

**CITY OF LA GRANGE, KENTUCKY
ORDINANCE NO. 11, SERIES 2019**

**AN ORDINANCE OF THE CITY OF LA GRANGE, KENTUCKY CREATING THE
LA GRANGE TOURIST AND CONVENTION COMMISSION**

WHEREAS, tourism activities and convention business are recognized as significant factors for the economic vitality of the City of La Grange and its future growth;

WHEREAS, the Council finds that the creation and appointment of an independent commission for the purpose of promoting tourism activities and convention business will facilitate the economic development and growth of the City of La Grange; and

WHEREAS, the Council finds that the imposition of a transient room tax is necessary and proper to accomplish the stated purpose of promoting tourism activities and facilities within the City of La Grange.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LA GRANGE, KENTUCKY:

Section 1. Definitions as used herein:

- (A) "City" means the City of La Grange, Kentucky
- (B) "County" means Oldham County, Kentucky.
- (C) "Transient room" means any room, set of rooms, suite, apartment, residence, or other housing unit that is rented or occupied for compensation by any person or organization for less than thirty (30) consecutive days.

Section 2. Creation of the La Grange Tourist and Convention Commission.

(A) Pursuant to KRS 91A.350 there is hereby created the La Grange Tourist and Convention Commission, which is established for the purpose of promoting tourist and convention activity in the City of La Grange, a home rule class city under the provisions of KRS 82.082 et seq.

(B) The Commission shall be composed of seven members, who shall serve without compensation, who shall be citizens residing in the City or persons employed at any of the accommodation businesses located in the City, to be appointed by the Mayor of La Grange, with approval of the City Council, as follows:

- (1) Three Commissioners from a list of not less than six names submitted by the local hotel and motel association or associations operating within the City of La Grange; but if there is no local hotel or motel association, the Mayor shall appoint persons to represent their interests.
- (2) One Commissioner from a list of not less than two names submitted by the local restaurant association or associations operating within the City; but if there is no local restaurant association, the Mayor shall appoint a person to represent their interests.
- (3) One Commissioner from a list of not less than two names submitted by the Oldham County Chamber of Commerce; and
- (4) Two Commissioners selected at large by the Mayor of La Grange.

(C) A Commissioner may be removed by the Mayor according to the provisions of KRS 65.007. Vacancies shall be filled in the same manner that original appointments are made.

(D) The Commissioners shall be appointed for terms of three years with staggered terms.
(E) The Commission shall annually elect from its membership a Chairperson, a Secretary and a Clerk, and may employ personnel and make contracts as are necessary to effectively carry out the purposes of KRS 91A.350, 91A.360 and 91A.390, which are adopted as a part hereof by reference. These contracts may include, but shall not be limited to, the procurement of promotional services, advertising services and other services and materials relating to the promotion of tourist and convention business; provided, contracts of the type enumerated shall be made only with persons, organizations and firms with experience and qualifications for providing promotional services and materials such as advertising firms, the Chamber of Commerce, publishers and printers.

(F) The Commission shall meet monthly in regular session at such publicly accessible locations in the City as the Commission members shall determine. The Commission may call other meetings at such times and public locations as are necessary to transact its business. Special meetings may be called by the Chairperson or by written call of any two Commissioners.

A majority of the membership of the Commission shall constitute a quorum for transacting business. Notice to the City and the public of the time and place of the meetings shall be in conformity with applicable state statutes and City ordinances.

(G) The books of the Commission shall be audited annually in conformity with KRS 91A.360(5) and 65A.030.

(H) The Commission shall annually adopt a budget conforming with the requirements established under KRS 65A.020 and submit the budget to the City for approval. All monies received by the Commission shall be expended to promote tourism and convention business in accordance with the provisions stated in the budget. Within 60 days after the close of each fiscal year, the Commission shall publish in conformity with KRS Chapter 424 the location where the adopted budget, financial statements, and most recent audit or attestation engagement reports may be examined by the public.

(I) For the purpose of promoting tourism activities and convention business in the City, there is hereby imposed and levied a transient room tax of three percent (3%) of gross rent in accordance with Subsection (J). Pursuant to KRS 91A.390(3), a portion of the monies collected from the imposition of this room tax, as approved by the City Council, upon the advice and consent of the Commission, may be used to finance the cost of acquisition, construction, operation, and maintenance of facilities useful in the attraction and promotion of tourist activities and convention business, including projects described in KRS 154.30-050(2)(a).

(J) In accordance with KRS 91A.390(1), every person, company, corporation or other like or similar persons, groups, legal entities or organizations doing business as motels, hotels, inns, lodges, cabins, bed-and-breakfast, guesthouses, hostels, boarding rooms, farm houses, or similar short term rental properties or other accommodation businesses located in the City, shall pay on a monthly basis to the City Clerk, a transient room tax of 3% of the gross rent charged for every occupancy of a suite, room, rooms or other accommodations collected by them each month, exclusive of any state or county taxes. Such tax shall be due and payable to the City Clerk on or before the 15th day of the month following the end of the month in which the rental was collected, along with a signed report, setting forth the aggregate amount of gross rentals charged and collected during the preceding month for each occupancy, together with such pertinent information as the City Clerk or the Commission may require.

(K) Penalties.

(1) Any tax imposed by this section which remains unpaid after it becomes due, as set forth herein, shall have added to it a penalty of 10% together with interest at the rate of 1% for each month of delinquency, or fraction thereof, until paid.

(2) If a business fails to make a monthly report to the City Clerk, when no tax is owed by the business for that month, the business shall be notified by the City Clerk and given 30 days to file the report with the City Clerk. Failure to timely respond shall result in a civil fine of up to \$100 per month or partial month in which the business fails to file the required reports.

(3) Each business subject to this section is directed and required to give the City Clerk or its duly authorized representative the means, facilities, and opportunity for an examination and investigation of the records of the business for the purpose of determining if the business has complied with the reporting requirements of this section and paid the correct room tax.

(L) Any person or organization who shall knowingly file a false or fraudulent report with the City Clerk as required herein, shall be in violation of this ordinance and may be issued civil fines and remedial orders by the Code Enforcement Board, or referred to the Commonwealth for criminal prosecution, including theft by failure to make the required disposition of the property under the provisions of KRS 514.070 and related criminal statutes.

(M) The tax imposed by this section shall be in addition to other income and property taxes collected by any government entity.

(N) On or before July 1 of each year, the Commission shall submit to the Department of Local Government information required by KRS 65A.020 and shall pay the annual fee due to the Department of Local Government.

(O) The Commission members, its officers, and employees shall be subject to the City Code of Ethics which governs the actions and conduct of the City Council members and in conformity with KRS 65A.070. The Commission may establish a more stringent Code of Ethics than that adopted by City and shall notify the City Clerk of the action and comply with KRS 65A.070(2) by notifying the Department of Local Government.

(P) The Commission shall register with the Department for Local Government and provide such information as it may require.

(Q) The room tax received by the City Clerk shall be deposited into a separate account, from

the general fund and other revenue collected. The City Clerk shall report to the Commission the tax amount received each month from tourism tax and shall make available on a confidential basis the amounts paid by business as well as businesses having reported no tax owed.

(Introduced and sponsored by Councilmember Andrea Essenpreis).

First Reading: August 5, 2019
Second Reading: September 3, 2019

Vote:

For: 7
Against: 0
Abstain: 0
Present: 7

Approved this 3rd day of September 2019

Original signature on file
John W. Black, Mayor

Publication Date: 9/12/2019

ATTEST:

To be a true ordinance enacted by the City Council of the City of La Grange, Kentucky effective the 3rd day of September 2019

Original signature on file
Stephanie Cooper, City Clerk

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