

ORDINANCE NO. 2024- 12

**AN ORDINANCE NO. ENTITLED “AN ORDINANCE REPEALING  
ORDINANCE NO. 11-2022 AND ESTABLISHING AN UPDATED DETAILED  
PRONOUNCEMENT OF THE COMPREHENSIVE PROCEDURES FOR THE  
COLLECTION, DISBURSEMENT AND ENFORCEMENT OF A TRANSIENT  
ROOM TAX”**

**WHEREAS**, Kentucky Revised Statutes, Chapter 91A enables the Fiscal Court to, among other things, impose a transient room tax on persons occupying rooms provided by organizations doing business as motor courts, motels, hotels, inns, and other similar accommodations for the promotion of tourism, the operation and expansion of a convention center, and for the construction of Frankfort arts centers; and

**WHEREAS**, Kentucky Revised Statutes, Chapter 91A provides that the Fiscal Court shall enact an ordinance for the collection and enforcement of a transient room tax; and

**WHEREAS**, the Fiscal Court enacted Ordinance No. 11-2022 on November 22, 2022, for the collection, disbursement, and enforcement of a transient room tax; and

**WHEREAS**, House Bill 8 was a KLC legislative initiative passed during the 2022 legislative session which amended KRS 91A.390(1)(b) to clarify that the transient room tax applies to rent for 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; and

**WHEREAS**, said amendment becomes effective July 1, 2025; and

**WHEREAS**, the Fiscal Court now desires to amend the ordinance establishing the Franklin County Transient Room Tax in order to effectuate changes in compliance with the updates to Kentucky Revised Statutes.

**NOW, THEREFORE, BE IT ORDAINED BY THE FISCAL COURT OF THE  
COUNTY OF FRANKLIN, COMMONWEALTH OF KENTUCKY:**

**Section 1.     Purpose.**

The purpose of this ordinance is to establish the procedures for the collection, use, disbursements, and enforcement of the transient room tax.

**Section 2. Transient Room Tax Levy and Use.**

A transient room tax, which may be adjusted from time to time, shall be levied within the geographical jurisdiction of Franklin County on every person, group, or organization doing business as a motor court, motel, hotel, inn, bed and breakfast, or like or similar accommodations, consisting of a percentage of the rent charged 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.

This transient room tax within the geographic jurisdiction of Franklin County shall be in a total amount equal to 6% of the rent charged for each individual occupancy referenced above and shall consist of the following individually identified percentages with revenues from these percentages being used for the following individually identified purposes:

- A. A tax of 3% on 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 is hereby levied for use by the Franklin Sports Tourism Commission for the purpose of promoting and developing convention and tourist activities and facilities in Franklin County. Pursuant to KRS 91A.390(3), a portion of the money collected from the imposition of this tax as determined by the Franklin County Fiscal Court, upon advice and consent of the Sports Tourism Commission, may be used to finance the cost of acquisition, construction, operation, and maintenance of facilities useful in the attraction and promotion of tourists and convention business. Pursuant to KRS 91A.390(3) and KRS 91A.350, the balance of the money collected from the imposition of this tax shall be used for the purpose of promoting and developing convention and tourist activities and facilities.
  
- B. An additional tax of 2% shall be levied on 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 and shall be applied to the retirement of bonds issued pursuant to KRS 91A.390(a) to finance in part the expansion or construction or operation of a governmental or non-profit convention center or fine arts center useful to the promotion of tourism located in the County.

- C. An additional tax of 1% shall be levied on the rent for every occupancy of a suite, room, rooms, cabins, lodgings, campsites, or other accommodations charged 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 the purpose of meeting and paying the operating expenses of a convention center designated by the Franklin County Fiscal Court.

**Section 3. Exceptions to Transient Room Tax Levy.**

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

**Section 4. Transient Room Tax Collections Procedure.**

All persons, groups, organizations, or businesses as identified in Section 2 must file a monthly report in a manner and on a form prescribed by the Franklin County Treasurer.

- A. Such report shall be filed with the Franklin County Treasurer on or before the 20th day of every month for the previous month and covering a period beginning on the first day of the previous month and ending on the last day of the previous month. A report must be filed, regardless of any funds or taxes collected.
- B. A report shall be filed, regardless of whether any funds were collected and taxes due.
- C. Any tax payments shall be remitted with the report.
- D. Any late fee and interest shall be remitted with the report.
- E. Any filing received, or United States Post marked, after the 20th day following the reporting period shall be deemed late and shall be charged the following interest and penalties:

1. A late fee of 10% of the tax due per month (or daily fraction thereof) shall be assessed. The minimum late fee assessed shall not be less than \$25.00 (twenty-five dollars).
  2. An interest charge of 7% per annum on all late remittances shall be assessed.
- F. For the purpose of verifying information, the treasurer may require the submission of certified copies of other state and federal tax documents.
- G. All funds collected pursuant to this section must be maintained in a separate account.
- H. All host participants in internet brokering arrangements to rent rooms, houses, farms, cabins, campsites, dwellings, or recreational vehicles with companies such as Air BNB, VRBO, or similar type businesses shall register with the Franklin County Treasurer, providing the precise location of their rental type unit(s), along with their tax identification numbers for the individual or company receiving the income from the rental-type units. The host participant shall be required to file all reports and comply with all sections on this Ordinance. However, if the internet broker service enters an enforceable written agreement with the Franklin County Fiscal Court to report, collect, and remit the taxes imposed by this ordinance, then the host participant will be excepted from the reporting requirements of this Ordinance.

**Section 5. Disbursements of Transient Room Tax Funds.**

The Franklin County Treasurer shall make monthly disbursements which may be adjusted from time to time by the Fiscal Court in the following manner:

<b>Agency</b>	<b>Transient Room Tax</b>	<b>Distribution Percentage</b>
Franklin County Sports Tourism Commission	3%	50%
The Convention Center and Fine Arts Center Escrow Account	2%	33.33%

Convention Center Designated by the Franklin County Fiscal Court	1%	16.67%
TOTALS	6%	100%

Penalties and interest as a result of late payments must be disbursed at the same rates. The treasurer must use reasonable efforts to make disbursements on or before the 10<sup>th</sup> day of each month.

**Section 6. Designation of Convention Center.**

Effective July 1, 2025, and until further orders of the Franklin County Fiscal Court indicate otherwise, the \_\_\_\_\_ is designated as the Franklin County Convention Center to which the above-referenced 1% of transient room tax funds will be disbursed.

**Section 7. Audit Authorized.**

All persons, groups, organizations, or businesses as identified in Section 2 above and subject to the provisions of this ordinance shall maintain a record showing gross room rentals and permanent guest rentals, but a separate record shall not be required if the taxpayer's regular records contain such information. Whenever the Franklin County Treasurer considers it necessary for the proper administration of this ordinance, a taxpayer shall permit an officer or employee of the county to make an audit of such records and any other books, papers, files, and property of the taxpayer, and to examine witnesses under oath for the purpose of determining whether any provisions of this ordinance are being violated.

**Section 8. Criminal Penalty for Violation.**

Any person violating any provision of this chapter shall be guilty of a misdemeanor and shall, upon conviction, be subject to a fine of not more than \$500.00, or imprisonment for not more than 30 days, or both, for each offense. For every month for which a report was not properly filed shall constitute a separate offense.

**Section 9. Severability.**

If any section, subsection, or clause of this Ordinance shall be deemed to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections, and clauses shall not be affected.

**Section 10. Compliance With Open Meetings Laws.**

The Franklin County Fiscal Court hereby finds and determines that all formal actions relative to the adoption of this Ordinance were taken in an open meeting of said legislative body and that all deliberations of the Fiscal court, if any, which resulted in formal action, were in meetings open to the public, in full compliance with applicable legal requirements.

**Section 11. Conflicts.**

All ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed and the provisions of this Ordinance shall prevail and be given effect.

**Section 12. Effective Date and Implementation.**

This Ordinance shall take effect immediately upon its passage and publication according to law.

**INTRODUCED AND GIVEN FIRST READING IN SUMMARY** at a duly convened meeting of the Fiscal Court of Franklin County, Kentucky, held on the 11<sup>th</sup> day of December, 2024.


**GIVEN SECOND READING AND APPROVED** at a duly convened meeting of the Fiscal Court of Franklin County, Kentucky, held on the 19 day of December, 2024 and of record in Fiscal Court Order Book 35, Page 351.

**FRANKLIN COUNTY FISCAL COURT**

BY:  \_\_\_\_\_

Michael Mueller  
Franklin County Judge Executive

**ATTEST:**

 \_\_\_\_\_

Kim Cox  
Fiscal Court Clerk