

COMMONWEALTH OF KENTUCKY
MCCRACKEN COUNTY FISCAL COURT
ORDINANCE NO. 2019 - 09

**AN ORDINANCE REPEALING ORDINANCE
NO. 2000 - 16 AND ESTABLISHING AN UPDATED
DETAILED PRONOUNCEMENT OF THE COMPREHENSIVE
PROCEDURES FOR THE COLLECTION, DISBURSEMENT
AND ENFORCEMENT OF A TRANSIENT ROOM TAX.**

WHEREAS, the 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 fine arts centers; and

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

WHEREAS, Ordinance No. 2000 - 16 was previously enacted by the McCracken County Fiscal Court to establish the procedures for the collection, disbursement and enforcement of a transient room tax; and

WHEREAS, in order to facilitate compliance with the provisions of Kentucky Revised Statutes, Chapter 91A, as applied within the geographic jurisdictional territory of McCracken County, the McCracken County Fiscal Court desires to enact an updated pronouncement of the transient room tax collection, disbursement and enforcement provisions specifying in greater detail the rights and duties granted by the chapter to ensure a clear understanding of the same by those coming within its purview; and

WHEREAS, the most procedurally and logistically effective method of doing so is by repealing Ordinance No. 2000 - 16 and enacting the present Ordinance containing the desired details.

NOW THEREFORE, BE IT ORDAINED BY THE FISCAL COURT OF THE COUNTY OF MCCRACKEN, COMMONWEALTH OF KENTUCKY, AS FOLLOWS:

Section 1. Repeal of Ordinance No. 2000 - 16.

Contemporaneous to the passage of this Ordinance shall be the repeal in total of Ordinance No. 2000 - 16 which previously served as the pronouncement of McCracken County's comprehensive procedures for the collection, disbursement and enforcement of a transient

room tax. The effective date of this repeal shall be contemporaneous with the effective date of this Ordinance identified in Section 12 below.

Section 2. Transient Room Tax Levy and Use.

A transient room tax shall be levied within the geographical jurisdiction of McCracken County on every person, company, corporation or other like or similar 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 or rooms by such person, company, corporation or other like or similar group or organization engaged in such business.

This transient room tax within the geographic jurisdiction of McCracken 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 or rooms charged by all persons, companies, corporations, or other like or similar persons, groups or organizations doing business as motor courts, motels, hotels, inns, bed and breakfasts, or like or similar businesses is hereby levied for use by the McCracken Sports Tourism Commission for the purpose of promoting and developing convention and tourist activities and facilities in McCracken County. Pursuant to KRS 91A.390(3), a portion of the money collected from the imposition of this tax as determined by the McCracken 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, or rooms charged by all persons, companies, corporations, or other like or similar persons, groups or organizations doing business as motor courts, motels, hotels, inns, bed and breakfasts, or like or similar businesses 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 of 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, or rooms charged by all persons, companies, corporations, or

other like or similar persons, groups or organizations doing business as motor courts, motels, hotels, inns, bed and breakfasts, or like or similar businesses for the purpose of meeting and paying the operating expenses of a convention center designated by the McCracken Fiscal Court.

Section 3. Exceptions to Transient Room Tax Levy.

Transient room taxes shall not apply to the rental or leasing of an apartment supplied by an individual or business that regularly holds itself out as exclusively providing apartments. Apartment means a room or set of rooms in an apartment building, fitted especially with a kitchen and usually leased as a dwelling for a minimum of thirty (30) days or more.

Section 4. Transient Room Tax Collections Procedure.

All persons, groups, organizations, or businesses, as identified in Section 2 above shall file a monthly report in a manner and on a form provided by the McCracken County Treasurer.

- A. Such report shall be filed with the McCracken 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.
- 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 shall be maintained in a separate account.

H. All host participants in internet brokering arrangements to rent rooms, houses, farms, cabins, dwellings, recreational vehicles with companies such as Air BNB, VRBO, or similar type businesses shall register with the McCracken County Treasurer providing the precise location of their rental type unit along with their tax identification numbers for the individual or company receiving the income from the rental units. The host participant shall be required to file all reports and comply with all sections of this Ordinance. However, if the internet brokering service enters into an enforceable written agreement with the McCracken County Fiscal Court to report, collect and remit the taxes imposed by this Ordinance, then the host participant shall be excepted from the reporting requirements of this Ordinance.

Section 5. Disbursements of Transient Room Tax Funds.

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

Agency	Transient Room Tax	Distribution Percentage
McCracken County Sports Tourism Commission	3%	50%
The Convention Center and Fine Arts Center Escrow Account	2%	33.33%
Convention Center Designated by the McCracken Fiscal Court	1%	16.67%
TOTALS	6%	100%

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

Section 6. Designation of Convention Center.

Effective September 1, 2019, and until further orders of the McCracken County Fiscal Court indicate otherwise, the Paducah – McCracken County Convention Center Corporation is designated as the McCracken 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 McCracken 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 McCracken 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.

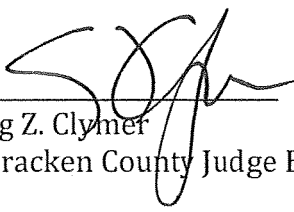
Section 11. Conflicts.

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.

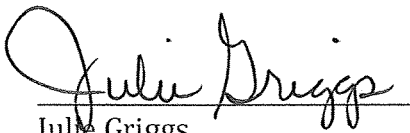
Section 12. Effective Date.

This Ordinance shall be read on two separate days, published pursuant to KRS Chapter 242, and become effective on 8-21-19.

MCCRACKEN COUNTY FISCAL COURT

BY: 
Craig Z. Clymer
McCracken County Judge Executive

ATTEST:


Julie Griggs
McCracken County Clerk

Introduced and publically read on 8-12-19.

Publically read and adopted on 8-21-19.

Recorded by County Clerk on 8-21-19.

Published by *The Paducah Sun* on 8-18 and 8-25-19.