Transient Guest Tax Survey Results

Kansas Tourism Conference
October 20, 2016

• 42 respondents—a roughly 24% response rate from membership
• Note, however, we asked only one member from each organization respond to the survey to the response rate is actually higher
TGT Rates

- All but 1 respondent knows their community TGT rate

- TGT rates range from 2-9%

- Average rate is 6%

- One community reported receiving TGT from two communities: rates of 7% and 5%
Who is responsible for community and visitor marketing?

- 62% DMO or CVB
- 17% Other
- 14% Chamber
- 7% Local Government
What % of TGT is available for Community and Visitor Marketing?

- 40 % of respondents receive 100% of TGT collected (17 out of 42)

- 14% receive 50-99% of TGT collected

- 40% receive less than 50% (17 out of 42)
Other Reported Uses of TGT Collected

- Community grants to partners to promote community visits

- Support of local attractions such as museums, specific events

- Retained by local government for various uses such as general fund, debt service for facilities

- Economic Development such as Star Bonds, Hotels, Sport Complexes
TGT Written Agreements

- 63% have written agreement on how TGT collected can be used

- Most agreements are general in nature indicating to be used on convention and tourism programs

- Others are under local unit of government and follow their direction
DMO/CVB Other Revenue Sources

• 62% have no other revenue source other than TGT

• Other sources of revenue include:
  • Civic Center Revenue
  • Tourism Improvement District
  • Private Funding
  • Advertising Sales
  • City and County General Revenue Funds
  • Trolley Service
  • Local Annual Events
<table>
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<tr>
<th>State TGT Statutes</th>
<th>Familiar with Opt Out Provision</th>
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<tbody>
<tr>
<td>• 26% have very strong knowledge</td>
<td>• 55% are familiar</td>
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<tr>
<td>• 55% have strong knowledge</td>
<td>• 31% have no knowledge</td>
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<tr>
<td>• 19% have weak or no knowledge</td>
<td>• 14% are not sure</td>
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Process of Determining How TGT is Spent...

- CVB Staff
- Chamber Board
- Local Government Approval
  - Staff
  - Council
- Marketing Grant Process
  - Inside & Outside of Community Marketing
  - Nonprofit Organizations
TIAK Member Involvement in Decision Making Process on How TGT Spent

- 86% respondents are involved in fashion on how TGT are spent

- How involved:
  - Prepare and defend tourism budget to local governing body
  - Recruit and review applications for community grants
  - Chair TGT oversight board
  - Chamber leadership over seeing how TGT is spent
  - CVB Director
  - Economic Development Director charged with allocating TGT
Sentiments on how TGT is Used by Local Community

- 56% Satisfied with no concerns
- 39% Satisfied with some concerns
- 5% Uncertain
Successful Uses of TGT

- Traditional uses to market and attract visitors to community
- Award grants to local community partners to attract visitors to community
- Funding for study on trends and perceptions of local community
- Signage and billboard
- Debt service to convention center
- Themed playground
- Star Bonds
- Build sport facilities
5 respondents indicated concerns:

- Incentives for hotel developers
- Marketing for Chambers and paying Chamber salaries
- Road improvement and other general fund uses
- Concern how state administrative fee on TGT is used
- Discussion to cap amount TGT spent on traditional DMO functions and divert remaining balance
Support Legislative Changes to TGT Statutes

- 76% Yes support Legislative Changes
- Tighten definitions & eliminate gray areas in the TGT statutes
- Require TGT pass thru local government untouched to CVB
- Would not support state taking a % of TGT
- Stricter requirements to guarantee hotels collect TGT and expand to campsites, Air B&B
- Stronger voice for CVB’s on how TGT spent