

ORDINANCE NO. _____, SERIES 2022

AN ORDINANCE CREATING NEW SECTIONS OF CHAPTER 121 OF THE LOUISVILLE METRO CODE OF ORDINANCES (“LMCO”) RELATING TO HOTELS, MOTELS AND SIMILAR BUSINESSES, AND ESTABLISHING A YOUTH HOUSING FUND IN LMCO CHAPTER 40 TO RECEIVE FINES COLLECTED FOR VIOLATIONS OF THE NEW SECTIONS OF CHAPTER 121 (AS AMENDED).

SPONSORED BY: COUNCIL MEMBERS GEORGE AND FLOOD

WHEREAS, Metro Louisville’s access to multiple major interstates creates the opportunity for human trafficking;

WHEREAS, hotels and motels that allow for the hourly rental of rooms lend themselves to human trafficking, drug trafficking, prostitution, and other criminal activities; and

WHEREAS, in an effort to combat the use of hotel and motel accommodations for criminal activity, Metro Council seeks to institute a hourly rental prohibition.

NOW, THEREFORE, BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT AS FOLLOWS:

SECTION I: LMCO Chapter 121 is amended to include the subtitles specified herein:

Sections 121.01 to 121.06 should appear under the subtitle “**Transient Room Taxation**”; and

Sections 121.10 to 121.12 should appear under the subtitle “**Hourly Rental Ban**”.

SECTION II: A new section of LMCO is hereby created as follows:

§ 121.10 Definitions

For the purposes of Sections 121.10 to 121.12, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

HOTEL. Any public or private space or structure, including but not limited to, any hotel, motel, inn, bed and breakfast inn, boarding house, lodging house, or short-term rental offering sleeping accommodations or temporary lodging in exchange for rent and for a period of less than 30 consecutive days. Hotel does not include living accommodations provided at any governmental or nonprofit institution in connection with the functions of that institution.

HOUSING VOUCHER. A voucher, certificate, or coupon for lodging issued individually or jointly by any agency or authority of the following:

(1) the federal government;

(2) the Commonwealth of Kentucky or another state;

(3) a county;

(4) a municipality; or

(5) a non-profit entity that issues vouchers, certificates, or coupons for lodging to individuals or families.

OPERATOR. Any person who has the right to rent rooms within the hotel, whether in the capacity of owner, manager, lessee, franchisee, licensee, or in any other managerial capacity.

RENT. The consideration charged, whether or not received, for the occupancy of a room in a hotel, whether to be received in money, goods, housing vouchers, labor or otherwise.

ROOM. Any portion of a hotel which is designed or intended for occupancy by a person for temporary lodging or sleeping purposes.

SECTION III: A new section of LMCO is hereby created as follows:

§ 121.11 Rental for fewer than 12 hours prohibited

(A) It shall be unlawful for a hotel, hotel operator or hotel employee to:

(1) Charge an hourly rate for a room or to otherwise charge rent for a room for a period of fewer than twelve hours; or

(2) Offer a discount or rebate for early checkout from a room within a twelve hour period.

(B) The provisions of this section shall not apply to:

(1) The rental of rooms for the holding of conventions or meetings for the conduct of lawful business;

(2) The rental of rooms by a patient and/or the patient's family members accessing outpatient care at a medical facility;

(3) The rental of rooms to any person with a valid housing voucher; or

(4) The rental of rooms for air transit or vehicle transit layovers.

SECTION IV: A new section of LMCO is hereby created:

§ 121.12 Enforcement and penalty

(A) Any person who violates the provisions of Section 121.11 shall be subject to citation issued by any law enforcement officer and/or Code Enforcement officer.

Violations shall be deemed a civil offense, punishable by a civil penalty of \$500. Citations shall be enforced through the Code Enforcement Board as provided in §§ 32.275 et seq., or as it may be amended.

(B) (1) For any offense committed by a hotel employee at any time, or for a first offense within a 12-month period committed by a hotel operator, a civil penalty of \$500 shall be issued.

(2) After an initial final order for a first offense within a 12-month period committed by a hotel operator has been entered by the Code Enforcement Board, a second offense by a hotel operator within 12 months of the date of the first offense is punishable by a civil penalty of \$1000.

(3) After an initial final order for the second offense by a hotel operator within a 12-month period is entered, a third or subsequent offense by a hotel operator within 12 months of the date of the first offense is punishable by a civil penalty of \$1500.

~~(C)(B)~~ Once a non-appealable final order is issued by the Code Enforcement Board, all each civil penalty ~~fin~~ fine collected pursuant to this section shall be allocated directly to the Youth Housing Fund established in LMCO 40.30.

SECTION V: A new section of Chapter 40 of LMCO is hereby created as follows, and should appear under the subtitle “**Youth Housing Fund**”:

§ 40.30 Creation, Management, and Administration of Fund

(A) Metro Government’s Division of Budget and Finance or that Division’s successor shall establish the Youth Housing Fund (the “fund”) as a separate, revolving account within the Office of Resilience and Community Services or that department’s successor. Moneys in the fund shall be distributed exclusively for the public purpose of providing housing to homeless young adults, ages 18 to 24. For the purposes of this section, “homeless” is as defined in 24 C.F.R. § 91.5.

(B) The fund shall consist of:

(1) Fines collected under LMCO 121.12;

(2) Appropriations of public funds from time to time by Metro Council;

(3) Grants, donations, or bequests from federal and state governments, corporations, not-for-profit organizations, foundations, individuals, or other entities; or

(4) Any other moneys that may be made available to accomplish the public purpose of the fund.

(C) (1) Any moneys remaining in the fund at the close of the fiscal year shall not lapse but shall be carried forward into the succeeding fiscal year to be used for the purposes set forth in this section. Any interest earnings on moneys in the fund shall become a part of the fund and shall not lapse to the general fund.

(2) Metro Government is hereby authorized to apply for and accept grants and donations to the fund. Monies in the fund are hereby appropriated for the purposes set forth in this section. The Office of Resilience and Community Services or it's successor shall promulgate rules, regulations and guidelines for the distribution of the fund for the public purpose of the fund.

SECTION VI: This Ordinance shall take effect upon its passage and approval or otherwise becoming law.

Sonya Harward
Metro Council Clerk

David James
President of the Council

Greg Fischer
Mayor

Approval Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney

BY: _____

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