



Lexington-Fayette Urban County Government

200 E. Main St
Lexington, KY 40507

Legislation Text

File #: 1162-22, **Version:** 1

An Ordinance amending Section 2-172 of the Code of Ordinances to include in the imposition of the transient room tax the rent of cabins, lodgings, campsites, similar accommodations, and any other place in which accommodations are regularly furnished to transients for consideration, or by any person that facilitates the rental of the accommodations; establishing that rentals supplied for a continuous period of thirty (30) days or more shall not be subject to the transient room tax; and defining "person" and "rent"; all effective on January 1, 2023. [Div. of Revenue, Holbrook]

Authorization to amend section 2-172 of the Code of Ordinances (related to the transient room tax) to 1) apply the transient room tax to every type of accommodation and platform; accommodations subject to the transient room tax; 2) require online platforms (like Airbnb and VRBO) to collect and remit transient room taxes on rent charged by the platform; 3) establish that rentals of a continuous period of thirty (30) days to a person are not subject to the transient room tax; and 4) to define certain terms relevant to the above changes, effect January 1, 2023. These changes will model the LFUCG Ordinance after state law. Any additional revenue would be distributed to VisitLex and the Convention Center. No Budgetary impact. (L1162-22) (Holbrook/Hensley)

Budgetary Implications [select]: NO

Advance Document Review:

Law: { Yes, Completed by Barberie/Thompson}

Risk Management: {Select Yes/No, Completed by [Official, Date]}

Fully Budgeted [select]: N/a

Account Number:

This Fiscal Year Impact: \$

Annual Impact: \$

Project:

Activity:

Budget Reference:

Current Balance:

BE IT ORDAINED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY

GOVERNMENT:

Section 1 - That Section 2-172 of the Lexington-Fayette Urban County Code of Ordinances be and hereby is amended to read as follows:

- (a) Pursuant to KRS 91A.390, there is hereby imposed a transient room tax at the rate of four (4) percent of the rent for every occupancy of a suite, room, 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. Provision shall be made by the commissioner of finance for the collection of the tax and the enforcement of the tax measure enacted.
- (b) Pursuant to KRS 153.450, in addition to the four (4) percent transient room tax authorized by subsection (a), there is hereby imposed additional transient room tax at the rate of two (2) percent of the rent for every occupancy of a suite, room, 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. All additional moneys collected from the tax authorized by this subsection shall be applied toward the retirement of bonds used to finance the Lexington Center Corporation and to defray the operating costs of the Lexington Center Corporation.
- (c) Pursuant to KRS 153.450(3), in addition to the transient room taxes authorized by subsections (a) and (b) above, there is hereby imposed additional transient room tax at the rate of two and one-half percent (2.5%) of the rent for every occupancy of a suite, room, 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. All additional moneys collected from the tax authorized by this subsection shall be applied toward the renovation, expansion, or improvement of the Lexington Convention Center by the Lexington Center Corporation.
- (d) The transient room taxes established in this section shall not apply to rooms, lodgings, campsites, or accommodations supplied for a continuous period of thirty (30) days or more to a person.
- (e) Payment of the transient room tax shall be made to the Urban County Government on or before the twentieth day of the month following the month of

collection.

- (f) Any person who is required to pay the transient room taxes pursuant to this section and fails to pay said taxes by the date they become due May be assessed a penalty of four and one-half (4½) percent of the amount of the tax unpaid for each calendar month or fraction of a calendar month, and, in addition, shall be assessed interest at the rate of one (1) percent of the amount of the tax unpaid for each calendar month or fraction of a calendar month. Any partial payment paid and accepted shall be first applied as interest payments, then penalty payments, then transient room tax payments.
- (g) For the purposes of this section, the following terms shall have the following definitions:
 - (1) "Person" shall have the same meaning as provided in KRS 91A.345.
 - (2) "Rent" shall mean the total amount charged for the rental of an accommodation and any charges for any services necessary to facilitate the rental of 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 arranging for the rental of the accommodations.
- (h) Nothing in this section shall remove from the Urban County Government the right to collect any other tax or to collect a similar tax for any other purpose authorized by law.
- (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 this Ordinance shall become effective on January 1, 2023.

PASSED URBAN COUNTY COUNCIL:

MAYOR

ATTEST:

CLERK OF THE URBAN COUNTY COUNCIL
PUBLISHED:

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