

KENTUCKY GENERAL ASSEMBLY AMENDMENT FORM  
2025 REGULAR SESSION  
**Unofficial Document**

Amend printed copy of **SB 61/GA**

By inserting on page 2, after line 23 the following:

"➔SECTION 2. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

**(1) As used in this section, unless the context otherwise requires:**

**(a) "Local government" means a city, county, urban-county government, charter county government, unified local government, or consolidated local government;**

**(b) "Owner" means a person that has an interest in title or a present possessory interest in property that is offered to the public as a short-term rental; and**

**(c) "Short-term rental" means the rental of a dwelling unit or part of a dwelling unit, other living or sleeping space, an accessory dwelling unit, or any other space made available for rent for terms of less than thirty (30) consecutive days at a time.**

**(2) A local government shall not restrict the use of property as a short-term rental, including via ordinance, regulation, or any other means if the property is offered to the public for rent as a short-term rental for less than thirty (30) days per calendar year.**

**(3) A local government may require the owner of a short-term rental, other than one offered to the public for rent as a short-term rental for less than thirty (30) days per calendar year, to obtain a conditional use permit or other form of approval to operate the short-term rental, but the local government shall:**

Amendment No. HFA

Rep. Rep. Lindsey Burke

Committee Amendment \_\_\_\_\_

Signed:  \_\_\_\_\_

Floor Amendment \_\_\_\_\_

LRD Drafter: \_\_\_\_\_

Adopted: \_\_\_\_\_

Date: \_\_\_\_\_

Rejected: \_\_\_\_\_

Doc. ID: XXXX

**Not for Filing**

- (a) Not restrict the number of applicants or approvals issued;
- (b) Provide instructions and a copy of the application on a website maintained by the local government;
- (c) Render a final decision within thirty (30) days of receipt of an application; and
- (d) Grant approval unless the local government has demonstrated that the short-term rental would have a significant negative impact on:
1. Protection of the public's health and safety related to:
    - a. Fire and building safety;
    - b. Sanitation;
    - c. Transportation;
    - d. Traffic; or
    - e. Pollution control; or
  2. Residential uses and zoning related to:
    - a. Noise;
    - b. Protection of welfare;
    - c. Property maintenance; or
    - d. Nuisance issues.
- (4) Any local government that uses a permitting or approval process as described in subsection (3) of this section, shall only deny a permit or approval on the basis that granting the permit or approval would cause negative community impacts such as those listed in subsection (3)(d)1. and (3)(d)2. to arise. Any permitting or approval process shall allow for a person seeking a permit or approval to appeal a final decision to the local government.
- (5) This section shall not be construed to prohibit a local government from otherwise adopting or enforcing ordinances or regulations regulating or restricting short-term

rentals, other than those offered to the public for rent as short-term rentals for less than thirty (30) days per calendar year. A local government may adopt ordinances or regulations, subject to the provisions of this subsection, concerning short-term rentals that:

(a) Require the owners of short-term rentals to register with the local government;

(b) Impose reasonable fees on short-term rentals;

(c) Impose authorized taxes, including transient room taxes, on short-term rentals;

(d) Limit the number of occupants that may use a short-term rental;

(e) Limit the age of those who may occupy a short-term rental;

(f) Require the owner or operator of a short-term rental to obtain insurance associated with the short-term rental; or

(g) Require the owner or operator of a short-term rental to renew a conditional use permit or other form of approval on an annual basis.

(6) A local government shall have the power to enforce other duly enacted ordinances or regulations applicable to all dwellings as to short-term rentals.

(7) A local government may revoke a conditional use permit or other form of approval for a short-term rental due to noncompliance with an ordinance described in subsection (5) of this section or if the local government has demonstrated that the short-term rental has had a significant negative impact on public health, safety, or general welfare. The owner of a short-term rental subject to revocation pursuant to this subsection shall be entitled to due process.

(8) This section shall not be construed to affect, prohibit, preempt, or render unenforceable any property or use restrictions contained in the properly enacted rules or regulations of a homeowners association, condominium association, or other similar property owner association or cooperative.

# Unofficial Document

**(9) Any local ordinance that conflicts with the provisions of this section shall be null, void, and unenforceable.**

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

(1) As used in **Sections 3 to 7 of this Act**~~[this section]~~:

(a) **"Department" means the Department of Revenue;**

**(b)** "Person" has the same meaning as in KRS 91A.345; and

**(c)**~~(b)~~ "Rent" has the same meaning as in KRS 91A.345.

(2) **(a)** A statewide transient room tax shall be imposed at a rate of one percent (1%) of the rent for every occupancy of any suite, room, rooms, cabins, lodgings, campsites, or other accommodations charged by any hotel, motel, inn, tourist camp, tourist cabin, campgrounds, recreational vehicle parks, or other place in which accommodations are regularly furnished to transients for a consideration.

**(b)** ~~If or by~~ any person ~~that~~ facilitates the rental of the accommodations **subject to tax imposed under paragraph (a) of this subsection** by brokering, coordinating, or in any other way arranging for the rental of the accommodations for consideration **that person is responsible for collecting and remitting the tax imposed under this subsection.**

**(3) (a)** **A surtax shall be imposed in addition to the tax levied in subsection (2) of this section at the rate of one percent (1%) of the rent charged by the owner of the property.**

**(b)** **If any person facilitates the rental of the accommodations subject to tax imposed under paragraph (a) of this subsection by brokering, coordinating, or in any other way arranging for the rental of the accommodations for consideration that person is responsible for collecting and remitting the surtax imposed under this subsection.**

# Unofficial Document

**(c) The surtax shall not be imposed on the rental of accommodations charged by any hotel, motel, inn, tourist camp, tourist cabin, campground, or recreational vehicle park.**

**(d) All tax receipts from the surtax imposed under this subsection shall be deposited in the affordable housing trust fund established in KRS 198A.710 to provide additional resources to fund the activities outlined in KRS 198A.715.**

~~(4)(3)~~ As used in this ~~section~~~~[subsection]~~, rent shall not include any other local or state taxes paid by the person or entity renting the accommodations.

~~(5)(4)~~ The tax imposed by subsection ~~(2)(1)~~ of this section **and the surtax imposed by subsection (3) of this section** shall not apply to ~~rentals~~~~[rooms, lodgings, campsites, or accommodations supplied]~~ for a continuous period of thirty (30) days or more to a person.

➔Section 4. KRS 142.402 is amended to read as follows:

- (1) On or before the twentieth day of every month, a taxpayer subject to the tax provided in **subsection (2) of Section 3 of this Act and the surtax provided in subsection (3) of Section 3 of this Act**~~[KRS 142.400]~~ shall submit a return and the ~~taxes~~~~[tax]~~ due for the preceding month to the ~~department~~~~[Department of Revenue]~~, in a form prescribed by the department. To facilitate administration, the department may permit or require returns or tax payments for other periods. Upon written request received on or before the due date, the department may extend the filing or tax payment due date up to thirty (30) days.
- (2) The ~~department~~~~[Department of Revenue]~~ shall examine and audit each return as soon as practicable after it is received. If the tax computed by the department is greater than the tax paid by the taxpayer, the department shall assess the excess within four (4) years from the filing deadline, including any extensions granted. If the taxpayer failed to file a return or filed a fraudulent return, then the excess may be assessed at any time.
- (3) A taxpayer may request a refund or credit for any overpayment of tax under **subsection (2)**

of Section 3 of this Act~~[KRS 142.400]~~ within four (4) years after the tax due date, including any extensions granted. The request shall be made to the department~~[Department of Revenue]~~ in writing and shall state the amount requested, the applicable period, the basis for the request, and any other information the department reasonably requires.

- (4) Any tax not paid on or before its due date shall bear interest at the tax interest rate provided in KRS 131.183 from the date due until the date of payment. If an extension is granted, and the tax is not paid within the extension period, then interest shall accrue from the original due date.

➔Section 5. KRS 142.404 is amended to read as follows:

Notwithstanding any other provision of law to the contrary, the president, vice president, secretary, treasurer, manager, partner, or any other person holding any equivalent office or position in any corporation, limited liability company, limited liability partnership, or limited liability limited partnership subject to KRS 142.400 and 142.402 shall be personally and individually liable, both jointly and severally, for the tax imposed under subsection (2) of Section 3 of this Act and the surtax imposed under subsection (3) of Section 3 of this Act~~[KRS 142.400]~~. Dissolution, withdrawal of the corporation, limited liability company, limited liability partnership, or limited liability limited partnership from the state, or the cessation of holding any office shall not discharge the liability of any person. The liability shall attach at the time the tax or surtax becomes or became due. No person shall be held liable under this section if the person did not have authority to collect, truthfully account for, or pay over the tax or surtax at the time it became due. "Taxes" as used in this section shall include interest accrued under KRS 131.183 and all applicable penalties imposed under this chapter or KRS 131.180, 131.410 to 131.445, and 131.990.

➔Section 6. KRS 142.406 is amended to read as follows:

- (1) There is hereby created and established in the State Treasury a trust and agency account to

# Unofficial Document

be known as the tourism, meeting, and convention marketing fund. The fund shall be administered by the Tourism, Arts and Heritage Cabinet, with the approval of the Governor's Office for Policy and Management.

- (2) All tax receipts from the tax imposed under subsection (2) of Section 3 of this Act~~[KRS 142.400]~~ shall be deposited into the tourism, meeting, and convention marketing fund, and shall be used~~[appropriated]~~ for the purposes set forth in subsection (3) of this section. The fund shall also contain any other money contributed, allocated, or appropriated to it from any other source. Money in the fund shall be invested by the Finance and Administration Cabinet in instruments authorized under KRS 42.500. Investment proceeds shall be deposited to the credit of the fund. Money in the fund shall not lapse but shall be carried forward to the next fiscal year or biennium.
- (3) The tourism, meeting, and convention marketing fund shall be used for the sole purpose of marketing and promoting tourism in the Commonwealth including expenditures to market and promote events and venues related to meetings, conventions, trade shows, cultural activities, historical sites, recreation, entertainment, natural phenomena, areas of scenic beauty, craft marketing, and any other economic activity that brings tourists and visitors to the Commonwealth. Marketing and promoting tourism shall not include expenditures on capital construction projects.
- (4) By September 1 of each year, the secretary of the Tourism, Arts and Heritage Cabinet shall report to the Governor and the Legislative Research Commission concerning the receipts, expenditures, and carryforwards of the fund for the preceding fiscal year.

➔Section 7. KRS 198A.190 is amended to read as follows:

The corporation is authorized to accept and expend such moneys as may be appropriated from time to time by the General Assembly or such moneys as may be received from any source including the statewide transient room surtax imposed under subsection (3) of Section 3 of this

# Unofficial Document

---

**Act.** income from the corporation's operations, for effectuating its corporate purposes including, without limitation, the payment of the initial expenses of administration and operation and the establishment of a reserve or contingency fund to be available for the payment of the principal of and the interest on any bonds or notes of the corporation.".