



KTIA 2024 Legislative Report

This report provides final outcomes and commentary on KTIA’s legislative agenda issues as well as others that were important to tourism that arose over the course of the 2024 session.

TOURISM MARKETING RESOURCES

Preserve the 1% 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.

Outcome:

As reported for the last few weeks results with this issue were mixed, but on balance positive. The General Assembly significantly increased the spending authority for 1% funds, which effectively represents an increase in what will be invested in statewide tourism marketing.

On the other hand, the budget included 1% funds for the Kentucky Mountain Regional Recreation Authority (KMRR), the National Quilt Museum and Southeastern Kentucky Chamber of Commerce for a Southern Kentucky Tourism Initiative, the last two emerging unexpectedly from the closed-door free conference committee deliberations.

While the increased spending authority is well in excess of the total of the three line item appropriations, these individual appropriations are steps in the wrong direction as relates to maintaining 1% funds for only statewide tourism marketing purposes. KTIA will be undertaking a thorough review of this issue to determine how to more effectively communicate to legislators the importance of the 1% funds for their intended purpose.

Local Transient Room Tax: No Centralized Collection System

Such a system 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*

Outcome:

No legislation was enacted to establish a local transient room tax centralized collection system.

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.

Outcome:

Under the conditions noted in the position statement, KTIA supports the opportunity for all cities to be permitted to enact a restaurant tax. This position has become a standard item in our annual legislative agenda, and therefore was included this year. It was apparent well before the session got underway that the General Assembly would not consider expanding eligibility, and they did not.

A WELCOMING KENTUCKY

No Legislation That is Not Welcoming to All Visitors

Kentucky's welcoming attitude is a driving force in attracting a large and diverse array of visitors and the economic benefits that result. Legislation perceived as discriminatory that could trigger actions damaging to visitation (boycotts, cancellations, etc.) should not be enacted.

Outcome:

There were no bills passed that appear to have the negative impact of triggering actions damaging to tourism.

Address Human Trafficking

Where this horrific criminal activity occurs is often tourism related (hotels, major events, etc.). Enact legislation that continues to more fully and effectively address human trafficking.

Outcome:

Reflecting the legislature's and Governor's awareness of the importance of trying to combat human trafficking, House Bill 3 received unanimous votes in both the House and Senate and was signed by the Governor. The bill establishes a working group to be chaired by the Attorney General that will collect, study and report statewide human trafficking data, and whose members will include governmental and nongovernmental organizations and federal agencies.

The most direct implication for the tourism industry is that the bill requires hotels to post clearly visible signs in the lobby, stairwells, elevators, *OR* (emphasis added) on or beside exit doors and all publicly accessible restrooms. The signs are to be printed in English and Spanish at least eight and one-half (8-1/2) by eleven (11) inches in size, with letters in at least sixteen (16) point font; and displaying the current telephone hotline number of the National Human Trafficking Resource Center. The restroom sign requirement would also include airports, bus stations, truck stops and highway rest areas.

The bill's primary sponsor, Rep. Suzanne Miles (R-Owensboro), stated that the legislation is meant to mirror other federal laws and programs such as the Department of Homeland Security's Blue Campaign and the National Human Trafficking Resource Center.

KTIA's support of HB 3 came after consultation with the association's Hotel & Lodging Council, members of which, while not overly enthusiastic about the sign requirement, deemed it to be manageable and indicated support for the bill.

BOURBON VISITOR EXPERIENCES

Allow Limited Self-distribution for Craft Distillers

Craft distillers should be permitted to self-distribute a limited quantity of their bourbon.

Outcome:

Senate Bill 50 passed and was signed by the Governor. It allows craft distillers to self-distribute up to 5,000 gallons of distilled spirits per year to a licensed retailer.

Expand Satellite Tasting Rooms

Expand from one satellite tasting room per distillery on-site visitor center to two satellite tasting rooms per visitor center.

Outcome:

From the outset it was apparent that this issue would be a struggle during the 2024 session and no legislation was passed to expand tasting rooms.

ACTIVELY MONITORING

Below are issues that KTIA's Legislative Committee and board designated prior to the start of the session for active monitoring during the session.

Artificial Intelligence (AI)

Outcome:

No AI legislation was enacted that is relevant to the tourism industry.

Data Privacy

Outcome:

Three data privacy bills were introduced and the only one that passed and was signed by the Governor was House Bill 15. Patterned after a Virginia model, it is the one considered to be the most reasonable for businesses and was endorsed by the Kentucky Chamber.

House Bill 15 establishes consumer rights relating to personal data; defines terms; exempts certain persons or entities from the statutory provisions of the act; establishes certain consumer rights relating to personal data, including the rights to confirm whether data is being processed, to correct any inaccuracies in the consumer's personal data, to delete personal data provided by the consumer, to obtain a copy of the consumer's personal data that was

previously provided, and to opt out of targeted advertising, the sale of data, or profiling of the consumer; sets forth requirements for persons or entities that control and process consumer data; establishes that the Attorney General has exclusive authority to enforce the consumer data privacy rights; and create a consumer privacy fund to be administered by the Office of the Attorney General; The legislation is effective January 1, 2026.

Local Tax Reform

Outcome:

There was no substantive legislation enacted regarding local tax reform.

ADDITIONAL UPDATES

Over the course of the session several other bills emerged that had important tourism implications:

- **Open Records** – House Bill 509 would have made significant changes in Kentucky’s open records statutes and as such would have impacted tourism commissions and other KTIA members that are subject to open records requirements. It did not pass, and is likely to draw continued attention during the interim.
 - **Short Term Rentals** – Several bills related to short term rentals were introduced and none passed.
 - **Motorboat Fee** – House Bill 521 proposed a waterways usage fee for boats in lieu of property taxes. It did not pass.
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