

TOURISM COMMISSIONS *FOR DUMMIES*

BEAUTIFUL

WONDERFUL

SMART

LOCAL GOVERNMENT OFFICIALS

What I hope you learn today:

1. Statutory Authority
2. Structure
3. Funding
4. Governance Challenges



Statutory Authority: KRS 91A.350

... the local governing bodies of counties containing an urban-county government and **counties containing cities of the home rule class** and the local governing bodies of the **cities of the home rule class** located therein may, **by joint or separate action**, establish **tourist and convention commissions** for the purpose of **promoting and developing convention and tourist activities and facilities.**

Let's Break it Down:

OH LET'S BREAK IT DOWN!



Who KRS 91A.350 applies to:

Urban County Gov (Lexington)

Counties containing cities of home rule class

Cities of the home rule class

Consolidated local gov (Louisville - (1))

HOW:

“By joint or separate action”

Joint Action - Interlocal Agreement

Separate Action - Ordinance



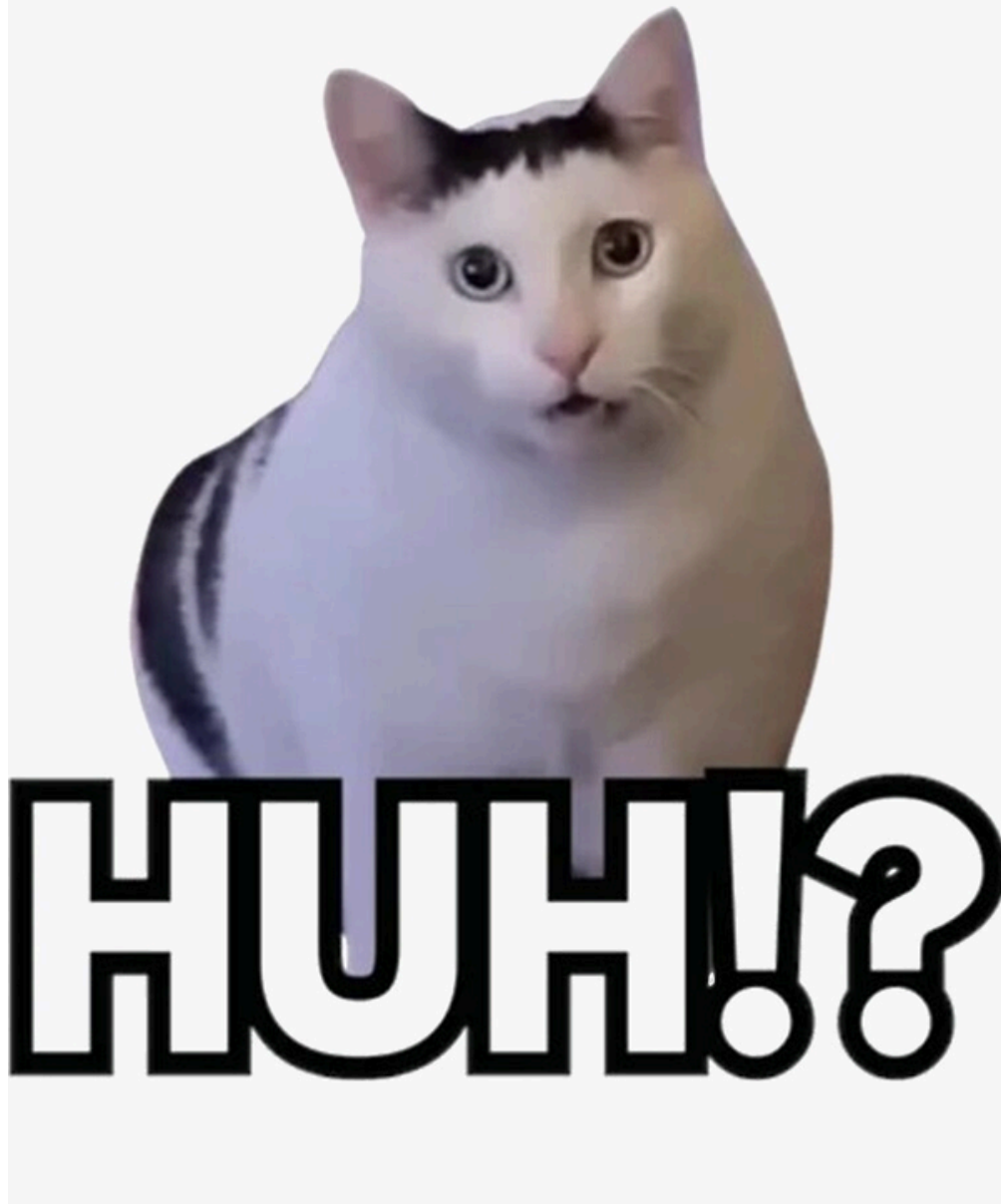
City Only
County Only
City/County
Multi-County

A combination multiple cities and counties



For:

“...promoting and developing convention and tourist activities and facilities.”



“The promotion of tourist and convention business should be construed broadly in accordance with the public purpose requirement.”

OAG 12-012

What is the public purpose requirement?

Under Kentucky law, public funds must be spent for a public purpose, meaning the expenditure primarily benefits the public at large, not a private individual or business.

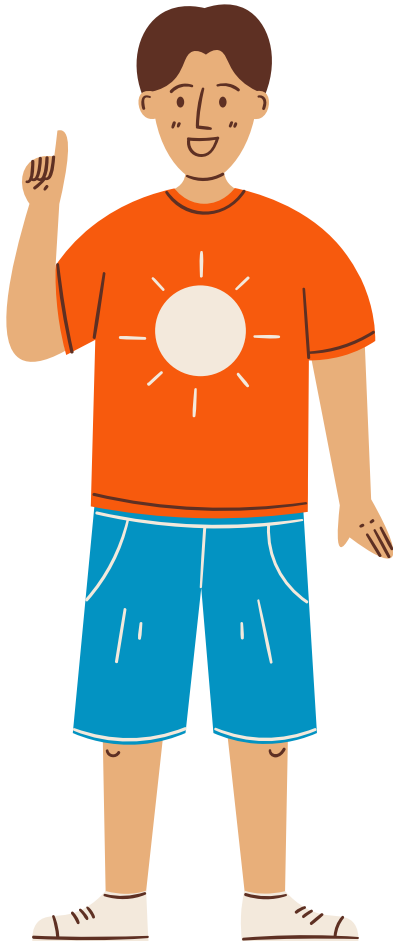
Does the expenditure help draw people in from outside of your community?



Membership:



**County
Hotel/Motel
Association**



**Chamber of
Commerce**



**City Hotel/Motel
Association**



**Local Restaurant
Association**



**CEO's
Choice**

Hotel/Motel Association (Total of 3)

If there is BOTH a County and City Hotel/Motel Association:

1. TWO appointments from City Hotel/Motel Association from a submitted list of three or more names.
2. ONE appointment from County Hotel/Motel Association from a submitted list of three or more names.

If there is ONE association covering both the county and city:

THREE Appointments from a list of six or more names

If NO ASSOCIATION exists for either:

THREE appointments made by chief executive officer(s) from people residing in the TCC jurisdiction and representing local hotels or motels.

Restaurant Association (1)

If there is a local restaurant association:

ONE appointment from a submitted list of three or more names.

If NO ASSOCIATION exists:

ONE appointment made by a chief executive officer(s) from people residing in the TCC jurisdiction and representing a local restaurant.

Chamber of Commerce (1)

If there is a local chamber of commerce:

ONE appointment from local chamber from a submitted list of three or more names.

If it is a joint commission:

Each chamber submits a list of three names. ONE appointment made by chief executive officers from aggregate list.

If NO Chamber exists:

ONE appointment made by chief executive officer(s) from people residing in the TCC jurisdiction and representing local business.



CEO's Choice (2)

If it is NOT a joint commission:

Chief executive officer makes TWO appointments - No specifications or restrictions listed.

If it is a joint commission:

County Judge Executive and Mayor of most populous participating city each make ONE appointment (totaling TWO).

KRS 91A.360(2)

A candidate submitted for appointment to the commission ... shall be appointed by the appropriate chief executive officer within **30 days** of the receipt of the required list.

Jefferson County

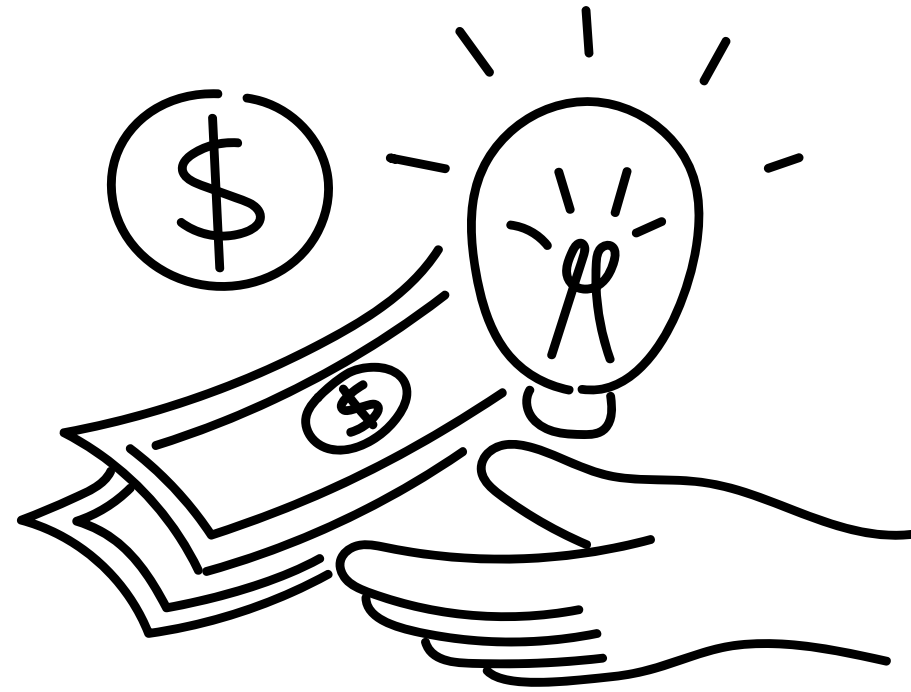
You have a different set of rules!

KRS 91A.370



*you are
special*

FUNDING



Tourism and Convention Commission is a **mandatory** first step if a city wishes to assess a transient room tax or restaurant tax.

Transient Room Tax -

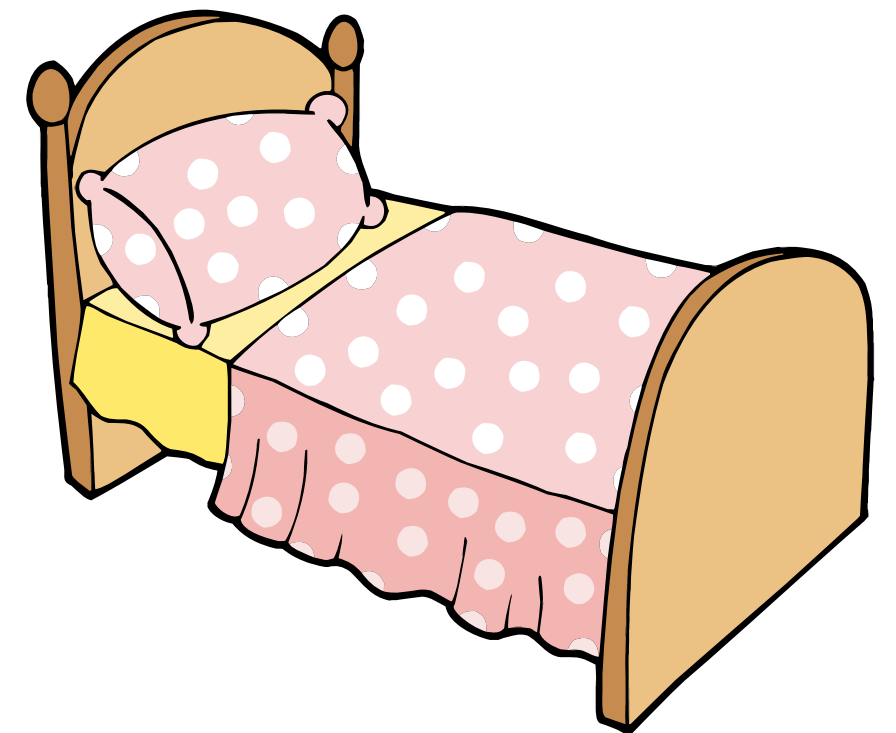
A tax charged on the rent for occupancy of every suite, room, rooms, cabins, lodgings, campsites, or other accommodations charged by any hotel, motel, inn, tourist camp, tourist cabin, campgrounds, recreational vehicles parks, or any other place (less than 30 continuous days.)

Restaurant Tax -

A tax charged on prepared food and drinks sold in restaurants, bars and similar businesses within the city.

Transient Room Tax -

- Capped at 3% for everyone besides Urban-County Government.
- Capped at 4% for Urban-County Government.
- For those other than Urban-County Government can add an additional 1% for the purpose of meeting the operating expense of a convention center.



Restaurant Tax -

- Only available to former 4th and 5th class cities.
- Capped at 3% (KRS 91A.400).



Other Sources of Revenue

- Grants
- Fees (Admissions fees, booth fees, etc.)
- Donations/Fundraising

Common Governance Issues:

- Relationship with establishing city/county
- Removing/appointing commission members
- Employment matters
- Status as an SPGE
- \$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$

Relationship with Establishing Entity

- Elected officials sometimes struggle with tourism commissions because they are statutorily created entities with more autonomy than your normal board or commission.
- Special Examinations



Removing Members

- Appointing authority may remove for inefficiency, neglect of duty, malfeasance, or conflict of interest.
- Must follow process in KRS 65.007.
 - This includes written notification of reasons, sent registered mail, received 10 days before the hearing.
 - A hearing which is chaired by the appointing authority, published 7-21 days before, where the member has a right to counsel.
 - Appeal rights within 10 days to Circuit Court.

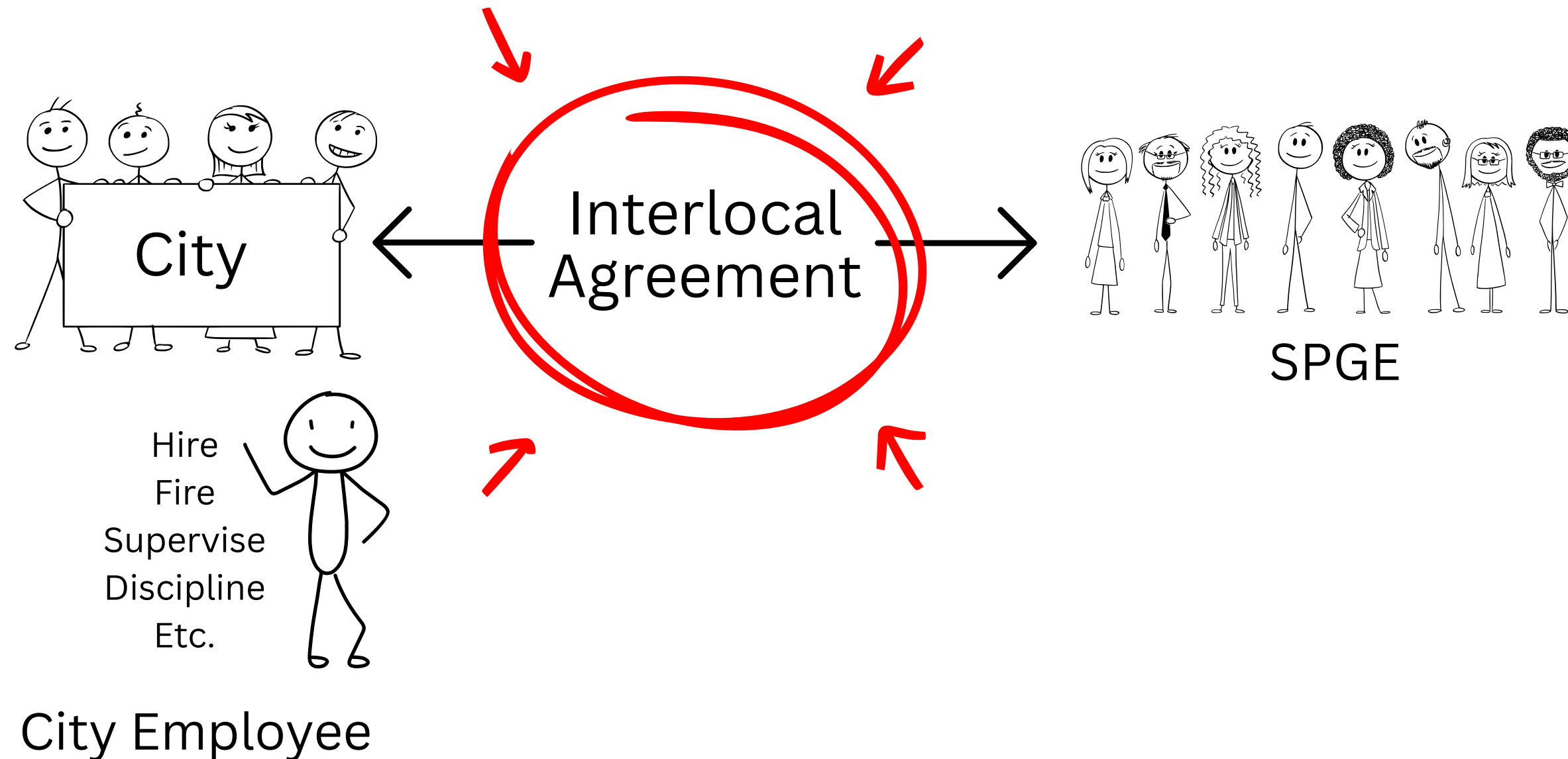
Appointing Members

- Either don't want to follow the statutory requirement or ignores the list submitted by the proper association.
- Statute says SHALL.



Employment Matters

- Is the employee an employee of the commission or a city/county employee?
- If city/county employee - have interlocal agreement which dictates reimbursement and duties.



Status as an SPGE

KRS 91A.360(7)

The commission shall comply with the provisions of KRS 65A.010 to 65A.090.

Translation: You have to do all the things that SPGEs have to do. Register, financial disclosures, etc.

Money.

- Interlocal Agreements?
- Restaurant tax must be turned over (KRS 91A.400)
- Who is responsible for collecting?
- Who gets to say how it is spent?

Resources



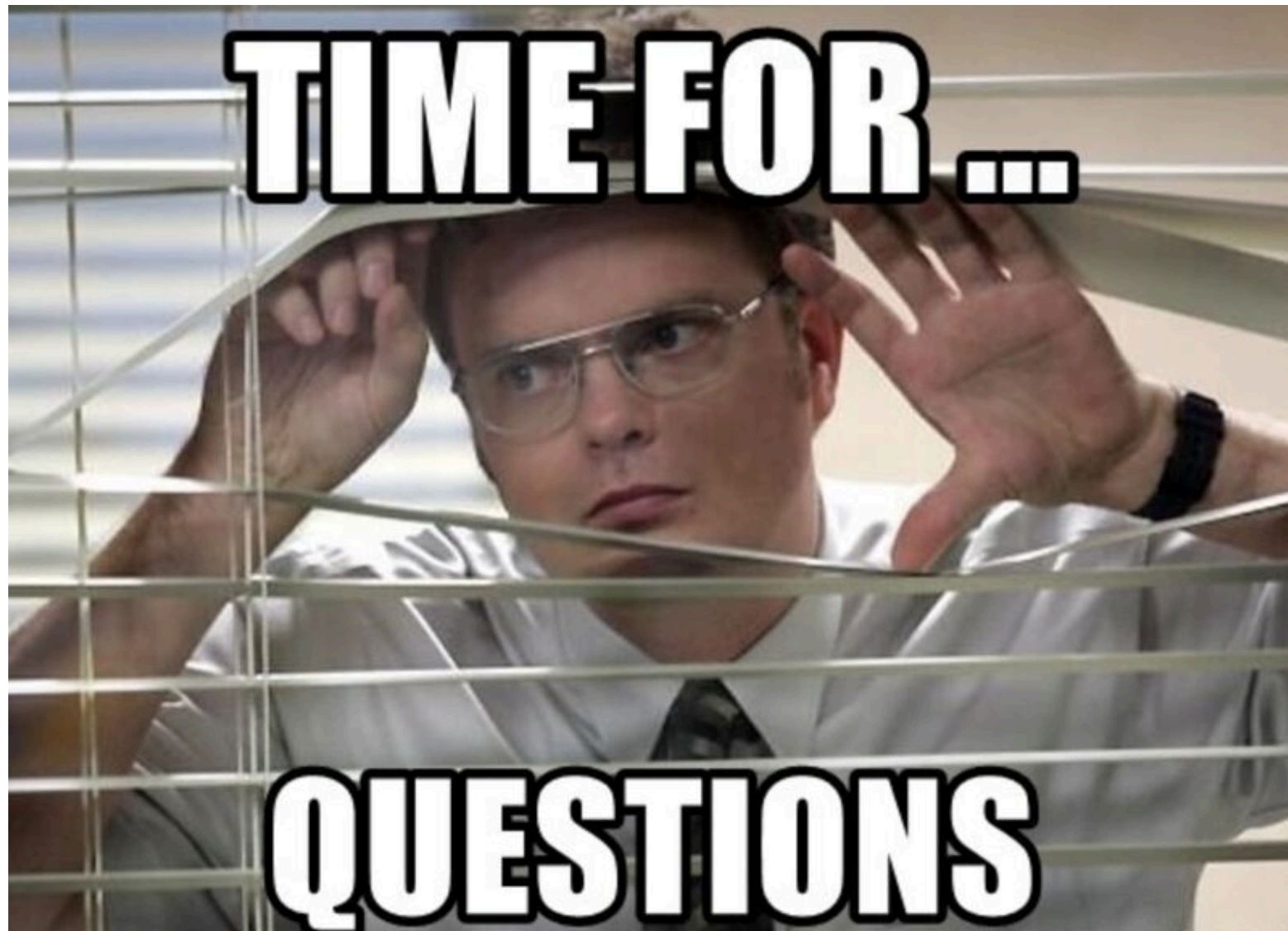
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