Local Government Mandate Statement Kentucky Legislative Research Commission 2023 Regular Session

Part I: Measure Information

Bill Request #: 832
Bill #: HB 420
Document ID #: 4281
Bill Subject/Title: AN ACT relating to exempting houseboat rentals from transient room taxes.
Sponsor: Representative Chris Freeland
Unit of Government:XCityXCountyXUrban-CountyXCharter CountyXConsolidated LocalXGovernment
Office(s) Impacted: Transient Tax Office or Collector
Requirement: X Mandatory Optional
Effect on Powers & Duties: Modifies ExistingX_ Adds New Eliminates Existing

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

HB 420 exempts houseboat rentals from transient room taxes:

For local governments, other than urban-county government and consolidated local governments, the transient tax is not to exceed three percent (3%). In addition to the three percent transient room tax authorized by KRS 91A.390 and the one percent transient room tax authorized by KRS 153.440, a consolidated local government, or the fiscal court in a county containing an authorized city, except those counties that are included in a multicounty tourist and convention commission under KRS 91A.350, may levy an additional transient room tax not to exceed two percent of the rent for every occupancy of a suite, room, or rooms charged by all persons, companies, corporations, or other similar persons, groups, or organizations doing business as motor courts, motels, hotels, inns, or similar accommodations businesses.

The fiscal impact of HB 420 on local governments is indeterminable. Although we can verify the number of houseboats registered in Kentucky, we do not know how many are currently or might be used as short-term rentals. Additionally, a significant number of these boats may not be titled or registered in Kentucky, their owners opting to document their vessels with the Coast Guard. Furthermore, we can't assume that the county of registration is or will be the county of rental.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II refers to HB 420 as introduced. There are no prior versions.

Data Source(s): <u>LRC Staff</u>

Preparer:WB (RB)Reviewer:Date: