

1 AN ACT relating to local 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 rooms, lodgings, campsites, or
 8 accommodations supplied for a continuous period of thirty (30) days or more
 9 to a person.

10 (e) **1.** The local governing body or bodies that have established a commission
 11 by joint or separate action **or enacted a tax measure pursuant to this**
 12 **section or Section 2, 4, or 5 of this Act** shall enact an ordinance for the
 13 enforcement of **each**~~the~~ tax measure enacted **in accordance with:**~~[~~
 14 ~~pursuant to]~~

15 **a.** This section **or Section 2, 4, or 5 of this Act; and**

16 **b.** **Section 3 of this Act.**

17 **2.** **Prior to August 1, 2026, the ordinance shall provide for**~~and~~ the
 18 collection of the proceeds of this tax measure on a monthly basis.

19 **3.** **On and after August 1, 2026, the local ordinance shall provide for the**
 20 **collection of transient room taxes:**

21 **a.** **On a monthly basis, for a person that provides the**
 22 **accommodations, except as provided in subdivision b. of this**
 23 **subparagraph; and**

24 **b.** **On a quarterly basis, based on calendar year quarters, for a**
 25 **person that facilitates the rental of the accommodations by**
 26 **brokering, coordinating, or in any other way arranging for the**
 27 **rental of the accommodations.**

1 **4. The taxes reported shall be due on or before the twentieth day of the**
2 **next succeeding month following the end of the:**

3 **a. Month, for filers under subparagraph 3.a. of this paragraph; or**

4 **b. Calendar quarter, for filers under subparagraph 3.b. of this**
5 **paragraph.**

6 **(f) The person that collects the rent for the accommodation shall be the party**
7 **solely responsible for collecting, reporting, and remitting a tax authorized**
8 **by this section.**

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

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

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

- 1 of funding additional promotion of tourist and convention business.
- 2 (5) An urban-county government may impose an additional tax, not to exceed one
3 percent (1%) of the rents included in this subsection. This additional tax shall be
4 collected and administered in the same manner as the tax authorized by subsection
5 (1)(b) of this section with the exception that this additional tax shall be used for the
6 purpose of funding the purchase of development rights program provided for under
7 KRS 67A.845.
- 8 (6) Local governing bodies which have formed multicounty tourist and convention
9 commissions as provided by KRS 91A.350(3) may impose an additional tax, not to
10 exceed one percent (1%) of the rents. This additional tax, if approved by each
11 governing body, shall be collected and administered in the same manner as the tax
12 authorized by subsection (1)(b) of this section, with the exception that this
13 additional tax shall be used for the purpose of funding regional efforts relating to
14 the promotion of tourist and convention business and convention centers. In no
15 event shall any revenues collected as provided for under KRS 91A.350(3) be
16 utilized for the construction, renovation, maintenance, or additions to any
17 convention center that is located outside the boundaries of the Commonwealth of
18 Kentucky.
- 19 (7) The commission, with the approval of the tax levying body, may borrow money to
20 pay its obligations that cannot be paid at maturity out of current revenue from the
21 transient room tax, but shall not borrow a sum greater than can be repaid out of the
22 revenue anticipated from the transient room tax during the year the money is
23 borrowed. The commission may pledge its securities for the repayment of any sum
24 borrowed.
- 25 (8) The fiscal court or legislative body of a consolidated local government or city
26 establishing a commission pursuant to KRS 91A.350(1) or (2) and, in its own name,
27 a commission established pursuant to of KRS 91A.350(1) is authorized and

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

13 (9) A commission established pursuant to KRS 91A.350(3) is authorized and
14 empowered to issue revenue bonds in its own name, payable solely from its income
15 and revenue, pursuant to KRS Chapter 58 for revenue bonds for public projects.
16 Bonds issued for the purposes of KRS 91A.345 to 91A.394, may be used to pay any
17 cost for the acquisition of real estate, the construction of buildings and
18 appurtenances, the preparation of plans and specifications, and legal and other
19 services incidental to the project or to the issuance of the bonds. The payment of the
20 bonds, with interest, may be secured by a pledge of and a first lien on all of the
21 receipts and revenue derived, or to be derived, from the rental or operation of the
22 property involved. Bond and interest obligations issued pursuant to this section
23 shall not constitute an indebtedness of the county. All bonds sold pursuant to this
24 section shall be subject to competitive bidding as provided by law, and shall not
25 bear interest at rates exceeding those for bonds issued for public projects under
26 KRS Chapter 58.

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

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

14 (b) *The person that collects the rent for the accommodation shall be the party*
15 *solely responsible for collecting, reporting, and remitting a tax authorized*
16 *by this section.*

17 (2) The taxes imposed under this section shall not apply to rooms, lodgings, campsites,
18 or accommodations supplied for a continuous period of thirty (30) days or more to a
19 person.

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

27 (b) 1. This paragraph shall apply to the tax levied pursuant to this section,

1 prior to July 1, 2015, by a fiscal court of a county having a population
2 between seventy-five thousand (75,000) and one hundred thousand
3 (100,000) based on the 2010 federal decennial census.

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

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

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

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

24 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 91A.345 to 91A.394 IS
25 CREATED TO READ AS FOLLOWS:

26 **(1) Before August 1, 2025, each local governing body that imposes a local transient**
27 **room tax as provided in Section 1, 2, 4, or 5 of this Act, shall submit to the**

1 Secretary of State an electronic or hard copy of its:

2 (a) Local transient room tax return and the accompanying instructions;

3 (b) Local transient room tax ordinance; and

4 (c) The name of the local governing body imposing the tax and its contact
5 information, including the title of the person who administers the tax, the
6 physical mailing address, email address, and a working telephone number
7 for the local governing body.

8 (2) After August 1, 2025, each local governing body shall submit the following to the
9 Secretary of State an electronic or hard copy:

10 (a) The information required in subsection (1) (a), (b), and (c) for a newly
11 levied local transient room tax, within sixty (60) days of the passage date of
12 the ordinance;

13 (b) For a change in rate, the updated local transient room ordinance showing
14 the new rate within thirty (30) days of the change; and

15 (c) Notification procedures for a change in the contact information required in
16 subsection (1)(c) of this section within thirty (30) days of the change.

17 (3) On or before August 1, 2026, the Secretary of State shall prescribe, through
18 promulgation of an administrative regulation in accordance with KRS Chapter
19 13A:

20 (a) A standard local transient room tax return;

21 (b) Acceptable methods that may be used for electronically submitting the
22 standard local transient room tax return to the local governing body; and

23 (c) Acceptable methods that may be used for electronically submitting the local
24 transient room tax to the local governing body.

25 (4) The Secretary of State shall develop and update as necessary a set of instructions
26 on the completion of the standard return to ensure the proper payment of the tax
27 to each governing body.

- 1 (5) (a) On or before September 1, 2026, the Secretary of State shall include the
2 following information on the one-stop business portal or another public
3 website maintained by that office:
- 4 1. The administrative regulation promulgated in subsection (3) of this
5 section, in the form of a website link or other reference to the
6 administrative regulation;
 - 7 2. The instructions for the return required in subsection (4) of this
8 section;
 - 9 3. The names of the local governing bodies imposing a local transient
10 room tax;
 - 11 4. For each name listed in subparagraph 3. of this paragraph, the
12 contact information, including the title of the person who administers
13 the tax, the physical mailing address, email address, and a working
14 telephone number;
 - 15 5. The rate for each of the local transient room taxes imposed by each
16 specific local governing body;
 - 17 6. The website link or an upload of the local ordinance authorizing the
18 levy of the local transient room tax or taxes;
 - 19 7. Electronic links that may be used to electronically file the local
20 transient room tax return with each local governing body; and
 - 21 8. Electronic links that may be used to electronically pay the local
22 transient room return with each local governing body, if available.
- 23 (b) The Secretary of State shall update the one-stop business portal or another
24 public website maintained by that office in sixty (60) days or less after the
25 receipt of an updated ordinance, a new or amended transient room tax rate,
26 or other information as required in this section from a local governing
27 body.

1 **(6) All governing bodies that impose a local transient room tax as provided in Section**
2 **1, 2, 4, or 5 of this Act shall, by ordinance:**

3 **(a) Accept and adopt the standard local transient room tax return;**

4 **(b) Establish the method or methods that may be used for electronically**
5 **submitting and filing the standard local transient room tax return; and**

6 **(c) Establish the method or methods that may be used for electronically**
7 **submitting the local transient room tax to its local governing body.**

8 **(7) On or after September 1, 2026, a person that facilitates the rental of the**
9 **accommodations by brokering, coordinating, or in any other way arranging for**
10 **the rental of the accommodations shall not be required to collect, report, and**
11 **remit the tax to the local governing body until the Secretary of State publishes the**
12 **information required in this section for at least sixty (60) days.**

13 **(8) This section shall not be interpreted to authorize the collection of any local tax**
14 **revenues by the state government or any agency of the state.**

15 ➔Section 4. KRS 153.440 is amended to read as follows:

16 (1) As used in this section and KRS 153.450:

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

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

19 (2) **(a)** In addition to the three percent (3%) transient room tax authorized by KRS
20 91A.390(1)(b), fiscal courts in counties containing cities of the first class or
21 consolidated local governments may levy an additional transient room tax not
22 to exceed one percent (1%) of the rent for every occupancy of a suite, room,
23 rooms, cabins, lodgings, campsites, or other accommodations charged by any
24 hotel, motel, inn, tourist camp, tourist cabins, campgrounds, recreational
25 vehicle parks, or other place in which accommodations are regularly furnished
26 to transients for a consideration or by any person that facilitates the rental of
27 the accommodations by brokering, coordinating, or in any other way

1 arranging for the rental of the accommodations for consideration.

2 **(b) The person that collects the rent for the accommodation shall be the party**
3 **solely responsible for collecting, reporting, and remitting a tax authorized**
4 **by this section.**

5 (3) The tax imposed under this section shall not apply to rooms, lodgings, campsites, or
6 accommodations supplied for a continuous period of thirty (30) days or more to a
7 person.

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) **(a)** 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
14 transient room tax not to exceed two percent (2%) of the rent for every
15 occupancy of a suite, room, rooms, cabins, lodgings, campsites, or other
16 accommodations charged by any hotel, motel, inn, tourist camp, tourist cabin,
17 campgrounds, recreational vehicle parks, or other place in which
18 accommodations are regularly furnished to transients for a consideration or by
19 any person that facilitates the rental of the accommodations by brokering,
20 coordinating, or in any other way arranging for the rental of the
21 accommodations for consideration.

22 **(b) The person that collects the rent for the accommodation shall be the party**
23 **solely responsible for collecting, reporting, and remitting a tax authorized**
24 **by this section.**

25 (2) All additional moneys collected from the tax authorized by subsection (1) of this
26 section shall be applied toward the retirement of bonds used to finance a nonprofit
27 corporation which is created for the funding, construction, and management of a

1 convention center in an urban-county, and to defray the operating costs of the
2 nonprofit corporation.

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

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

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

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

12 (4) The taxes imposed under this section shall not apply to rooms, lodgings, campsites,
13 or accommodations supplied for a continuous period of thirty (30) days or more to a
14 person.

15 ➔Section 6. This Act takes effect on July 1, 2025.