ORDINANCE NO. 17:2026

AN ORDINANCE OF THE CITY OF MOREHEAD, KENTUCKY AMENDING TITLE III: ADMINISTRATION, CHAPTER 34 *BOARDS AND COMMISSIONS, SECTIONS 34.35 through 34.52* OF THE CODE OF ORDINANCES OF THE CITY OF MOREHEAD, KENTUCKY RELATING TO THE RECREATION, TOURISM AND CONVENTION COMMISSION.

WHEREAS, KRS 91A.350, KRS 91A.360 and KRS 91A.390 authorizes the establishment of a Recreation, Tourism and Convention Commission;

WHEREAS, Rowan County and the City of Morehead have previously established a joint Recreation, Tourism and Convention Commission and previously entered into an Interlocal Agreement setting forth the terms of a joint commission, which was approved by the Department of Local Government; and

WHEREAS, it is necessary from time-to-time for the Board of City Council of the City of Morehead to review, re-evaluate and update its ordinances; and

WHEREAS, the Board of City Council of the City of Morehead, Kentucky has reviewed the updated sections relating to the Recreation, Tourism and Convention Commission and determined that it is necessary for the City of Morehead to continue to effectively promote recreation and tourism; and

NOW, THEREFORE, BE IT ORDAINED by the Board of City Council of the City of Morehead, Kentucky as follows:

SECTION 1:

That Title III: Administration, Chapter 34, Boards and Commissions, Sections 34.35 through Sections 34.52 relating to the Recreation, Tourism and Convention Commission of the Code of Ordinances of the City of Morehead, Kentucky shall be amended as follows:

[~~RECREATIONAL~~] RECREATION, [~~TOURIST~~] TOURISM, AND CONVENTION COMMISSION

§ 34.35 CREATION OF COMMISSION.

There is created, pursuant to KRS 91A.350 and 91A.360, the Morehead-Rowan County Recreation, [~~Tourist~~] Tourism, and Convention Commission, which [~~commission~~] is established for the purpose of promoting recreation, [~~tourist~~] tourism, and convention activity in Morehead and Rowan County.

§ 34.36 COMPENSATION; NUMBER OF MEMBERS.

The Commission shall be composed of seven (7) members who shall [~~service~~] serve without compensation and who shall be citizens, residents, and voters of Rowan County and who shall be appointed as follows:

(A) Two (2) Commissioners jointly by the Mayor of the City of Morehead and the Judge Executive of Rowan County from a list of not less than three (3) or more names submitted by the local city hotel and motel association. One (1) Commissioner from a list of not less than three (3) or more names submitted by the local county hotel and motel association. However, should only one local hotel and motel association exists which covers both the city and county, then three (3) Commissioners shall be appointed from a list of six (6) or more names submitted by it. If no formal local city or county hotel and motel association is in existence at the time of any appointments, then up to three (3) Commissioners shall be appointed by the Mayor and Judge Executive from persons residing within the jurisdiction of the Commission and representing local hotels and motels. A local city or county hotel or motel association shall not be required to be affiliated with the Kentucky Hotel and Motel Association to be recognized as the official local city or county hotel or motel association.

(B) One (1) Commissioner jointly by the Mayor of the City of Morehead and the Judge Executive of Rowan County from a list of not less than three (3) or more names submitted by the local restaurant association or associations. If no formal local restaurant association or associations exist at the time of any appointments, then one (1) Commissioner shall be appointed by the Mayor and Judge Executive from persons residing within the jurisdiction of the Commission and representing a local restaurant. A local restaurant association or associations shall not be required to be affiliated with the Kentucky Restaurant Association to be recognized as the official local restaurant or association.

(C) One (1) Commissioner jointly by the Mayor of the City of Morehead and the Judge Executive of Rowan County from a list of not less than three (3) or more names submitted by the Morehead-Rowan County Chamber of Commerce.

(D) One (1) Commissioner shall be appointed by the Mayor of the City of Morehead.

(E) One (1) Commissioner shall be appointed by the Judge Executive of Rowan County.

§ 34.37 VACANCIES.

Vacancies in the Commission shall be filled by requesting a list from the [~~organization originally recommending~~] Morehead-Rowan County Tourism Executive Director and Chair and by selection from the list jointly by the Mayor and Judge Executive.

§ 34.38 LENGTH OF TERMS.

The Commissioners shall be appointed for terms of three years. All terms shall expire on June 30. However the initial appointments for the Joint Commission shall be two (2) Commissioners appointed for a term of three (3) years, two (2) Commissioners appointed for a term of two (2) years; and three (3) Commissioners appointed for a term of one (1) year. Subsequent appointment shall be for three (3) year terms. Pursuant to KRS 91A.360(3), there shall be no limitation on the number of terms to which a Commissioner is reappointed.

§ 34.39 RECOMMENDATIONS MADE EACH YEAR.

Each year the [~~Director of Tourism~~] Morehead-Rowan County Tourism Executive Director and Chair shall submit a written request to each of the above listed organizations, if in existence, requesting that said organizations submit its list of recommendations for the upcoming expiring term of the Commissioner(s); the lists to be submitted not later than May 30 of each year. In the event that the organizations or associations fail to submit the lists to the [~~Director of Tourism~~] Morehead-Rowan County Tourism Executive Director and Chair by May 30 of each year, after having received written request at least thirty (30) days prior to May 30 to submit the lists, the Mayor of the city and the Judge Executive of Rowan County may appoint to the Commission any citizen resident and voter of Rowan County based on the categories and direct relation to tourism in Morehead and Rowan County. The appointments shall be made not later than June 30 of each year.

§ 34.40 ELECTION OF OFFICERS.

The Commission shall annually elect from its membership a chairman, a secretary, and a treasurer, and may employ such personnel and make such contracts as are necessary to effectively carry out the purposes of KRS 91A.350 and 91A.360. The 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 recreational, 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, chambers of commerce, publishers, and printers.

§ 34.41 MEETINGS TO BE HELD.

The Commission shall meet at such regular sessions as shall be established by the Commission, and may hold any other meetings as are necessary to transact the business. Special meetings may be called by the [~~chairman~~] Chair or by written call of any two (2) Commissioners. A majority of the membership of the Commission shall constitute a quorum for transacting business.

§ 34.42 BUDGET.

The Commission shall annually submit to the [~~city~~] Board of City Council of the City of Morehead and the Rowan County Fiscal Court, not later than May 1 of each year, a proposed budget for the ensuing fiscal year beginning on the first day of July. The proposed budget shall be approved, disapproved or modified by the City Council and/or the Fiscal Court as [~~the City Council~~] either entity may determine is necessary. The proposed budget must be approved by two (2) readings before City Council and thereafter published in accordance with the Kentucky Revised Statutes before effective.

§ 34.43 TRANSIENT ROOM TAX.

(A) For the purpose of the operation of the Morehead-Rowan County [~~Recreational~~] Recreation, [~~Tourist~~] Tourism and Convention Commission, there is imposed and levied a transient room tax of three percent (3%) of the gross rent for every occupancy of a suite, room, [~~or rooms~~] cabin, house, campground, or other transient accommodations often considered short-term rentals charged by all persons, companies, corporations and other like or similar persons, groups, or organizations doing business as motor courts, motels, hotels, inns, or like or similar accommodations businesses in [~~the city~~] Morehead and Rowan County (entities inside the city limits are exempt from paying the county transient tax but not exempt from paying city transient tax.).

(B) In addition to the above three percent (3%), there is imposed and levied a special transient room tax of one percent (1%) of the gross rents for every occupancy of a suite, room, or rooms charged by all persons, companies, corporations, and other like or similar persons, groups or organizations doing business as motor courts, motels, hotels, inns or like or similar accommodations businesses in the city. This additional one percent (1%) transient room tax is levied for the sole purpose of meeting the operating expenses of the Morehead Conference Center.

~~[(C) Short-term rentals.~~

~~(1) Definitions. For the purpose of this section, the following definitions shall apply:~~

~~"HOST." Any person who owns or operates a short-term rental.~~

~~"HOSTING PLATFORM." An internet-based platform that generally allows an owner or tenant to advertise the short-term rental through a website and provides a means for potential transient users to arrange rental and payment through the platform.~~

~~"SHORT-TERM RENTAL." A dwelling unit that is rented, leased or otherwise assigned for a tenancy of less than thirty (30) consecutive days, where no meals will be served. This term does not include hotel or motel rooms, extended stay hotels, bed and breakfast facilities or boarding and lodging house rooms.~~

~~"TRANSIENT USER." A person who exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license, and other agreements for a period of less than thirty (30) consecutive days.~~]

[~~(2)~~] (C) Payment of taxes or fees. Each host shall be required to pay any applicable taxes or fees in accordance with [~~§ 34.43~~] the City of Morehead Code of Ordinances including but not limited to occupational tax, payroll, net profits, property taxes and business permits.

[~~(3)~~] (D) Payment of transient room taxes required. Each host shall be required to collect and pay to the [~~City of Morehead~~] Morehead-Rowan County Tourism Commission all transient room taxes required pursuant to § 34.43 . The collection and remission of transient room taxes may be paid by a hosting platform or other party on behalf of a host, but the host is ultimately responsible for payment of the taxes.

[~~(4)~~] (E) Compliance with federal, state and local laws and regulations. Each separate short-term rental shall be in compliance with any currently applicable laws and regulations of the federal, state or local government, as may be amended from time to time including, but not limited to, laws or regulations on nondiscrimination, zoning, building, safety, property maintenance, health and sanitation, fire, electrical, plumbing, mechanical, and other applicable laws.

§ 34.44 PAYMENT OF TAXES.

[~~Every person, company, corporation, or other like or similar person, group or organization doing business as a motor court, motel, hotel, inn, or other like or similar accommodations business in the city,~~] If operating a short term rental which includes occupancy of a suite, room, rooms, cabin, house, campground, or other transient accommodations charged by all persons, companies, corporations and other like or similar persons, groups, or organizations doing business as motor courts, motels, hotels, inns or like or similar accommodations businesses in Morehead and Rowan County shall pay monthly a transient room tax set forth [~~above~~] in this Chapter of the Code of Ordinances of the City of Morehead. The tax shall be due and payable on or before the twentieth (20th) day of the month next following the month that the tax is collected, together with a return on a form furnished by or obtained from the [~~City Clerk~~] Morehead-Rowan County Tourism Commission. Said form shall set forth an aggregate amount of gross rentals charged and collected during the preceding month for every room to which the transient room tax applies, together with such other pertinent information as the [~~city~~] Morehead-Rowan County Tourism Commission may require.

§ 34.45 INTEREST ON UNPAID TAX.

(A) Any transient room tax which remains unpaid after it becomes due, as set forth herein, shall have added to it a penalty of ten percent (10%) of the amount of unpaid tax, plus interest at the rate of one-half of one percent [~~(1 1/2%)~~] (0.5%) for each month

of delinquency or fraction thereof, until paid in full. Further, any person or business who shall fail, neglect, or refuse to properly complete and file a return as required herein or pay the tax imposed herein, or any portion thereof, shall be subject to the penalties set forth in [~~§ 34.53~~] this Chapter of the Code of Ordinances of the City of Morehead.

(B) The following notice procedure shall be used when a required payment has not been received by the established due date:

(1) Notice One – Initial Notice:

i. A form is mailed monthly to all transient room tax operators.

(2) Notice Two – Certified Notice:

i. If a payment is not received after the initial notice, a second notice in the form of a postcard shall be sent informing the party responsible that payment remains outstanding and requesting immediate payment to include necessary late fees.

(3) Notice Three – Final Notice:

i. If payment is not received after Notice One or Notice Two, a final notice shall be issued by certified mail informing the responsible party that the account is delinquent and that the matter will be turned over to the County Attorney and City Code Enforcement Officer to begin legal action or other remedies permitted under the Code of Ordinances of the City of Morehead.

§ 34.46 EXCEPTIONS.

The tax imposed in §§ 34.35 through 34.45 shall not apply to rentals paid on occupancies of thirty (30) consecutive days or longer.

§ 34.47 RESTAURANT GROSS RETAIL TAX.

(A) For the purpose of operation of the Morehead-Rowan County [~~Recreational~~] Recreation, [~~Tourist~~] Tourism and Convention Commission and to finance the cost of the acquisition, construction, operation and maintenance on facilities useful in the attraction and promotion of [~~tourist~~] tourism and convention business, there is hereby imposed and levied a special tax of three percent (3%) of the gross retail sales of restaurants doing business within the city.

(B) The funds collected from this tax shall be maintained by the [~~City Clerk~~] Morehead-Rowan County Tourism Commission in a special fund and disbursed [~~to the Commission~~] in accordance with [~~its~~] the annual budget of the Morehead-Rowan County Tourism Commission. All such money shall be used solely for the purpose of promoting recreational, convention and tourist activity, as set out in KRS 91A.390, and shall not be

used to provide a subsidy in any form to any motel, hotel or restaurant. Any money not expended by the Commission during any fiscal year will be used to make up a part of the Commission's budget for the next fiscal year.

(C) The Commission must obtain approval from the City Council of the City of Morehead prior to using any revenues from the restaurant tax for the purpose of capital improvements including the purchase of acquisition of land. In obtaining the approval, the Commission must provide the City Council a complete copy of any and all plans, data, research, appraisals, blueprints, and the like regarding the capital improvement. This requirement is in addition to the requirement in § 34.42 .

[~~*§ 34.48 PAYMENT OF TAXES.*~~

~~(A) Every person, company, corporation or other like, or similar persons, groups or organization doing business as restaurants located in the city shall pay monthly into the city treasury a tax of three percent (3%) of the gross retail sales, which is defined to mean gross sales excluding state sales tax, collected by such business during the month. The tax shall be due on or before the twentieth day of the month next following the month the tax is collected. For example the tax collected during the month of January shall be due no later than February 20. The tax shall be submitted to the City Clerk together with a return on a form furnished by or obtained from the City Clerk, setting forth an aggregate amount of gross sales charged and collected during the preceding month to which the tax applies, together with such other pertinent information as the city may require.~~

~~(B) The tax imposed herein shall be in addition to other general taxes as the Occupational Tax or Business Permit payable to the city.~~]

§ [~~34.49~~] 34.48 DEFINITION FOR RESTAURANT.

As used in this chapter, restaurant means any fixed or mobile commercial establishment that engages in the preparation and serving of ready-to-eat foods in portions to the consumer, including, but not limited to: restaurants, coffee shops, cafeterias, short order cafes, luncheonettes, grilles, tea rooms, sandwich shops, soda fountains, roadside stands, street vendors, catering kitchens, delicatessen, or similar places in which food is prepared for sale for consumption on the premises or elsewhere. It does not include school cafeterias which are operated by the school system and not an independent corporation, food vending machines, establishments serving beverages only in single service or original containers. Temporary food stands, operated by non-profit organizations are exempt from this tax.

§ [~~34.50~~] 34.39 INTEREST ON UNPAID RESTAURANT TAX.

Any restaurant tax which remains unpaid after it becomes due, as set forth herein, shall have added to it a penalty of ten percent (10%), and shall pay as part of the tax an amount equal to six percent (6%) per annum simple interest on the tax shown due but unpaid, from the time the tax was due until the tax is paid to the city. A fraction of a month is counted as an entire month. Further, any person or business who shall fail, neglect, or refuse to properly complete and file a return as required herein or pay the tax imposed herein, or any portion thereof, shall be subject to the penalties set forth in [§ ~~34.53~~] this Chapter of the Code of Ordinances of the City of Morehead.

§ [~~34.51~~] 34.50 EXAMINATION OF BOOKS, PAPERS, RECORDS AUTHORIZED.

(A) Any agent or employee designated in writing by the Mayor of the City of Morehead or Board of City Council of the City of Morehead is hereby authorized to examine the books, papers, and records of any person, company, corporation or other like or similar person, group or organization doing business in the [~~city~~] City of Morehead operating as a restaurant or short term rental which includes occupancy of a suite, room, rooms, cabin, house, campground, or other transient accommodations charged by all person, companies, corporations and other like or similar persons, groups or organizations doing business as motor courts, motels, hotels, inns or like or similar accommodations businesses in Rowan County within the City Limits of Morehead [~~as a restaurant, motor court, motel, hotel, inn or other like or similar accommodation business~~] to determine the accuracy of any return made, and if, no return was made, to ascertain the amount of restaurant and/or transient room tax imposed by the terms of this chapter. Each business operator or owner is hereby directed and required to give the Director of Finance or any agent or employee authorized by the Mayor or Board of City Council the means, facilities, and opportunity for the examination and investigation as authorized by this section.

(B) Any agent or employee designated in writing by the Mayor of the City of Morehead or Board of City Council of the City of Morehead is hereby authorized to examine any person under oath concerning the gross sales and occupancy of suites or rooms. For this purpose, the Director of Finance or an appointed agent may compel the production of books, papers, records, and attendance of all persons, whether as parties or witnesses, who he/she believes has knowledge of the business, the extent that an officer empowered to administer oaths in this Commonwealth its permitted to so order.

§ [~~34.52~~] 34.51 ENFORCEMENT REMEDIES.

In addition to the interest and penalties set forth above in §§ 34.45 and 34.50 , any person, business, corporation, firm, or other entity subject to the transient room tax and/or restaurant tax who fails or refuses to file the required return and/or pay the tax due thereunder shall be subject to the following enforcement remedies:

(A) Any entity becoming ten days in default, meaning if the return is not filed by the thirtieth of the month when it is due and/or the tax due thereunder is not received by the thirtieth of the month when it is due, shall have its water service terminated forthwith, without prior notice. Service will be reconnected after the return is filed and tax due thereunder is paid in full.

(B) Any entity becoming more than thirty (30) days delinquent shall be subject to criminal enforcement. It shall be considered theft by failure to make required disposition of property as set forth by KRS 514.070 and shall be turned over to the County Attorney or the Commonwealth Attorney for enforcement through the Kentucky Penal Code, KRS Chapter 500.

(C) Further, a lien is granted unto the City of Morehead upon all property, real or personal, of any person, business, corporation, firm, or other entity subject to the transient room tax and/or restaurant tax to secure the unpaid tax receipts due from said entity. The lien shall be perfected by filing a Notice of Tax Due and Statement of Lien in the Office of the County Court Clerk, describing the property on which the lien is asserted.

SECTION 2:

This Ordinance shall be effective upon its adoption and approval according to law and publication thereafter.

SECTION 3:

All Ordinances or parts of any Ordinances in conflict herewith to the extent of such conflict, if any, are hereby repealed.

SECTION 4:

The provisions of this Ordinance are severable and the invalidity of any such provision of this Ordinance shall not affect the validity of any other provisions hereof, and such other provisions shall remain in full force and effect as long as they remain valid in the absence of that provision determined to be invalid. If any part of this Ordinance is held unconstitutional or unenforceable, the remaining parts shall remain in force and effect.

INTRODUCED, SECONDED AND GIVEN FIRST READING at a duly convened meeting of the Board of City Council of the City of Morehead, Kentucky held on this 28th day of September, 2026.

INTRODUCED, SECONDED AND GIVEN SECOND READING at a duly convened meeting of the Board of City Council of the City of Morehead, Kentucky held on this 2nd day of October, 2026.

APPROVED:

LAURA WHITE-BROWN, MAYOR **DATE**

ATTESTED:

HELEN SMITH, CITY CLERK