

COMMONWEALTH OF KENTUCKY  
KENTON COUNTY FISCAL COURT  
KENTON COUNTY, KENTUCKY

ORDINANCE NO. 226.10

**AN ORDINANCE OF THE KENTON COUNTY FISCAL COURT, COUNTY OF KENTON, KENTUCKY, AMENDING ORDINANCE 225.01, LEVYING A LICENSE FEE ON THE RENTAL OF MOTOR VEHICLES AND THE DISBURSEMENT OF SUCH LICENSE FEES COLLECTED TO THE TRI-COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**WHEREAS**, the Fiscal Courts of Boone, Campbell, and Kenton Counties, Kentucky (collectively, the “Counties”), cooperate with each other and with the Northern Kentucky Tri-County Economic Development Corporation (hereinafter “Tri-ED”) to provide services and facilities pursuant to KRS 65.210 to 65.300; and

**WHEREAS**, pursuant to KRS 68.200, the Counties have each imposed and levied, a motor vehicle license fee in the amount of three (3) percent of the gross rental charges on motor vehicle renting companies; and

**WHEREAS**, House Bill 8 of the 2022 Regular Legislative Session of the Kentucky General Assembly (“House Bill 8”), amended KRS 68.200 to permit the Motor Vehicle License Fee to be imposed and levied on a broader range of motor vehicle renting/sharing companies than previously permitted; and

**WHEREAS**, the Fiscal Court of the County of Kenton, Kentucky (the “County”) desires to so amend Ordinance 225.\_\_\_\_ to incorporate the changes permitted by House Bill 8;

**NOW, THEREFORE BE IT ORDAINED BY THE FISCAL COURT, COUNTY OF KENTON, COMMONWEALTH OF KENTUCKY:**

**Section I**

The Kenton County Fiscal Court hereby amends Kenton County Ordinance 225.\_\_\_\_ as codified in the Kenton County Code of Ordinances Chapter 112, as follows:

**§112.01 DEFINITIONS.**

~~**ACT.** KRS 68.200.~~

**COUNTIES.** Boone, Campbell and Kenton Counties.

**GROSS RENTAL CHARGE.** Shall have the same meaning as defined in KRS 138.462(4).

***INTERLOCAL AGREEMENT.*** The Interlocal Cooperation Agreement attached to Ord. 225.01, providing for sharing of license fee revenues among the parties to the agreement.

***PEER-TO-PEER CAR SHARING PROGRAM.*** Shall be as defined in KRS 281.010(42).

***MOTOR VEHICLE.*** Shall have the same meaning as “vehicle” as defined in KRS 186.010(8)(a).

***MOTOR VEHICLE RENTING COMPANY.*** Shall be as defined in KRS 281.687.

***“RENT” AND “RENTAL.”*** Shall be as defined in KRS 138.462(2).

***RETAILER.*** Shall have the same meaning as defined in KRS 139.1 10(1)(a).

***~~TAX INTEREST RATE.~~*** ~~The interest rate as determined by the Kentucky Commissioner of Revenue pursuant to KRS 131. 183.~~

***TRANSPORTATION NETWORK COMPANY.*** Shall be as defined in KRS 281.010(70).

***U-DRIVE-IT.*** Shall be as defined in KRS 281.010(72).

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## **§112.01 LICENSE FEE.**

A license fee is hereby levied on the rental of motor vehicles in the amount of 3% of the gross rental charges from rental agreements for periods of thirty days or less (the “license fee”), effective January 1, 1995 (the “effective date”). The license fee shall apply to rentals by retailers who receive more than 75% of their gross revenues generated in this county from gross rental charges.

A license fee is hereby levied in the amount of 3% of the gross rental charge on:

1. Rental motor vehicles; or
2. U-Drive-It; or
3. Peer-to-peer car sharing program(s); or
4. The provision of transportation network company services by a transportation network company.

Effective January 1, 2023.

The license fee shall apply to motor vehicle renting companies who receive more than 75% of their gross revenues generated in this county from gross rental charges.

The license fee shall not apply to any person operating under a U-Drive-It certificate who receives less than seventy-five percent (75%) of their gross revenues generated in the county from gross rental charges.

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### **§ 112.03 COLLECTION.**

From and after the effective date, all retailers shall collect the license fee from the renters of motor vehicles, for rental agreements commencing on or after the effective date. The retailers shall pay the county from which such rental originated on a quarterly basis no later than 20 days after the end of each September, December, March and June, the license fees collected for the previous quarter. Commencing on the effective date, all retailers shall maintain such records as are prescribed by the county to permit a determination of the amount of license fees owed to the county; a determination that the exemptions pursuant to § 112.04 were properly allowed; to otherwise allow the county to levy, assess and collect the license fee owed pursuant to this chapter; and to otherwise effectuate the purposes of this chapter.

(A) From and after the effective date, the license fee levied pursuant to this ordinance shall be collected by a:

1. Motor vehicle renting company from the renters of the motor vehicle;
2. U-Drive-It from the renters of the motor vehicle;
3. Peer-to-peer car sharing program from the shared vehicle driver; and
4. Transportation network companies from the purchaser of the transportation network company services.

(B) Any license fee collected pursuant to this ordinance shall be paid to the county from which such rental originated, on a monthly basis, no later than 20 days after the end of each calendar month after which the license fees were collected.

(C) Commencing on the effective date, all motor vehicle renting companies, U-Drive-It, peer-to-peer car sharing programs, and transportation network companies shall maintain such records as are prescribed by the county to permit:

1. A determination of the amount of license fees owed to the county;
2. A determination that the exemptions provided in §112.04 were properly allowed;
3. To otherwise allow the county to levy, assess, and collect the license fee owed pursuant to this ordinance; and
4. To otherwise effectuate the purposes of this ordinance.

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## **§ 112.04 EXEMPTIONS.**

Revenues from the rental of motor vehicles shall not be included in the gross rental charges on which the license fee is based if:

- (A) The declared gross weight of the motor vehicle exceeds 11,000 pounds; or
- (B) The rental is part of the services provided by a funeral director for a funeral; or
- ~~(D) The rental is exempted from the state sales and use tax pursuant to KRS 139.470.~~

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## **§ 112.06 ALLOCATION OF FUNDS.**

The county will place all funds collected pursuant to this chapter (including without limitation all license fees, penalties, interest, overpayments, and other revenues collected or otherwise derived hereunder) in a separate account of the county known as its Motor Vehicle License Fee Account; provided that prior to such deposit the county may retain an amount not to exceed 3% of the amount collected as reimbursement for its costs incurred for collecting the license fees. At least ~~quarterly~~ monthly, all of the funds deposited in such account will be paid and disbursed to TRI-ED for purposes of sharing such revenues among the Counties pursuant to KRS 68.200~~(4)~~(8). Funds will be paid to no other party out of such account. All of the proceeds of the license fee shall be used by TRI-ED for economic development activities, and for no other purposes whatsoever. TRI-ED shall provide the county such information at such times as is required for the county to determine that the use of the license fee revenues are in accordance with the requirements of the Act.

### **Section II**

Kenton County Ordinances 225.01 and any other ordinance(s) or parts of any ordinance(s) in conflict with the provisions of this ordinance are hereby amended to the extent of such conflict.

### **Section III**

Should any section or part of any section or any provision of this Ordinance be declared invalid by a Court of competent jurisdiction, for any reason, such declaration shall not invalidate, or adversely affect, the remainder of this Ordinance which shall remain in full force and effect as long as they remain valid in the absence of those provisions determined to be invalid.

### **Section IV**

Except as otherwise provided herein, this Ordinance shall take effect and be in full force when passed, published, and recorded according to law. Any ordinances,

resolutions, or executive orders in conflict with any section of this ordinance are hereby repealed or rescinded.

**Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.**

1<sup>st</sup> Reading – December 13<sup>th</sup>, 2022

2<sup>nd</sup> Reading - \_\_\_\_\_, 2023. Vote: \_\_\_\_\_, Yes, \_\_\_\_\_, No

Fiscal Court of Kenton County, Kentucky

By: \_\_\_\_\_  
Kris Knochemann, Judge/Executive

Attest:

\_\_\_\_\_  
Sue Kaiser, Fiscal Court Clerk