

SHORT TERM RENTAL GUIDE

OFF THE BEATEN PATH
MOREHEAD, KENTUCKY

Welcome to Morehead, Kentucky

Nestled in the heart of the Appalachian foothills, Morehead is a charming town where adventure meets hospitality. Whether you're here to explore the breathtaking beauty of Cave Run Lake and the Daniel Boone National Forest, experience our rich arts and music scene, or simply relax and enjoy small-town charm, Morehead has something for everyone.

If you're considering opening a short-term rental, this guide will provide you with the essential information to get started. From local regulations and permits to marketing tips and guest expectations, we're here to help you create a successful rental that enhances our community while offering visitors a welcoming place to stay. This guide, along with our dedicated team of two, will support you through the process—making opening your property as simple as flipping a light switch.

Rental Platforms:

Online Booking Platforms
Websites and apps that allow travelers to search for and book overnight accommodations, including hotels, cabins, vacation homes, B&Bs, campgrounds, and other short-term lodging.

Platforms may process reservations and payments and, in some cases, collect and remit lodging taxes for property owners.

Short-Term Rental Management Companies
Companies that manage short-term rental properties for owners. Services may include listings, pricing, reservations, payments, guest communication, cleaning, maintenance, and guest services.

Management companies may advertise properties across multiple booking platforms and may also handle lodging tax collection and remittance.

Local Property Management Companies
Local companies or individuals that manage short-term rentals within a community or region. Services may range from cleaning and maintenance to full-service rental management.

Properties may be booked directly or through online booking platforms. Depending on the arrangement, lodging tax responsibilities may rest with the owner, manager, or booking platform.

Popular Online Booking Platforms

Airbnb	Vrbo
Booking.com	Expedia
Hotels.com	Tripadvisor
Google Hotels	Houfy
Vacasa	HomeToGo
Hipcamp	Campspot
Glamping Hub	
Outdoorsy (RVs)	
RVshare (RVs)	

This list is provided as a general resource and is not an endorsement of any particular booking platform. Platform services, fees, policies, and tax collection practices vary. Property owners should research each platform to determine which option best meets their needs.

Morehead-Rowan County Tourism does not endorse a specific booking platform or property management company.

Things to take into account:

Operating a short-term rental is a business activity and may be subject to local, state and federal requirements. We recommend consulting with legal counsel, a CPA, or other qualified tax professional regarding your specific circumstances. Additionally, here are some key considerations to keep in mind:

Insurance: Review your current insurance policy or consult directly with your agent to ensure you have the appropriate coverage for operating a short-term rental property.

Zoning Regulations: You should consult with our local Planning and Zoning Office.

- City Properties: 606.784.8505 ext. 5
- County Properties: 606.548.1148

Restrictive Covenants: Review your property deed or subdivision agreement for restrictive covenants. Owners whose property is located within a development or subdivision should review any deed restrictions or restrictive covenants to determine whether rental activity is permitted or regulated.

Ordinances:

- City of Morehead Ordinance 33:2019 | Section 34.43 Transient Room Tax
  - A 3% transient room tax is imposed in support of the Morehead-Rowan County Recreational, Tourist and Convention Commission. An additional 1% transient room tax is imposed for the Morehead Conference Center, for a total City transient room tax of 4%.
- Rowan County Fiscal Court Ordinance 05-26 | Page 3, Section 4
  - A 3% transient room tax is hereby imposed.
- House Bill 8 (2022 Legislative Session)
- This bill expands the transient room tax to include stays in campgrounds and RV parks.

Note: The transient room tax does not apply to stays of 30 or more consecutive days.



Local Requirements:

- Apply for a business permit and occupational license. This is a form that includes both the city and county.
  - The applications can be found online at
    - https://www.rcky.us/occupational-tax
- Register with the local tourism commission within 30 days of commencing business.
  - Email tourism@moreheadtourism.com to request a link to set up your business and property(s) online.

It is unlawful to operate a short-term property without the required registration after 30 days of business.

Transient Room Tax is a local tax charged on short-term lodging.



Tax Breakdown:

As a short-term rental host, you are required to pay taxes on the rental income you receive. Short-term rental transactions are subject to applicable state and local taxes. Short-term rental transactions are subject to applicable state and local taxes. Depending on how your property is booked, some taxes may be collected and remitted on your behalf by a booking platform. These taxes include:

Properties inside Morehead city limits
- 4% City of Morehead transient room tax
- 1% Kentucky transient room tax
- 6% Kentucky sales tax

Properties outside Morehead city limits but within Rowan County
- 3% Rowan County transient room tax
- 1% Kentucky transient room tax
- 6% Kentucky sales tax

Any earnings you receive from rentals may also be subject to net profits occupational license fee. You will find information about this when you register for your business permit.

Remitting Taxes:



Local transient room taxes are due by the <u>20th of each month</u>
Example: June's transient room taxes are due July 20



Even if you have no rentals for the month, you are still required to submit a report showing $0 in income.



Notify our office within 30 days of closing, selling, or transferring ownership of your rental property. If the new owner intends to operate it as a short-term rental, provide their name and address.



Prefer to pay by mail?
With a form and a check? Sure! Mail a completed form and check to:
MRCTC Attn: Transient Room Tax
111 E. First Street
Morehead, KY 40351



Want to pay the online way?
tax.visitmorehead.com





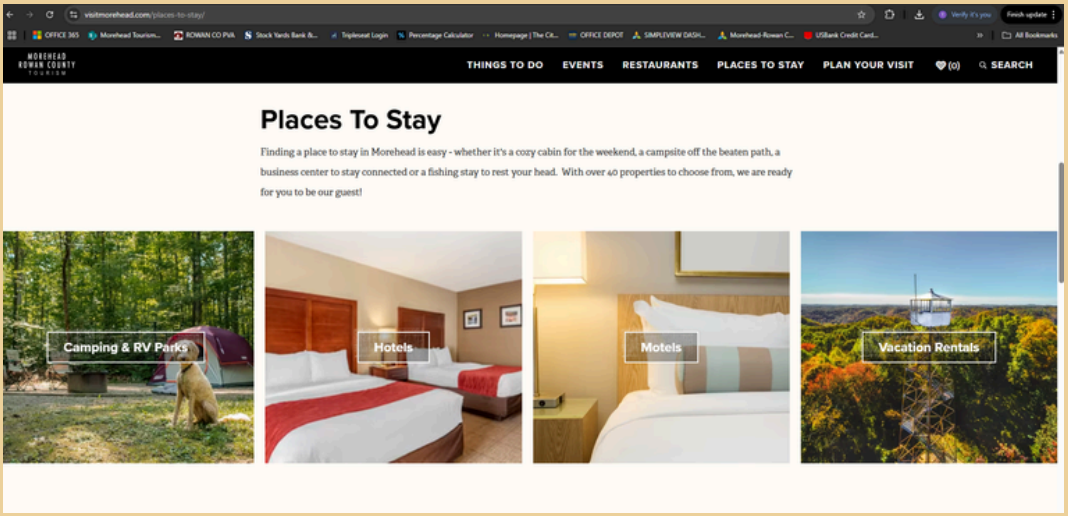
Penalties & Enforcement Remedies

- If the transient room tax isn't paid on time, a 10% penalty will be added to the unpaid amount. Additionally, interest will be charged at of 1 1/2% per month until the tax is fully paid.
- Anyone who fails to file the required tax return or make the necessary payment may also face additional penalties.

- In addition to the above penalties:
  - Notice One - Initial Notice:
    - A form is mailed monthly to all transient room tax operators.
  - Notice Two - Certified Notice:
    - 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.
  - Notice Three - Final Notice:
    - 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 or City Code Enforcement Officer to begin legal action or other remedies permitted under this ordinance.

Let Us Promote Your Property!

Visitors bring success to both you and our community. Effective marketing of your property is key, as is ensuring your guests have a top-tier experience. Beyond the listing platform you use to book rentals, here are a few additional ways to make your property stand out.



On our website, visitmorehead.com, we feature a 'Places to Stay' section where visitors can easily book their preferred Camping & RV Park, Hotel, Motel, or Vacation Rental with just a few clicks.

Your part is simple—just send an email to tourism@moreheadtourism.com with details about your rental (amenities, number of rooms, proximity to downtown/Cave Run, etc.), along with photos and a link to your booking page. We'll list your property on our site.

Be sure to leverage other platforms to market your short-term rental as well. Consider using multiple marketing channels to increase your property's visibility and reach potential guests.

Our website also lists restaurants, local events and things to do. You are welcome to stop by our Visitor Center (150 East First Street, inside the historic Depot) and grab some visitor guides or create a QR code linking visitors to our website. You can post the QR code in a cool frame inside your rental for ease of use.

Create social media pages for your property, add testimonials from renters, photos, unique attributes of the property, cool things to do within walking distance and what makes your place different from all the rest.

Before You Welcome Your First Guest

□ Confirm zoning/property eligibility

□ Review deed restrictions/restrictive covenants

□ Obtain appropriate insurance

□ Obtain City/County business and occupational licensing

□ Register the property with Morehead-Rowan County Tourism

□ Determine which taxes your booking platform collects/remits

□ Set up local transient room tax reporting

□ Establish emergency/contact information for guests

□ Add your property to VisitMorehead.com

□ Provide guests with local visitor information

You're Part of the Morehead Experience

Every overnight guest is an opportunity to introduce someone to Morehead and Rowan County. A great stay may lead them to explore our trails, enjoy Cave Run Lake, discover our downtown, dine in a local restaurant, attend an event—and come back again. Thank you for helping us give visitors a reason to stay awhile.

This guide is provided for informational purposes only and is not legal, tax or financial advice. Requirements may change. Property owners are responsible for ensuring compliance with all applicable federal, state and local laws, regulations and ordinances.