

ORDINANCE NO. 175, SERIES 2022

AN ORDINANCE AMENDING CHAPTER 121 OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT CODE OF ORDINANCES REGARDING TRANSIENT ROOM TAXATION.

SPONSORED BY: COUNCIL MEMBER BILL HOLLANDER

WHEREAS, Chapter 121 of the Louisville/Jefferson County Metro Government Code of Ordinances (“LMCO”) pertains to the levy of transient room taxes as authorized by KRS 91A.390; and

WHEREAS, the Kentucky legislature enacted law effective January 1, 2023, through House Bill 8 amending sections of KRS 91A related to the types of occupancy subject to Transient Taxation; and

WHEREAS, the Louisville Metro Revenue Commission is the designated collector of the transient tax and associated filings for Louisville Metro; and

WHEREAS, the Legislative Council the Louisville/Jefferson County Metro Government (the “Council”) desires to make these updates to Chapter 121 of the LMCO.

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

SECTION I: LMCO § 121.01 is hereby amended to read as follows:

§ 121.01 LEVY OF TAX.

(A) Pursuant to KRS 91A.390(1)(b) and KRS 91A.390(1)(b)(2), there is hereby imposed and levied a transient room tax of 3% of the rent for every occupancy of a suite, room, or rooms, cabins, lodgings, campsites, or other accommodations charged by any hotel, motel, inn, tourist camp, tourist cabin, campgrounds, recreational vehicle parks, or any other place in which accommodations are regularly furnished to transients for

consideration or by any person that facilitates the rental of the accommodations by brokering, coordinating or in any other way arranging for the rental of the accommodations. ~~charged by all persons, companies, corporations, or other like or similar persons, groups or organizations doing business as motor courts, motels, hotels, inns or like or similar accommodations businesses.~~

(1) A portion of the money collected from the imposition of this tax, as determined by the Metro Council, upon the advice and consent of the Louisville and Jefferson County Visitors and Convention Commission (the "Commission"), may be used to finance the cost of acquisition, construction, operation and maintenance of facilities useful in the attraction and promotion of tourist and convention business, including projects described in KRS ~~154.30-050(2)(a)(3)(c).65.7075~~. The balance of the money collected from the imposition of this tax shall be used for the purposes set forth in KRS 91A.350. Proceeds of the tax shall not be used as a subsidy in any form to any hotel, motel or restaurant, except as provided in KRS ~~154.30-050(2)(a)(3)(c).65.7075~~. Money not expended by the Commission during any fiscal year shall be used to make up a part of the Commission's budget for its next fiscal year.

(B) Pursuant to KRS 91A.390(4), there is hereby imposed and levied an additional transient room tax of 1.5% of the rent for every occupancy of a suite, room, ~~or~~ rooms, ~~cabins, lodgings, campsites, —~~ charged by any hotel, motel, inn, tourist camp, tourist campgrounds, recreational vehicle parks, or any other place in which accommodations are regularly furnished to transients for consideration or by any person ~~charged by all persons, companies, corporations, or other like or similar persons, groups or organizations doing business as motor courts, motels, hotels, inns or like or similar other accommodations~~

that facilitates the rental of accommodations by brokering, coordinating, or in any other way arranging for the rental of accommodations.~~businesses.~~ All monies collected from this additional transient room tax shall be used for the purpose of funding additional promotion of tourist and convention business.

(C) Pursuant to KRS 153.440, in addition to the 4.5% transient room tax authorized by subsections (A) and (B) hereof, there is also imposed and levied an additional transient room tax of 1% of the rent for every occupancy of a suite, room, ~~or~~ rooms, cabins, lodgings, campsites, or other accommodations charged by any hotel, motel, inn, tourist camp, tourist cabin, campgrounds, recreational vehicle parks, or any other place in which accommodations are regularly furnished to transients for consideration or by any person that facilitates the rental of the accommodations by brokering, coordinating or in any other way arranging for the rental of the accommodations.~~charged by all persons, companies, corporations or other like or similar persons, groups or organizations doing business as motor courts, motels, hotels, inns or like or similar accommodations businesses.~~ All monies collected from the 1% transient room tax authorized by this subsection (C) shall be turned over to the Kentucky Center for the Arts Corporation, and shall be used to defray operating costs of the Kentucky Center for the Arts.

(D) Pursuant to KRS 91A.392, in addition to the 4.5% transient room tax imposed by subsection (A) and (B) hereof and the 1% transient room tax imposed by subsection (C) hereof, there is hereby imposed an additional transient room tax of 2% of the rent for every occupancy of a suite, room, ~~or~~ rooms, cabins, lodgings, campsites, or other accommodations charged by any hotel, motel, inn, tourist camp, tourist cabin, campgrounds, recreational vehicle parks, or any other place in which accommodations

are regularly furnished to transients for consideration or by any person that facilitates the rental of the accommodations by brokering, coordinating or in any other way arranging for the rental of the accommodations for consideration. ~~charged by all persons, companies, corporations, or other like or similar persons, groups or organizations doing business as motor courts, motels, hotels, inns or like or similar accommodation businesses.~~

(1) All money collected from the 2% transient room tax imposed by this subsection (D) shall be applied for the sole and exclusive purpose of retiring Dedicated Tax Revenue Bonds (the "Bonds"), in one or more series, issued by the Louisville & Jefferson County Visitors and Convention Commission, doing business as the Greater Louisville Convention & Visitors Bureau (the "Commission") not to exceed a principal amount sufficient to provide \$35,000,000 in net bond proceeds (the "Net Bonds" or "Commission Contributions") after deducting amounts required for debt service reserves, underwriters discounts, capitalized interest, bond, title insurance and related costs of issuance; said Commission's contribution shall be paid to the Commonwealth of Kentucky in order to supplement the Commonwealth's contribution of \$25,000,000 for the expansion of the Commonwealth Convention Center (the "Project") and to the payment of the hereinafter identified Subordinate Bond.

(2) In addition to the bonds issued to fund the Commission's Contribution, the Commission has issued its Dedicated Tax Revenue Bond in the principal amount of \$5,337,124.33 to the City of Louisville Public Properties Corporation (the "Public Properties") in exchange for the conveyance of the site of the Project to the Commonwealth (the "Subordinate Bond"); said Subordinate Bond has been issued for a

term concurrent with the Bond and said Bond shall be subordinate as to security and source of payment with any Bonds designated by the Commission as Senior Series Bonds.

(3) The Metro Council covenants the additional 2% transient room tax authorized by this subsection (D) shall remain in full force and effect while any Bonds, and including the Subordinate Bond, are outstanding, ~~, provided, however, that upon either (a) the end of 30 years or (b) the retirement of all bonds, whichever comes first, t~~The 2% transient room tax authorized by this subsection shall terminate and Metro Council shall take appropriate action to repeal it upon retirement of the bonds, all in conformity with KRS 91A.392(34).

(E) Pursuant to KRS 91A.390(1)(c)(2), there is hereby imposed and levied a special transient room tax of 1% of the rent for every occupancy of a suite, room, ~~or rooms,~~ cabins, lodgings, campsites, or other accommodations charged by any hotel, motel, inn, tourist camp, tourist cabin, campgrounds, recreational vehicle parks, or any other place in which accommodations are regularly furnished to transients for consideration or by any person that facilitates the rental of the accommodations by brokering, coordinating or in any other way arranging for the rental of the accommodations by brokering, coordinating, or in any other way arranging for rental of the accommodations for consideration. ~~charged by all persons, companies, corporations, or other like or similar persons, groups or organizations doing business as motor courts, motels, hotels, inns or like or similar accommodations businesses.~~ All monies collected from this special transient room tax shall be used for the purposes of financing the renovation or expansion of the Kentucky International Convention Center. ~~Provided that the revenues derived from this special transient room tax shall not be used to meet the operating expenses of a convention~~

~~center as permitted by KRS 91A.390(1)(c)(1), unless subsequently adopted by Metro Government and until any debt issued for financing the renovation or expansion of the Kentucky International Convention Center is retired. Upon retirement of the debt financing the renovation or expansion of the Kentucky International Convention Center, the revenue collected from this tax shall be used to meet the operating expenses of the convention center~~

(F) The transient room taxes imposed herein shall not apply to rooms, lodgings, campsites, or accommodations supplied for a continuous period of thirty (30) days or more to a person.

SECTION II: LMCO § 121.02 is amended as follows:

§ 121.02 PAYMENT OF TAX.

(A) The transient room taxes imposed by § 121.01 shall apply to the rent for every occupancy by transient guests who occupy one or more ~~suites, room or rooms, cabins, lodgings, campsites, or other accommodations charged by any hotel, motel, inn, tourist camp, tourist cabin, campgrounds, recreational vehicle parks, or any other place in which accommodations are regularly furnished to transients for consideration or by any person that facilitates the rental of the accommodations by brokering, coordinating or in any other way arranging for the rental of the accommodations in motor courts, motels, hotels, inns or like or similar accommodations businesses~~ for a consecutive period of 30 days or less.

(B) All persons, companies, corporations or other like or similar persons, groups or organizations doing business as any hotel, motel, inn, tourist camp, tourist campgrounds, recreational vehicle parks, or any other place in which accommodations are regularly furnished to transients for consideration or by any person that facilitates the rental of

accommodations by brokering, coordinating, or in any other way arranging for the rental of accommodations~~motor courts, motels, hotels, inns or like or similar accommodations~~ businesses shall pay the cumulative transient room taxes (the "taxes") imposed by § 121.01 to the Metro Revenue Commission (the "Revenue Commission") or such other agent as may be designated by the Mayor as collecting officer for the Louisville Metro Government. Said Revenue Commission is authorized to adopt appropriate regulations pertaining to the implementation and enforcement of the taxes imposed by § 121.01 and to take all appropriate actions to collect and enforce payment of the taxes.

(C) The payment of taxes imposed by § 121.01 and a monthly return on a form prescribed by the Revenue Commission shall be submitted for the monthly periods ending on the final day of each month of the calendar year, on or before the last day of the month following the month of the tax collection. For purposes of facilitating the administration of this tax, the Revenue Commission may require any tax return, report or statement to be electronically filed.

SECTION III: LMCO § 121.04 is amended as follows:

§ 121.04 INCOMPLETE, FALSE OR FRAUDULENT RETURN; FAILURE TO MAKE RETURN; PENALTY.

Any person who shall knowingly make any incomplete, false or fraudulent return or who shall willfully fail to timely make any return required by § 121.02(C), shall be guilty of a misdemeanor punishable by a fine not to exceed \$100 or imprisonment not to exceed 50 days, or both. Incomplete returns include providing tax revenue information without identifying the property and owner to whom it belongs. The Revenue Commission, acting through its designee is authorized to initiate criminal action, when appropriate, against any person, corporation, or entity that withholds transient room taxes from one or more

transient guests within Louisville Metro and fails to remit such withheld tax to the Revenue Commission. The penalty imposed by this section shall be in addition to any penalties imposed by § 121.03.

SECTION IV: LMCO § 121.05 is amended as follows:

§ 121.05 DEFINITIONS.

For the purposes of this chapter, the following definitions shall apply unless the context indicates or clearly requires otherwise.


PERSON. ~~Every natural person, fiduciary, partnership, association or corporation, resident or nonresident. Any individual, firm, copartnership, joint venture, association, social club, fraternal organization, corporation, estate, trust, business trust, receiver, trustee, syndicate, cooperative, assignee, governmental until or agency, or any other group or combination acting as a unit.~~

RENT. The total amount charged for the rental of an accommodation and any charges for any services necessary to facilitate the rental of an accommodations, whether the amount is charged by the provider of the accommodations or by a person facilitating the rental of the accommodations by brokering, coordinating, or in any way arrangement for the rental of the accommodations.


SECTION V: This Ordinance shall take effect January 1, 2023 upon its passage and approval or otherwise becoming law.



Sonya Harward
Metro Council Clerk



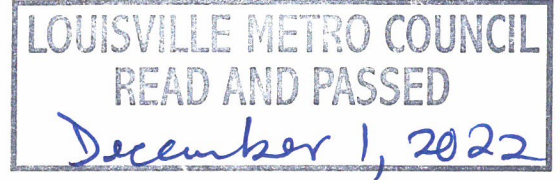
David James
President of the Council


Greg Fischer
Mayor

12/07/2022
Approval Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney



By: Laura Ferguson

O-337-22 – Ordinance Amending LMCO 121 Regarding Transient Room Tax (If)