



Lexington-Fayette Urban County Government

200 E. Main St
Lexington, KY 40507

Legislation Details (With Text)

File #: 0623-18 **Version:** 1 **Name:** Transient Room Tax
Type: Ordinance **Status:** Approved
File created: 6/1/2018 **In control:** Urban County Council
On agenda: 7/3/2018 **Final action:** 7/3/2018
Enactment date: 7/3/2018 **Enactment #:** O-042-2018

Title: An Ordinance creating Subsection 2-172(I) of the Lexington-Fayette Urban County Government Code of Ordinances pertaining to the application of transient room taxes to short term rentals, and creating Section 13-76 of the code, titled "Short Term Rentals," requiring each host to comply with the applicable provisions of Chapter 13 of the code and federal, state and local laws and regulations, all effective upon date of passage. [Dept. of Finance, O'Mara]

Sponsors:

Indexes:

Code sections:

Attachments: 1. Memo - Transient Room Tax, 2. Ordinance - Transient Room Tax, 3. 00616201.pdf, 4. ORDINANCE - 042-2018.pdf

| Date | Ver. | Action By | Action | Result |
|-----------|------|-----------------------------------|---------------------------------|--------|
| 7/3/2018 | 1 | Urban County Council | Approved | Pass |
| 6/21/2018 | 1 | Urban County Council | Received First Reading | |
| 6/12/2018 | 1 | Urban County Council Work Session | Approved and Referred to Docket | Pass |

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Budgetary Implications: NO

Advance Document Review: N/A

Fully Budgeted: N/A

Account Number: N/A

This Fiscal Year Impact: N/A

Annual Impact: N/A

Project:

Activity:

Budget Reference:

Current Balance:

WHEREAS, the rental of short terms dwelling units which are not hotels, motels, bed and breakfast inns, boarding and lodging rooms, or extended stay lodging facilities has an increasingly popular choice among visitors to Lexington-Fayette County;

WHEREAS, the Internet has provided a multitude of opportunities for owners or renters of residential property to offer their homes or apartments, or rooms therein, as short term rentals for compensation to those seeking accommodation in Lexington-Fayette County;

WHEREAS, Lexington-Fayette County has a growing number of these dwelling units being rented for short terms, most of which are being advertised via online third party platforms;

WHEREAS, those offering their homes or apartments, or rooms therein, as short term rentals for compensation are engaging in an accommodations business for profit in Lexington-Fayette County; and

WHEREAS, the Urban County Council seeks to balance the interests and needs of travelers and individuals in need of short term rentals with property owners and residents while also considering the impact on the community.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 - That subsection 2-172(i) of the Code of Ordinances be and hereby is created to read as follows:

- (i) The transient room taxes established in this section shall apply to all Short Term Rentals, as further defined in Section 13-76 of the Code of Ordinances.

Section 2 - That Section 13-76 of the Code of Ordinances, which shall be titled "Short Term Rentals", be and hereby is created within Article V to read as follows:

- (a) Definitions - For the purposes of this Section, the following definitions shall apply:
 - (1) *Host* shall mean any person who owns or operates a Short Term Rental;
 - (2) *Hosting Platform* shall mean an internet based platform that generally allows an owner or tenant to advertise the Short Term Rental through a website and provides a means for potential Transient Users to arrange rental and payment through the platform;
 - (3) *Short Term Rental* shall mean a dwelling unit that is rented, leased, or otherwise assigned for a tenancy of less than thirty (30) consecutive days, where no meals are served. This term does not include hotel or motel rooms, extended stay hotels, bed and breakfast facilities, or boarding and lodging house rooms.
 - (4) *Transient User* shall mean a person who exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license, or other agreement for a period of less than thirty (30) consecutive days.
- (b) Payment of Taxes or Fees. Each Host shall be required to pay any applicable taxes or fees in accordance with Chapter 13 of the Code of Ordinances.
- (c) Payment of Transient Room Taxes Required. Each Host shall be required to collect and pay to the Urban County Government all Transient Room Taxes required pursuant to Section 2-172 of the Code of Ordinances. The collection and remission of Transient Room Taxes may be paid by a Hosting Platform or other party on behalf of a Host, but the Host is ultimately responsible for payment of the taxes.
- (d) Compliance with Federal, State, and Local Laws and Regulations. Each separate Short Term Rental shall be in compliance with any currently applicable laws and regulations of the federal, state, or local government, as may be amended from time to time including, but not limited to, laws or regulations on nondiscrimination, zoning, building, safety, property maintenance, health and sanitation, fire, electrical, plumbing, mechanical, and other applicable laws.

Section 3 - That this Ordinance shall become effective on the date of its passage.

PASSED URBAN COUNTY COUNCIL: