.400 is amended to read as follows:

- 1 (1) As used in this section:
- 2 (a) "Person" has the same meaning as in KRS 91A.345; and
- 3 (b) "Rent" has the same meaning as in KRS 91A.345.
- 4 (2) A statewide transient room tax shall be imposed at a rate of one percent (1%) of the
- 5 rent for every occupancy of any suite, room, rooms, cabins, lodgings, campsites, or
- 6 other accommodations charged by any hotel, motel, inn, tourist camp, tourist cabin,
- 7 campgrounds, recreational vehicle parks, or other place in which accommodations
- 8 are regularly furnished to transients for a consideration or by any person that
- 9 facilitates the rental of the accommodations by brokering, coordinating, or in any
- 10 other way arranging for the rental of the accommodations for consideration.
- 11 (3) As used in this subsection, rent shall not include any other local or state taxes paid
- 12 by the person or entity renting the accommodations.
- 13 (4) The tax imposed by subsection (1) of this section shall not apply to:
- 14 (a) Rooms, lodgings, campsites, or accommodations supplied for a continuous
- 15 period of thirty (30) days or more to a person; or
- 16 (b) *The rental of a houseboat as defined in KRS 235.410.*
- 17 ➔Section 4. KRS 153.440 is amended to read as follows:
- 18 (1) As used in this section and KRS 153.450:
- 19 (a) "Person" has the same meaning as in KRS 91A.345; and
- 20 (b) "Rent" has the same meaning as in KRS 91A.345.
- 21 (2) In addition to the three percent (3%) transient room tax authorized by KRS
- 22 91A.390(1)(b), fiscal courts in counties containing cities of the first class or
- 23 consolidated local governments may levy an additional transient room tax not to
- 24 exceed one percent (1%) of the rent for every occupancy of a suite, room, rooms,
- 25 cabins, lodgings, campsites, or other accommodations charged by any hotel, motel,
- 26 inn, tourist camp, tourist cabins, campgrounds, recreational vehicle parks, or other
- 27 place in which accommodations are regularly furnished to transients for a

1 consideration or by any person that facilitates the rental of the accommodations by  
2 brokering, coordinating, or in any other way arranging for the rental of the  
3 accommodations for consideration.

4 (3) The tax imposed under this section shall not apply to:

5 (a) Rooms, lodgings, campsites, or accommodations supplied for a continuous  
6 period of thirty (30) days or more to a person; or

7 (b) *The rental of a houseboat as defined in KRS 235.410.*

8 (4) All moneys collected from the tax authorized by this section shall be turned over to  
9 the Kentucky Center for the Arts Corporation and shall be used to defray operating  
10 costs of the Kentucky Center for the Arts.

11 ➔Section 5. KRS 153.450 is amended to read as follows:

12 (1) In addition to the four percent (4%) transient room tax authorized by KRS  
13 91A.390(1)(b)2., an urban-county government may levy an additional transient  
14 room tax not to exceed two percent (2%) of the rent for every occupancy of a suite,  
15 room, rooms, cabins, lodgings, campsites, or other accommodations charged by any  
16 hotel, motel, inn, tourist camp, tourist cabin, campgrounds, recreational vehicle  
17 parks, or other place in which accommodations are regularly furnished to transients  
18 for a consideration or by any person that facilitates the rental of the  
19 accommodations by brokering, coordinating, or in any other way arranging for the  
20 rental of the accommodations for consideration.

21 (2) All additional moneys collected from the tax authorized by subsection (1) of this  
22 section shall be applied toward the retirement of bonds used to finance a nonprofit  
23 corporation which is created for the funding, construction, and management of a  
24 convention center in an urban-county, and to defray the operating costs of the  
25 nonprofit corporation.

26 (3) (a) As used in this subsection, "project" means the renovation, expansion, or  
27 improvement of a convention center on or after July 15, 2016.



1 (b) In addition to the levy authorized by subsection (1) of this section, an urban-  
2 county government may levy an additional transient room tax not to exceed  
3 two and one-half percent (2.5%) to provide funding for a project.

4 (c) Proceeds from the levy shall be used only for the direct expenditure for, or  
5 repayment of debt associated with, the project.

6 (d) The levy shall sunset upon completion of the project and repayment of all  
7 associated debt.

8 (4) The taxes imposed under this section shall not apply to:

9 (a) Rooms, lodgings, campsites, or accommodations supplied for a continuous  
10 period of thirty (30) days or more to a person; or

11 (b) *The rental of a houseboat as defined in KRS 235.410.*