

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

Level of Knowledge

State TGT Statutes

- 26% have very strong knowledge
- 55% have strong knowledge
- 19% have weak or no knowledge

Familiar with Opt Out Provision

- 55% are familiar
- 31% have no knowledge
- 14% are not sure

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

Concerns on How TGT is Used

- 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