

DATA BULLETIN:

**AN EXAMINATION OF LOCAL
TOURISM COMMISSIONS**



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS
www.auditor.ky.gov



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

July 16, 2020

To the People of Kentucky:

The Auditor of Public Accounts (APA) has analyzed public data regarding local tourism commissions as a matter of public interest to taxpayers. My motto has been to “Follow the Data,” so to help with that we intend to highlight data from time to time that is of public interest.

The purpose of this analysis is to inform the public about the organization and operation of tourism commissions across the Commonwealth based on publicly available data. The information provided is from agencies or officials other than the APA, unless indicated otherwise. Therefore, the data being made available has not been audited by the APA.

This analysis is intended to generate further discussion and public interest in the commissions analyzed. If you have information related to these commissions or other uses of public funds, please contact our office at 1-800-KY-ALERT.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike H.", with a long horizontal stroke extending to the right.

Mike Harmon
Auditor of Public Accounts

209 ST. CLAIR STREET
FRANKFORT, KY 40601-1817

TELEPHONE 502.564.5841
FACSIMILE 502.564.2912
WWW.AUDITOR.KY.GOV

AN EQUAL OPPORTUNITY EMPLOYER M/F/D



Tourism is a major contributor to Kentucky's economy and visitor spending is increasing, according to the most recent Economic Impact for Tourism in Kentucky report prepared for the Kentucky Department of Tourism in May 2019. Visitors to Kentucky spent nearly \$7.6 billion in 2018, an increase of 21.5% since 2013. Not only did visitor spending generate income for businesses and individuals in 2018, it also sustained jobs (nearly 95,000) and reduced the amount of taxes necessary to be collected from households (nearly \$456 per household). Cities, counties, and regional groups across the state have long been aware of the economic impact tourism can have locally and have formed tourism commissions to take advantage of this potential. Research identified a total of 116 tourism commissions throughout the Commonwealth. This number may be greater as no centralized database or listing identifying all active tourism commissions in Kentucky appears to exist.

What are Tourism Commissions?

Tourism commissions are formed by local governing bodies, such as cities and counties, on an individual or joint basis for the purpose of promoting convention and tourist activities, as well as facilities. Authorized by Kentucky Revised Statute (KRS) 91A.350, these commissions seek to encourage groups to hold meetings, conventions, and events in the city or area where the commission is located and to inspire tourists to visit and enjoy the historic, cultural and recreational opportunities. They promote a specific destination and attempt to encourage long term economic development through tourism. The expansion of tourism hopefully boosts the local quality of life by providing jobs, bringing in tax dollars for improvement of services and infrastructures, and drawing facilities like restaurants, shops, festivals, and cultural and sporting venues that accommodate both visitors and locals.

KRS 91A.360 through KRS 91A.380 discuss the terms of establishing the appointment of officers and employees of tourist and convention commissions. The majority of commissions must be composed of seven members; however, there are a few exceptions. A commission established by a consolidated local government (such as Louisville) or an urban county government (such as Lexington) must be made up of nine members, while a joint commission, established by two or more local governing bodies, will consist of six members from each body.

Appointments are made in accordance with the method used to establish the commission, most usually by the chief executive officer of the local government but sometimes with input from valued stakeholders. Commissioners serve for a period of three years with no limitation on the number of terms to which she or he may be reappointed. A commissioner can be removed from office by the chief executive officer or officers of the local governing body or by the bodies that established the commission. In the case of consolidated local governments, those commission members appointed by the Governor serve at the pleasure of the Governor.

Ninety of the 116 tourism commissions have been identified by the Kentucky Department for Local Government (DLG) as a Special Purpose Governmental Entity (SPGE). A SPGE is defined as a governmental or quasi-governmental organization that:

- (1) exercises less than statewide jurisdiction, (2) exists for the purpose of providing one or a limited number of services or functions, (3) is governed by a board, council,

commission, committee, authority or corporation with policy-making authority that is separate from the state and the governing body of the city, county, or cities and counties in which it operates, and (4) has the independent authority to generate public funds or may receive and expend public funds, grants, awards, or appropriations from the state, from any agency, or authority of the state, from a city or county, or from any other SPGE.

While not registered as SPGEs, the remaining 26 commissions identified did appear to meet one or more of the requirements for status as an SPGE as defined by KRS 65A.010(9)(a). A full analysis by the DLG would be required to determine which of these entities meet the SPGE requirements; however, for the purpose of this data bulletin these 26 have been included in the count of tourism commissions operating in the Commonwealth, as presented in Appendix A.

Numerous other tourism-related entities were identified across the state that did not appear to meet the definition of a tourism commission authorized by KRS 91A.350. These entities were often associated with private organizations or were fully integrated within the city, county, or cities and counties in which they operated.

State statutes governing cities often reference the city's current or historical classification. Prior to 2015, Kentucky cities were grouped into one of six classes. The initial assignment of class to a city was based on population, as reported by the US Census, and any change in assignment of class required the approval of the General Assembly. This system of classes saw Louisville as the only first class city, while Lexington was assigned the status of a second class city.

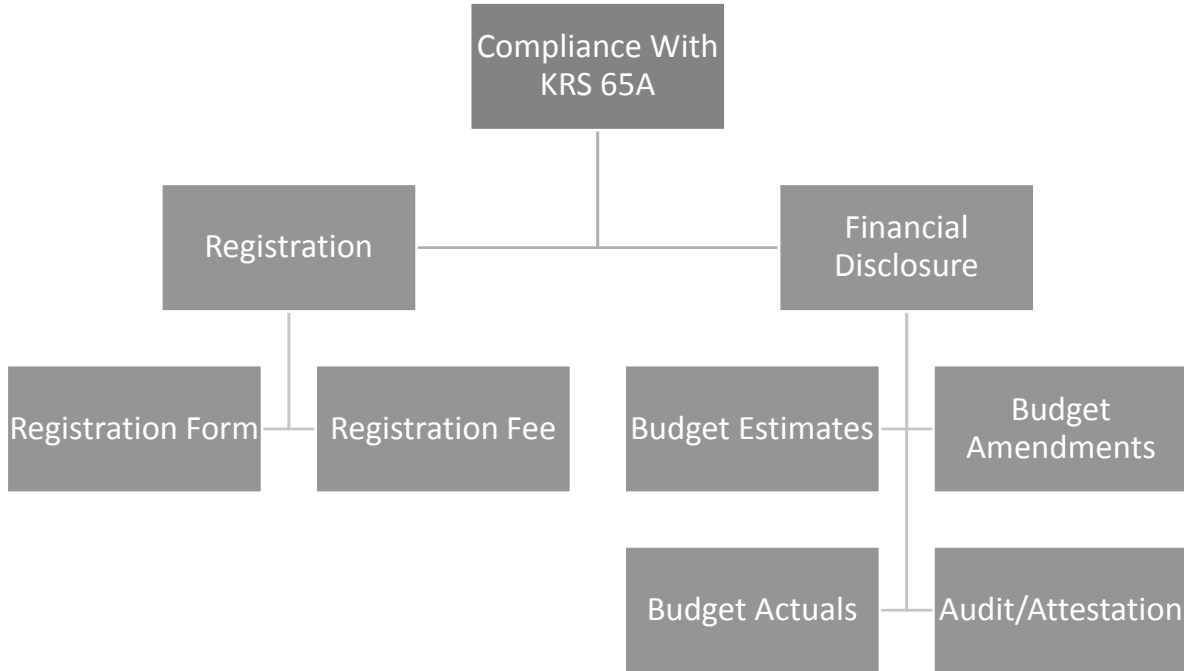
As of January 1, 2015, the population-based classification system with six classes changed to a system with only two classes: first class (Louisville) and home rule cities (all other cities). Lexington is a home rule city but maintains all responsibilities and privileges under its urban county government statutes. Louisville continues to exercise the powers both of the first class city and that of a consolidated local government.

Despite the change in classification methods, state statutes governing tourism commissions still mainly utilize designations from the historical classification system to define what taxing options are available to which cities. As part of the 2014 legislation changing the classification system, DLG is required to maintain, on their website, the official list of cities by class as of January 1, 2014.

Reporting Requirements

Even though tourism commissions do not have to be established as SPGEs, KRS 91A.360 requires tourism commissions created under KRS 91A.350 to comply with the rules established for SPGEs in KRS 65A.010 through KRS 65A.090. Therefore, all such tourism commissions must register and disclose the same financial information to DLG. (The compliance and reporting process for a SPGE is summarized in Figure 1.) The consequences of noncompliance by the SPGE includes the potential performance of an audit or special examination by the APA; however, reporting weaknesses in the system created by DLG to track SPGEs have prevented the APA from fully assessing the risks of poor fiscal management.

Figure 1: SPGE Compliance and Reporting Process



Source: APA based on information from the DLG website.

Registration Requirements for SPGEs

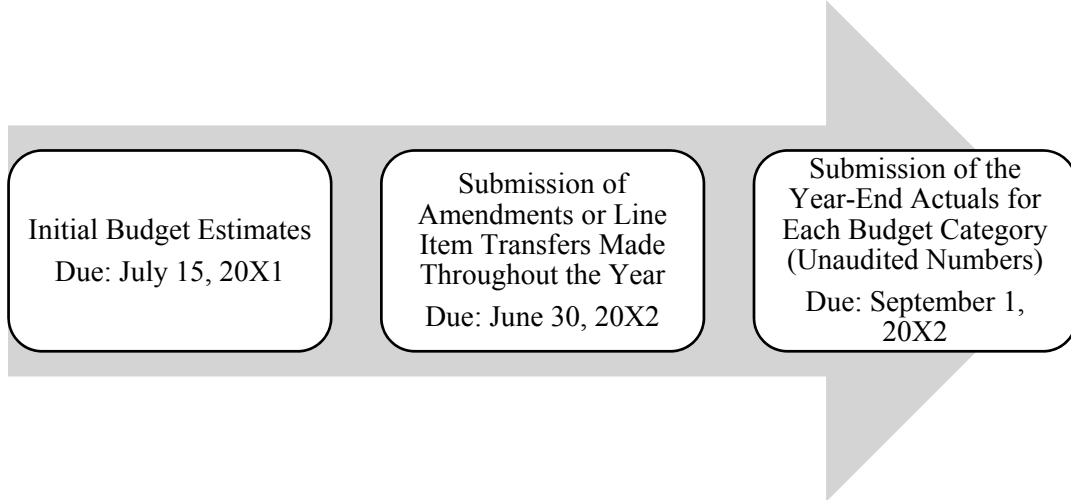
SPGEs are required to register annually with DLG and pay an annual registration fee. This registration includes several pieces of information that would be useful to a citizen interested in the operations of the entity including: the SPGE’s contact person, physical location, and operational boundaries; a list of oversight entities; the statutory basis for the formation of the SPGE; date, time and location of board meetings; a list of board members; whether or not the entity has taxing authority; and the types of services provided.

The annual registration fee is calculated based on the SPGE’s total annual revenues. SPGEs with less than \$100,000 in annual revenue pay a \$25 registration fee, those with more than \$100,000 and less than \$500,000 in annual revenue pay \$250, and those with more than \$500,000 in annual revenue pay \$500. DLG is to use these funds to offset the costs associated with maintaining and administering the registry, to provide education for the governing bodies and employees of SPGEs, and to defray the costs DLG and the APA incur in responding to and acting upon noncompliant SPGEs.

Financial Disclosure Requirements for SPGEs

Once registered, SPGEs make a series of financial disclosures throughout the year. This process begins with the submission of an initial budget estimate due by July 15 each year. Amendments to this budget must be filed with DLG by June 30 the following year. By September 1 after the end of each fiscal year, the SPGE submits an unaudited year end actual report for each budget category. Figure 2 illustrates this timeline.

Figure 2: SPGE’s Financial Disclosure Timeline



Source: APA based on information from the DLG website.

SPGEs are subject to regular audits or attestation engagements based on their total annual revenue reported on the year-end actuals. According to KRS 65A.030, SPGEs with less than \$100,000 in revenue must receive an attestation engagement once every four years as determined when the entity submits their first audit/attestation engagement, those with more than \$100,000 but less than \$500,000 in annual revenue must receive an audit once every four years, and those with more than \$500,000 in annual revenue must receive an audit every year. State statute requires the governing body of the SPGE to employ an independent certified public accountant or contract with the APA to conduct the audit or attestation engagement. Figure 3 summarizes the tiered breakdown of fees and the frequency and type of audit/attestation reporting.

Figure 3: Registration Fees and Attest/Audit Requirements for SPGEs

Revenue	Registration Fee	Audit/Attestation	Frequency
Less than \$100,000	\$25	Attestation	Every Four Years
Between \$100,000 and Less than \$500,000	\$250	Audit	Every Four Years
\$500,000 or More	\$500	Audit	Every Year

Source: APA based on KRS 65A.030.

Consequences of Noncompliance by SPGEs

The provisions of KRS 65A.040 outline the consequences for failure by a SPGE to submit registration or financial information timely or for submitting noncompliant information. Within thirty (30) days after the due date for the information, DLG must notify the SPGE and the establishing entity for the SPGE in writing of the noncompliance. The SPGE, in turn, is granted thirty (30) additional days from the date of the notice to submit the proper information. Continued noncompliance by the SPGE after the second deadline requires notification by DLG of both the APA and the Finance and Administration Cabinet (FAC). Notification results in subsequent action by both entities, including notice of the situation published in the local newspaper, any funds owed

the SPGE that are in the possession of any agency, entity, or branch of state government shall be withheld, and an audit or special examination may be initiated at the expense of the SPGE.

Despite the statutory requirement of notification by DLG, the APA has received, at best, only a partial listing of noncompliant SPGEs each year. The information provided, when received, has not included SPGEs deemed noncompliant due to a failure to meet their audit/assessment requirements. DLG staff have repeatedly indicated that the system developed in-house to provide greater transparency regarding SPGEs is “insufficient to keep pace with the changing demands of chapter 65A” and unable to readily identify SPGEs that failed to have an audit or attestation engagement.

Since at least 2018, DLG has maintained that these issues would be resolved soon with the development of an improved system; however, the issues have remained unaddressed and DLG has failed to provide a non-complier list to the APA since the one provided for fiscal year end 2018 (June 30, 2018). As recently as June 2020, DLG staff reported that the SPGE website is no longer available for SPGEs to submit their information online, and, due to programming errors, DLG staff must manually process and gather the data needed to provide SPGE compliance information. While DLG indicated that the agency is currently working with the Commonwealth Office of Technology to start the process of building a new SPGE system, the continued inability of DLG to efficiently and effectively compile and report compliance information prevents the APA from performing its statutory mandate to notify SPGEs that they may be subject to an audit or special examination. Additionally, this reporting weakness prevents the APA from fully assessing the risks of poor fiscal management by SPGEs that fail to obtain statutorily required audits.

Types of Tax Support

Tourism commissions may be supported in numerous ways, including the levying of taxes. State statutes provide guidance to both the local governing bodies establishing tourism commissions and the commissions themselves as to how and when taxes may be levied. Such taxing strategies may include any of three types of transient room taxes, two types of restaurant taxes, or a combination of the types.

Figure 4 presents the ten SPGE tourism commissions reporting the highest amount of total revenue for fiscal year (FY) 2019 to DLG. Financial Reports presented to DLG included a combination of budgeted revenues and year-end actuals. Of the top 10 presented below, all but one of the SPGE tourism commissions reported actual year-end tax and total revenues for FY 2019. The revenues of MEETNKY/Northern Kentucky Convention & Visitors Bureau are budgeted amounts.

Report continues with Figure 4 on next page.

Figure 4: Ten SPGE Tourism Commissions reporting the highest total revenues for FY 2019

Tourism Commission	Direct Tax Revenues	Total Revenues
Louisville Convention & Visitors Bureau	\$ 33,656,526	\$ 36,191,786
Lexington Convention & Visitors Bureau	7,821,671	8,248,459
MEETNKY/Northern Kentucky Convention & Visitors Bureau	5,351,572	5,896,701
Elizabethtown Tourism Bureau*	0	4,364,946
Bowling Green Area Convention & Visitors Bureau*	0	3,362,810
Shepherdsville-Bullitt County Tourism	1,763,781	2,458,077
Morehead Visitor Center	1,600,608	1,811,421
Hopkins County Tourist and Convention Commission*	0	1,715,978
Oak Grove Tourism	1,269,294	1,467,120
Corbin Tourism and Convention Commission	1,433,533	1,440,913

Source: APA, based on 2019 Financial Disclosure Reports provided to Department for Local Government.

* The 2019 Financial Disclosure Reports identified revenue sources such as intergovernmental revenues, charges for services, interest earned, and other non-specific revenues. Audits identify intergovernmental revenues for this entity consisted almost entirely of taxes collected from hotels and restaurants by the related city or county instead of the commission itself.

Transient Room Taxes

Per KRS 142.400, a transient room tax is levied on the “rent for every occupancy of any suite, room, rooms, or cabins charged by all persons, companies, corporations, groups, or organizations doing business as motor courts, motels, hotels, inns, tourist camps, or like or similar accommodations businesses.” However, it is not levied on the “rental or lease of any room or set of rooms that is equipped with a kitchen, in an apartment building, and that is usually leased as a dwelling for a period of thirty (30) days or more by an individual or business that regularly holds itself out as exclusively providing apartments.” There are three types of transient room taxes: statewide, special, and additional.

Statewide Transient Room Taxes

The statewide transient room tax is established by KRS 142.400 at a rate of 1%. Revenues are placed in the Tourism, Meeting and Convention Marketing Fund, administered by the Kentucky Tourism, Arts, and Heritage Cabinet, and restricted for the sole purpose of marketing and promoting tourism in the Commonwealth including expenditures to market and promote events and venues related to meetings, conventions, trade shows, cultural activities, historical sites, recreation, entertainment, natural phenomena, areas of scenic beauty, craft marketing, and any other economic activity that brings tourist and visitors to the Commonwealth.

The Secretary of the Kentucky Tourism, Arts, and Heritage Cabinet (Secretary) is statutorily required to submit a report including receipts, expenditures, and carryforwards of the fund to the

Governor and to the Legislative Research Commission by September 1 of each year. The most recent report filed by the Secretary was dated September 25, 2019. The report identified \$15,371,167 in recognized revenues and \$13,396,450 in expenditures at the state and local level for fiscal year 2019.

Special Local Transient Room Taxes

Several options exist for the levying of special transient room taxes by local governing bodies. The options often apply to certain types of bodies, while excluding others. Local governing bodies may levy a special transient room tax of up to 3% in addition to the state rate; however, Lexington, as an urban county government, may levy up to 4%. This revenue may finance the costs of acquisition, construction, operation and maintenance of facilities useful in the attraction and promotion of tourist and convention business, or for the purposes set forth in KRS 91A.350. Money that is not expended during the fiscal year carries over to the next fiscal year as part of the commission's budget.

In addition to the special transient room tax collected for general purposes, local governing bodies may levy other special taxes for more specific purposes. For example, local governing bodies, except for urban county government, may levy up to 1% to cover the operating expenses of a convention center or, in the case of a consolidated local government, financing the renovation or expansion of a convention center. Counties that contain a city of the first class may levy up to 1.5% for additional promotion of tourist and convention business. Additionally, a county that has formed a multicounty tourist and convention commission, may levy up to 1% for the purpose of funding regional efforts relating to the promotion of tourist and convention business and convention centers.

Additional Local Transient Room Taxes

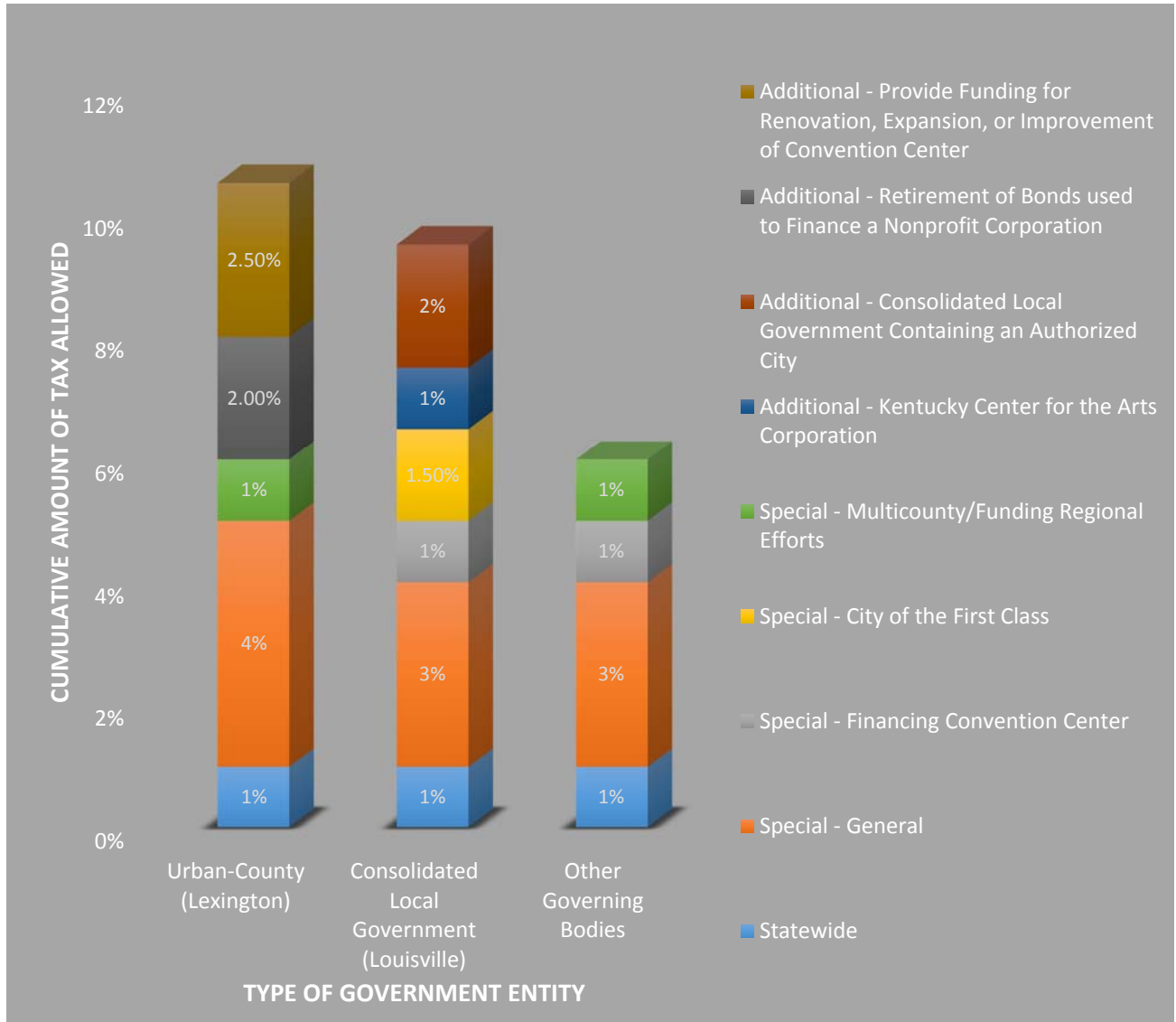
Local governments may also levy what are known as additional transient room taxes on top of both the statewide tax and special taxes. Counties that contain a city of the first class or consolidated local government, such as Louisville, can levy up to an additional 1% tax that must be provided to the Kentucky Center for the Arts Corporation to assist with payment of operating costs of the Kentucky Center for the Arts.

Consolidated governments or counties with authorized cities, unless they are part of a multicounty tourist and convention commission, can levy up to an additional 2% tax to retire bonds that partially financed the construction, expansion, or operation of a convention center or fine arts center pursuant to KRS 91A.390 (8). If this revenue exceeds the annual debt service for the bonds and one year's required debt service is held in reserves, it may be used to defray the costs of operating, renovating, or expanding the governmental or nonprofit convention center or fine arts center.

Due to its classification as an urban county government, Lexington can also levy up to an additional 2% to retire bonds that were used to finance a nonprofit corporation. They may also impose an additional 2.5% tax in order to provide funding for renovation, expansion, or improvement of a convention center.

Figure 5 illustrates a breakdown of the maximum transient room taxes available to be levied based on the type of local governing body: first class and consolidated local government; home rule and urban county government; and other governing bodies.

Figure 5: Maximum Allowable Transient Room Tax by Entity



Source: APA based on KRS 142.400, 91A.390, 153.440, 91A.392, and 153.450

Based on the information in Figure 5, state statutes allow that the combined maximum allowable transient room tax rate for home rule, urban county governments, like Lexington, is 10.5%, while the combined maximum allowable rate for first class, consolidated local governments, such as Louisville, is 9.5%. All other governing bodies are limited to a combined maximum allowable transient room tax rate of 6%.

Restaurant Tax

Tourism commissions may also collect restaurant taxes, based on the type of governing body associated with them. Louisville, as a consolidated local government, is authorized by KRS 153.460 to levy a 0.25% maximum restaurant tax and 10% ticket tax but the revenue is restricted to defraying the operating costs of a multipurpose arena whose principal use includes but is not limited to the exhibition of collegiate basketball competition (i.e. the YUM! Center). By KRS 91A.400, tourism commissions associated with cities historically classified as fourth or fifth class, as of January 1, 2014, may levy up to 3% of the retail sales of all restaurants doing business in the city. All revenues from this tax must be turned over to the tourist and convention commission established in the city.

The registry maintained by DLG, as partially shown in Appendix B, identifies 222 cities in the Commonwealth of Kentucky with former fourth or fifth class status, making them each eligible to levy a restaurant tax. However, according to the Kentucky League of Cities (KLC), only about 19 percent of those eligible cities have chosen to do so. KLC posts a list on their website of all cities currently imposing this tax. The KLC list of cities levying this type of restaurant tax can be found in Appendix C.

Appendix A - Tourism Commissions Identified by the APA

	Name of Tourism Commission
1	Barbourville Tourist & Receration Commission
2	Bardstown/Nelson County Tourism
3	Berea Tourist & Convention Commission*
4	Bowling Green Area Convention & Visitors Bureau
5	Burnside Tourism Commission*
6	Cadiz/Trigg County Tourist & Convention Commission
7	Carlisle-Nicholas County Tourism Inc.
8	Carrollton/Carroll County Tourism
9	Carter County Tourism Commission
10	Cave City Tourist and Convention Commission
11	Central City Tourism Commission
12	City of Beaver Dam Tourism Commission
13	City of Evarts Tourism Commission*
14	City of Stanton Tourism & Convention Commission
15	Clinton County Tourism
16	Columbia-Adair County Tourism*
17	Corbin Tourism and Convention Commission
18	Cumberland County Tourism
19	Cumberland Tourist Commission
20	Cynthiana Tourism Commission*
21	Danville-Boyle County Convention & Visitors Bureau
22	Edmonson County Tourism
23	Elizabethtown Tourism Bureau
24	Estill Development Alliance
25	Flemingsburg Tourism Commission*
26	Floyd County Recreation, Tourist, & Convention Commission*
27	Frankfort/Franklin County Tourist & Convention Commission
28	Fulton Tourism Commission*
29	Gallatin County Tourism Commission*
30	Georgetown/Scott County Tourism
31	Glasgow-Barren County Tourist & Convention Commission
32	Grand Rivers Tourism*
33	Grant County Tourist & Convention Commission
34	Grayson City Tourism Commission
35	Grayson County Tourism
36	Greenup County Convention and Visitors Bureau*
37	Greenville Visitor & Welcome Center
38	Guthrie Tourism Commission*
39	Hancock County Tourism
40	Harlan Tourist & Convention Commission

	Name of Tourism Commission
41	Harrodsburg/Mercer County Tourist Commission
42	Hazard/Perry County Tourism
43	Henderson County Tourist Commission
44	Hopkins County Tourist and Convention Commission
45	Hopkinsville-Christian County Convention and Visitors Bureau
46	Horse Cave/Hart County Tourist Commission
47	Jackson Tourism and Convention Board*
48	Kentucky Lake Convention & Visitors Bureau*
49	Knott County Tourism
50	Kuttawa Tourism Commission
51	LaGrange Tourism & Convention Commission
52	Lake Barkley-Lyon County Joint Tourist Commission
53	Lake Cumberland Tourist Commission
54	Lawrence County Tourism Commission*
55	Lawrenceburg/Anderson County Tourism Office
56	Lebanon Tourist & Convention Commission
57	Leitchfield Tourism and Convention Commission
58	Letcher County Tourism
59	Lexington Convention & Visitors Bureau
60	Liberty-Casey County Tourism
61	Livingston County Tourist Convention*
62	Logan County Tourist & Convention Commission
63	London-Laurel County Tourist Commission
64	Louisville Convention & Visitors Bureau
65	Manchester Tourism Commission
66	Marion Tourist Commission*
67	Marshall County Tourist Commission
68	Martin Tourist & Recreation Commission
69	Mayfield-Graves County Tourism Commission*
70	McCreary County Tourist Commission
71	Meade County Tourism
72	MEETNKY/Northern Kentucky Convention & Visitors Bureau
73	Middlesborough/Pineville/Bell County Tourism Commission
74	Monroe County Tourism Commission
75	Monticello-Wayne County Tourist Commission
76	Morehead Visitor Center
77	Morgantown-Butler County Chamber of Commerce
78	Mount Sterling-Montgomery County Tourism
79	Mt. Vernon/Rockcastle County Tourist Commission
80	Muhlenberg County Tourism Commission

	Name of Tourism Commission
81	Munfordville Tourism Commission
82	Murray Convention & Visitors Bureau*
83	Nicholasville, Wilmore - Jessamine County Tourism Commission
84	Oak Grove Tourism
85	Ohio County Tourism Commission
86	Oldham KY Tourism & Conventions
87	Owen County Visitors Center & Artisan Gift Shop
88	Owensboro Daviess County Convention & Visitors Bureau
89	Owingsville/Bath Co. Recreation & Tourism Commission
90	Paducah Convention & Visitors Bureau
91	Paintsville Tourism Commission
92	Paris-Bourbon County Tourism Commission
93	Park City Tourist & Convention Commission
94	Pike County Tourism-CVB*
95	Powell County Visitor Center
96	Prestonsburg Convention & Visitors Bureau/ Prestonsburg Tourism*
97	Princeton Tourist and Convention Commission*
98	Providence Tourism Commission*
99	Radcliff/Fort Knox Convention and Tourism Commission
100	Richmond Tourism
101	Robertson County Tourist Convention Commission
102	Salyersville Tourist and Convention Commission*
103	Shelbyville/Shelby County/Simpsonville Visitors Bureau
104	Shepherdsville-Bullitt County Tourism
105	Simpson County Tourism Commission
106	Somerset-Pulaski County CVB/Lake Cumberland Tourism
107	Springfield Tourism Commission
108	Taylor County Tourist Commission
109	Taylorsville Spencer County Tourism
110	Visit Ashland & Convention Bureau
111	West Liberty Tourism Commission*
112	Whitley County Tourism
113	Williamsburg Tourism and Convention Center
114	Winchester/Clark County Tourism Commission
115	Wolfe County Tourism Committee*
116	Woodford County Tourist Commission

Source: APA, based on research and information available on the websites for the Department of Tourism and the Department for Local Government (DLG).

* Tourism Commission is not registered as a Special Purpose Governmental Entity (SPGE) with DLG.

Appendix B - Kentucky Cities Previously Classified as Fourth or Fifth Class

Based on a complete list maintained by DLG of historical classes of all Kentucky cities, the following cities are eligible to levy a restaurant tax, found at https://kydlgweb.ky.gov/Cities/16_CityHome.cfm.

Kentucky City Name	Class
Adairville	5
Albany	5
Alexandria	4
Anchorage	4
Auburn	5
Audubon Park	5
Augusta	4
Barbourmeade	5
Barbourville	4
Bardstown	4
Bardwell	5
Beattyville	5
Beaver Dam	4
Beechwood Village	5
Bellevue	4
Benham	5
Benton	4
Berea	4
Bloomfield	5
Brandenburg	5
Brodhead	5
Bromley	5
Brooksville	5
Brownsville	5
Burgin	5
Burkesville	5
Burnside	5
Butler	5
Cadiz	5
Calhoun	5
Calvert City	4
Camargo	5

Kentucky City Name	Class
Campbellsburg	5
Carlisle	4
Carrollton	4
Catlettsburg	4
Cave City	4
Central City	4
Clay	5
Clay City	5
Clinton	5
Cloverport	5
Cold Spring	5
Columbia	4
Columbus	5
Corydon	5
Crescent Springs	4
Crestview Hills	5
Crestwood	5
Crittenden	5
Crofton	5
Cumberland	4
Cynthiana	4
Dawson Springs	4
Dayton	4
Douglass Hills	4
Drakesboro	5
Dry Ridge	5
Earlington	4
Eddyville	5
Edgewood	4
Edmonton	5
Elizabethtown	4
Elkhorn City	4

Kentucky City Name	Class
Elkton	4
Elsmere	4
Eminence	4
Evarts	5
Falmouth	4
Ferguson	5
Fleming-Neon	5
Flemingsburg	4
Fort Mitchell	4
Fort Thomas	4
Fort Wright	4
Franklin	4
Fredonia	5
Fulton	4
Georgetown	4
Goshen	5
Grand Rivers	5
Graymoor-Devondale	4
Grayson	4
Greensburg	5
Greenup	5
Greenville	4
Guthrie	5
Hardin	5
Hardinsburg	5
Harlan	4
Harrodsburg	4
Hartford	5
Hawesville	5
Hebron Estates	5
Heritage Creek	5
Hickman	4
Highland Heights	4
Hillview	4
Hindman	5
Hodgenville	4
Hollow Creek	5
Horse Cave	4
Hurstbourne	4

Kentucky City Name	Class
Hurstbourne Acres	5
Hustonville	5
Indian Hills	4
Irvine	4
Irvington	5
Jackson	4
Jamestown	5
Jeffersonville	5
Jenkins	4
Junction City	5
Kuttawa	5
La Center	5
La Grange	4
Lakeside Park	5
Lancaster	5
Lawrenceburg	4
Lebanon	4
Lebanon Junction	5
Leitchfield	4
Lewisburg	5
Lewisport	5
Liberty	5
Livermore	5
London	4
Louisa	5
Loyall	5
Ludlow	4
Lynch	5
Lyndon	4
Lynnview	5
Madisonville	4
Manchester	4
Marion	4
Martin	4
McKee	5
Meadow Vale	5
Middletown	4
Midway	5
Millersburg	5

Kentucky City Name	Class
Monticello	4
Morehead	4
Morganfield	4
Morgantown	5
Mortons Gap	5
Mount Olivet	5
Mount Sterling	4
Mount Vernon	5
Mount Washington	4
Muldraugh	5
Munfordville	5
New Castle	5
North Middletown	5
Northfield	5
Nortonville	5
Oak Grove	5
Olive Hill	4
Orchard Grass Hills	5
Owenton	5
Owingsville	4
Paintsville	4
Park City	5
Park Hills	4
Perryville	5
Pewee Valley	5
Pineville	4
Pioneer Village	4
Plantation	5
Powderly	5
Prestonsburg	4
Princeton	4
Prospect	4
Providence	4
Raceland	5
Ravenna	5
Rolling Hills	5
Russell	4
Russell Springs	5
Russellville	4
Salyersville	4

Kentucky City Name	Class
Sandy Hook	5
Scottsville	4
Sebree	5
Shelbyville	4
Shepherdsville	4
Silver Grove	5
Simpsonville	5
Smiths Grove	5
South Shore	5
Southgate	4
Springfield	4
St Matthews	4
St Regis Park	4
Stanford	4
Stanton	4
Sturgis	4
Taylor Mill	4
Tompkinsville	5
Union	4
Uniontown	5
Vanceburg	4
Versailles	4
Villa Hills	4
Vine Grove	4
Walton	5
Warsaw	5
Watterson Park	5
West Buechel	5
West Liberty	4
West Point	5
White Plains	5
Whitesburg	5
Wickliffe	5
Wilder	5
Williamsburg	4
Williamstown	5
Wilmore	4
Windy Hills	5
Woodlawn Park	5
Worthington	5

Appendix C- Kentucky League of Cities List of Cities in Kentucky That Have a Restaurant Tax

The list from Kentucky League of Cities (KLC) of which cities in Kentucky currently have a restaurant tax differs slightly from the one maintained by DLG. KLC's list includes the cities of Corbin and Pikeville, both classified as third class cities based on the historical classification system that ended in 2015. However, both cities had their classification level changed through action by the General Assembly. KLC's list of cities that have enacted restaurant taxes can be found at <https://www.klc.org/userfiles/files/CitiesWithRestaurantTax2017.pdf>.

City	County	Former Class	Tax Rate	City	County	Former Class	Tax Rate
Barbourville	Knox	4	2.00%	Leitchfield	Grayson	4	3.00%
Bardstown	Nelson	4	1.00%	London	Laurel	4	3.00%
Beaver Dam	Ohio	4	3.00%	Madisonville	Hopkins	4	3.00%
Berea	Madison	4	3.00%	Marion	Crittenden	4	3.00%
Burnside	Pulaski	5	3.00%	Morehead	Rowan	4	3.00%
Cadiz	Trigg	4	3.00%	Mount Sterling	Montgomery	4	2.00%
Cave City	Barren	4	3.00%	Mount Vernon	Rockcastle	5	3.00%
Central City	Muhlenberg	4	3.00%	Munfordville	Hart	5	3.00%
Clay City	Powell	5	3.00%	Oak Grove	Christian	4	3.00%
Corbin	Whitley/Knox	3/4	3.00%	Owingsville	Bath	4	1.00%
Cumberland	Harlan	4	3.00%	Paintsville	Johnson	4	3.00%
Eddyville	Lyon	4	2.00%	Park City	Barren	5	1.50%
Elizabethtown	Hardin	4	2.00%	Pikeville	Pike	3/4	2.00%
Evarts	Harlan	5	3.00%	Pineville	Bell	4	3.00%
Flemingsburg	Fleming	4	3.00%	Prestonsburg	Floyd	4	3.00%
Fulton	Fulton	4	1.00%	Providence	Webster	4	3.00%
Grand Rivers	Livingston	5	1.00%	Salyersville	Magoffin	4	2.50%
Grayson	Carter	4	3.00%	Shelbyville	Shelby	4	3.00%
Greenville	Muhlenberg	4	3.00%	Shepherdsville	Bullitt	4	2.00%
Guthrie	Todd	4	3.00%	Simpsonville	Shelby	5	3.00%
Harlan	Harlan	4	3.00%	Springfield	Washington	4	3.00%
Harrodsburg	Mercer	4	3.00%	Stanton	Powell	4	3.00%
Jackson	Breathitt	4	3.00%	West Liberty	Morgan	4	3.00%
Kuttawa	Lyon	5	2.00%	Williamsburg	Whitley	4	3.00%
				Average Rate:			2.65%