

## **ORDINANCE 17-2022**

### **AN ORDINANCE ESTABLISHING THE CITY OF OWENSBORO TRANSIENT ROOM TAX AND PROCEDURES FOR ITS COLLECTION AND ENFORCEMENT.**

**WHEREAS**, KRS 91A.390 authorizes cities of the home rule class, including Owensboro, to impose a transient room tax on the rent for 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

**WHEREAS**, KRS 91A.390 further provides that cities shall enact an ordinance for the collection and enforcement of the transient room tax; and

**WHEREAS**, tourism is important to the local economy by generating economic impact in the community; and

**WHEREAS**, the Board of Commissioners wishes to establish a transient room tax as an additional source of revenue for events, facilities and staff to enhance tourism

in Owensboro and Daviess County.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF OWENSBORO, KENTUCKY, AS FOLLOWS:**

**Section 1.** A transient room tax shall be imposed within the city limits of Owensboro at the rate of three percent (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, or like or similar accommodations businesses, for use by the Owensboro Tourist and Convention Commission. An additional transient room tax of one percent (1%) shall be imposed for the purposes of meeting the operating expenses of the Owensboro Convention Center.

**Section 2.** Effective January 1, 2023, the taxes imposed in Section 1 shall be imposed 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.

**Section 3.** The 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.** The three percent (3%) transient room tax, together with any interest and late fees, shall be distributed monthly to the Owensboro Tourist and Convention

Commission for use in accordance with KRS 91A.390(3), which may include payment for contractual services provided by the City of Owensboro. The additional one percent (1%) transient room tax, together with any interest and late fees, shall be distributed monthly to the Owensboro Convention Center.

**Section 5.** All persons, groups, organizations and businesses identified in Section 2 above shall file a monthly report in a manner and on a form provided by the City of Owensboro Finance Department.

- A. The report shall be filed with the City of Owensboro Finance Department on or before the last day of every month for the previous month. A report shall be filed every month regardless of whether any funds were collected or any taxes were due.
- B. Any tax payments shall be remitted with the report.
- C. Any late fees and interest shall be remitted with the report.
- D. Any filing received, or postmarked, after the last day of the month shall be deemed late and shall be charged a late fee of ten percent (10%) of the tax due per month (or daily fraction thereof), but in no event shall the late fee be less than Twenty-Five Dollars (\$25.00). Additionally, an interest charge of six percent (6%) per annum shall be assessed on all late remittances.
- E. To verify information, the City of Owensboro Finance Department may require the submission of certified copies of state and federal tax documents.
- F. All funds collected shall be maintained in a separate account.
- G. All host participants in internet brokering arrangements to rent rooms, houses, farms, cabins, dwellings, recreational vehicles with online companies

such as Airbnb, VRBO, or similar type businesses shall register with the City of Owensboro Finance Department providing the precise location of their rental type units and the 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 provisions of this ordinance. However, if the internet brokering service enters into an enforceable written agreement with the City of Owensboro to report, collect and remit the taxes imposed by this ordinance, then the host participant shall be exempted from the reporting requirements of this ordinance.

**Section 6.** All persons, groups, organizations and businesses 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 City of Owensboro Finance Department deems it necessary for the proper administration of this ordinance, a taxpayer shall permit an officer or employee of the City to make an audit of such records and any other books, papers, files and property of the taxpayer, and to examine witnesses under oath to determine whether any provisions of this ordinance are being violated.

**Section 7.** Any person violating any provision of this ordinance shall be guilty of a misdemeanor and shall upon conviction be subject to a fine of not more than Five Hundred Dollars (\$500.00), or imprisonment for not more than thirty (30) days, or both, for each offense. Every month for which a report was not properly filed shall constitute a separate offense.

**INTRODUCED AND PUBLICLY READ ON FIRST READING**, this the 2nd day  
of August, 2022.

**PUBLICLY READ AND APPROVED ON SECOND READING**, this the 16th day  
of August, 2022.

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Thomas H. Watson, Mayor

ATTEST:

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Beth Davis, City Clerk