# 2022 KTIA LEGISLATIVE AGENDA

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## TOURISM RECOVERY & INVESTMENT PLAN

KTIA's is proposing a $75 million American Recovery Plan Act (ARPA) appropriation. Basic elements are:

- Marketing Kentucky – $15 million
- Marketing Communities – $35 million
- Attracting Meetings & Conventions – $25 million

***KTIA Position: Aggressive support of the Tourism Recovery & Investment Plan.***

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## RESTAURANT TAX EXPANSION TO ALL CITIES

Currently, only formerly fourth and fifth class cities are permitted to enact a restaurant tax. All revenue from the tax is provided to the city's tourism commission. Other cities larger than fourth and fifth class cities advocate for authority to enact the tax as a new source of revenue for their city governments. Those proposals traditionally have included jeopardizing the amount of funds that would be received by tourism commissions where the tax already exists.

***KTIA Position: The tourism industry supports the expansion of the eligibility to enact a restaurant tax to all cities if that expansion preserves current restaurant tax requirements in those cities that have previously enacted it and if a reasonable portion of the monies from the tax in newly eligible cities are dedicated to the city's tourist commission.***

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## SHORT TERM RENTAL

A major priority for tourism commissions is collecting transient room tax from short term rental platforms (Airbnb, VRBO, etc.). During the 2021

session, KTIA began efforts for that purpose. Some legislators were supportive during the last session, but encouraged KTIA to pursue this in 2022 as a part of a larger tax initiative.

***KTIA Position: Pursue legislation requiring short term rental platforms to pay local transient room taxes.***

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## PROTECTION OF 1% STATEWIDE TRANSIENT ROOM TAX

KTIA is committed to protecting the1% Statewide Transient Room Tax, the source of the Kentucky Department of Tourism (KDT) marketing, including matching funds allocated to tourism commissions. In recent sessions, the greatest threat to those funds has been line item appropriations or "earmarks" for designated projects resulting in reductions of the 1% funds available to KDT.

***KTIA Position: Continue efforts to protect the 1% Statewide Transient Room Tax and oppose line item appropriations of those funds.***

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## WELCOMING KY

Continued vigilance is needed concerning discriminatory legislation that could trigger actions damaging to tourism (boycotts, cancellations, etc.).

***KTIA Position: The Commonwealth should remain open and welcoming to all visitors. Kentucky's communities and its people are characterized by warm hospitality and a welcoming attitude. These attributes are a driving force in attracting a large and diverse array of visitors to Kentucky and the economic benefits that result from those visits.***

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## SPORTS WAGERING & CASINO GAMING

***KTIA Positions:***

- ***Sports Gaming – KTIA supports the legalization of sports gaming in Kentucky due to its positive revenue impact and increased visitation it will generate.***

- ***Expanded Gaming – KTIA supports a constitutional amendment to legalize casino gaming.***

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## BOURBON INDUSTRY ISSUES

KTIA is an active supporter of bourbon industry issues that have implications for bourbon related visitor experiences.

***<u>KTIA Positions</u>:***
***Support Kentucky Distillers' Association's (KDA) efforts with the following:***

***Private Barrels***

- ***Establish a sound regulatory framework for private barrel selection events at distilleries.***
- ***Give consumers the option to purchase private barrel selection bottles directly from the distillery or have them shipped to reciprocal states.***
- ***Maintain the three-tier system for private barrel selections purchased by retail licensees.***
- ***Let Master Distillers and Master Tasters craft their own unique private barrel selections and sell them at distillery gift shops, elevating tourism and attracting repeat visitors.***

***Parity with beer and wine that would allow distillers to:***

- ***Sell bottles that are only available at distillery gift shops, helping drive tourism and repeat guests to Kentucky and giving consumers something special when visiting.***
- ***Sell bottles at local fairs, festivals and farmer's markets, which will particularly increase the visibility of our craft distillery brands.***
- ***Operate an off-site tasting room with retail privileges, enhancing brand awareness and tourism opportunities for communities and hospitality partners.***
- ***Allow the sale of barrel-aged cocktails at restaurants, bars and distilleries.***

***Barrel Tax***

- ***Eliminate the Bourbon barrel tax or make the credit refundable or transferable so distillers can fully realize this incentive.***

## BOATS AND PROPERTY TAXES

There is growing interest from various stakeholders to clarify, provide consistency and bolster compliance in regard to boats and property taxes. This is a major issue area for marinas. Late during the 2021 session, a bill was introduced and supported by the Kentucky Marina Association that provided for a method of assessing fees based on the length of boats. That bill also provided for the establishment of a tourism marketing fund to be distributed to marinas if revenue from the fees reached a certain level.

***KTIA Position: KTIA supports the Kentucky Marina Association (KMA) model of boat 'user fees' for unregistered boats in lieu of property taxes on those boats. However, KTIA's support is conditional on the proposed legislation not including the previously proposed tourism marketing fund that would not be received by tourist commissions.***

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## HUMAN TRAFFICKING

Where and when this horrific criminal activity occurs is often tourism related (hotels, major events, etc.).

***KTIA Position: KTIA supports legislation that continues to more fully and effectively address human trafficking.***

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