



## 2025 KTIA LEGISLATIVE AGENDA RESULTS

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### TOURISM MARKETING RESOURCES

#### **Priority One – Preserve the 1% Statewide Transient Room Tax for Marketing All of Kentucky**

These funds are intended for statewide tourism marketing and should not be redirected or diverted for other purposes.

**Update:**

***No action occurred affecting 1% funds, except SB1, which utilized 1% funds in the formation of a Kentucky Film Office to market film production and film incentives statewide, and which will have positive tourism impacts. (See Film Incentives section.)***

#### **Local Transient Room Tax: No Centralized Collection System**

Such a system as advocated by Airbnb would cost \$2.4 million and currently “there are no legal or technological barriers prohibiting online facilitators from complying with their collection and reporting responsibilities to Kentucky’s local transient jurisdictions.” *Source: KY Department of Revenue*

**Update:**

***No effort was made by Airbnb to press for a centralized collection system. However, other bills were supported by Airbnb that KTIA opposed and which did not pass. Those bills are reviewed below:***

**HB 490**

***KTIA Position: OPPOSE***

*The bill did not pass. It was twice on the agenda of the House Local Government Committee, but did not receive a vote either time, due in large measure to the engagement by KTIA and KLC members. The bill would have dictated various changes by local government under which Airbnb would agree to pay local transient room taxes, a legal obligation they have had and refused to meet since January 1, 2023. That refusal resulted in the current lawsuit filed by KTIA and KLC.*

*Among the problems posed by HB 490 was that there was no provision for payment of back taxes owed.*

### **SB 110/SB 61**

#### **KTIA Position: OPPOSE**

*SB110 would have significantly limited the extent to which local governments would be permitted to regulate short term rentals. It was combined as a committee substitute with HB 490 and did not receive a committee vote. However, a revised version of SB 110 re-emerged as an amendment to a different bill, SB 61, which had already passed the Senate. The amendment, sponsored by Speaker David Osborne, was adopted by the House on 3/14 and was sent to the Senate the same day for a concurrence vote. The Senate did not take that vote. Therefore, the bill did not pass.*

### **HB 173**

#### **KTIA Position: OPPOSE**

*HB 173 would have prohibited creating or maintaining a registry of landlords or residential rental properties by local governments and special districts such as SPGEs, i.e., CVBs. During Destination Frankfort, the bill's sponsor informed KTIA that he was not going to move the bill.*

### **Expand City Eligibility to Enact Restaurant Tax**

All cities should be permitted to enact the restaurant tax *IF* doing so preserves current requirements in cities that currently have it and a reasonable portion of the monies from a new tax are dedicated to the city's tourist commission.

#### **Update:**

***As expected, no action occurred regarding restaurant taxes.***

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## **TOURISM TECHNOLOGY**

### **Provide Reasonable Technological Protections**

Any legislation addressing technological issues, such as consumer data privacy and AI, should include ways to benefit the tourism industry and avoid counter-productive actions that are unnecessarily restrictive, burdensome or otherwise adverse to tourism interests.

#### **Update:**

***No AI legislation was enacted that impacts tourism.***

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## FILM INCENTIVES

### **Resolve Inadvertent Funding Issue**

The 2024 General Assembly authorized much needed funds to bolster the marketing of the Kentucky Entertainment Incentive (KEI) Program. However, a technical error resulted in those funds not being made available. KTIA supports resolving the issue and making the funds available in support of the KEI Program.

#### **Update:**

##### **SB1**

##### **KTIA Position: SUPPORT**

*The anticipated technical adjustments unexpectedly became a comprehensive bill, SB 1, sponsored by Senate President Robert Stivers, to promote Kentucky film production and to market Kentucky's film incentive program. The bill received unanimous votes in the Senate and House and was signed by the Governor.*

##### *Key elements:*

- *Establishes the Kentucky Film Office in the Cabinet for Economic Development.*
- *Creates a seven member Kentucky Film Leadership Council. Will include the Tourism, Arts & Heritage Secretary with four of the members to be appointed by the Governor.*
- *Funding will be from contributions, grants, etc. and a maximum of \$500,000 each of fiscal years 2025-26 and 2026-27 from the statewide 1% transient room tax funds. Funding from transient room tax ends June 30, 2027.*

***KTIA's support was based on the bill representing a major advancement of film production in Kentucky. A different funding source other than the 1% transient room tax was very much preferred and requested by KTIA, but President Stivers was unwavering on that as well as on a request that the placement of the Film Office be with the Kentucky Department of Tourism. President Stivers did agree to a KTIA recommendation to explicitly include tourist commissions as points of coordination by the Film Office. The bill in its original form only referenced coordination with local and regional film commissions.***