



## TOURISM, ARTS AND HERITAGE CABINET

**MATTHEW G. BEVIN**  
GOVERNOR

100 AIRPORT ROAD  
2ND FLOOR  
FRANKFORT, KENTUCKY 40601  
502-564-4270 – OFFICE  
502-564-1512 - FAX

**DON PARKINSON**  
SECRETARY

**REGINA STIVERS**  
DEPUTY SECRETARY

September 17, 2018

The Honorable Matthew G. Bevin  
Governor  
700 Capitol Avenue  
Frankfort, Kentucky 40601

Dear Governor Bevin:

As required by KRS 142.406, the Tourism, Arts and Heritage Cabinet is pleased to provide you with a report on the expenditures made from the Tourism, Meeting and Convention Marketing Fund (1% Statewide Lodging Tax) which was enacted by the General Assembly in 2005 (a short synopsis of KRS 142.406 is included as Attachment #1).

During FY 2018, the fund had a total of \$17,611,051.70 available cash to use for the marketing and promotion of tourism in the Commonwealth. Expenditures from this fund for the fiscal year totaled \$13,153,299.09. During FY 2018, \$876,042.54 was adjusted by the Department of Revenue due to incorrect tax payment amounts. Carry forward cash into fiscal year 2019 was \$3,581,710.07. (Attachment #2).

Tourism, Arts and Heritage Cabinet, Department of Tourism expenditures made from this fund during last year totaled \$13,153,299.09. Of that, total \$9,199,639.90 was spent by the Department of Tourism for marketing and promotion, both nationally and internationally and \$1,015,289.53 was spent on marketing through agencies in the Tourism, Arts and Heritage Cabinet. As required by HB303, \$405,000 was distributed to Outdoor Drama Grants. (Attachment #3)

In addition, the Department of Tourism helped fund local projects in each of the nine tourism regions through its Tourism Marketing Incentive Program in the amount of \$2,533,369.66. This program distributes much needed marketing funds to local tourism promotion agencies on a matching basis as prescribed by state regulations (Attachment #4).

It is the Cabinet's goal to use these monies in the best and most beneficial way in support of the Commonwealth's Tourism Industry. I will be happy to answer any questions you or your office might have regarding the Tourism, Meeting and Convention Marketing Fund.

Sincerely,

Don Parkinson  
Secretary

Attachments

C: Liz Columbia, LRC  
Seth Dawson, LRC

**Synopsis of KRS 142.406**

**Tourism Meeting and Convention Marketing Fund**

Effective June, 1, 2005, a new section of KRS Chapter 142 creates a transient room tax (lodging tax) at the rate of 1 percent of the rent, on 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 (excludes campgrounds). Tax receipts from this tax will be deposited into the Tourism, Meeting and Convention Marketing Fund administered by the Tourism, Arts and Heritage Cabinet. This fund shall be used 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 tourists and visitors to the Commonwealth.

The transient room tax is in addition to the current 6 percent sales tax, and any locally assessed transient room tax. For the purposes of state sales tax calculations, the 1 percent transient room tax is reported as part of taxable receipts just as the locally assessed transient room tax is currently reported.

**Source: Department of Revenue**

**<http://revenue.ky.gov/Business/Transient-Room-Tax/Pages/default.aspx>**

**Kentucky Tourism, Arts and Heritage Cabinet**  
**Tourism Meeting and Convention Marketing Fund**  
**Cash Summary FY 2018**

Revenues	Amount
Beginning Cash Balance	3,264,756.53
Recognized Revenues	14,299,557.01
Misc Revenues	105.00
Interest Income	46,633.16
Cash Transfer to General Fund	<u>0.00</u>
<b>Available Cash</b>	<b>17,611,051.70</b>
Expenditures	Amount
State Expenditures	10,619,929.43
Regional Tourism Marketing Incentive Funds	0.00
Local Tourism Marketing Incentive Funds	<u>2,533,369.66</u>
<b>Total Expenditures</b>	<b>13,153,299.09</b>
Transfers	Amount
Revenue Correction Transfers	876,042.54
<b>Year-End Cash Balance</b>	<b>3,581,710.07</b>

**Note: Revenue transfer due to incorrect tax amounts paid. As a correction measure these amounts were credited back to the Department of Revenue.**

**Kentucky Tourism, Arts and Heritage Cabinet  
Tourism Meeting and Convention Marketing Fund  
State Expenditures FY 2018**

Dept of Tourism Marketing & Advertising	8,797,677.24
Dept of Tourism - International Marketing	401,962.66
Dept of Parks Marketing	620,078.08
KY Artisan Center Marketing	33,878.49
KY Arts Council Marketing	35,000.00
KY Horse Park Marketing	153,745.96
Office of the Secretary Marketing	172,587.00
Outdoor Drama Grants	405,000.00
Tourism Marketing Incentive Program	<u>2,533,369.66</u>
<b>Total State Expenditures</b>	<b><u><u>13,153,299.09</u></u></b>

**Tourism Marketing Incentive Program  
Region Summary  
Disbursements FY 2018**

<b>Region</b>	<b>Regional</b>	<b>Local</b>	<b>Region Totals</b>
Kentucky's Western Waterland Region	0.00	190,195.85	190,195.85
Green River Region	0.00	155,974.39	155,974.39
Kentucky's Cave Region	0.00	190,666.20	190,666.20
Louisville Lincoln Region	0.00	811,344.21	811,344.21
Southern Kentucky Region	0.00	62,471.75	62,471.75
Northern Kentucky Tourism Region	0.00	403,538.31	403,538.31
Kentucky's Bluegrass Region	0.00	531,338.94	531,338.94
Eastern Highlands North Region	0.00	97,510.96	97,510.96
Eastern Highlands South Region	0.00	90,329.05	90,329.05
	<b>0.00</b>	<b>2,533,369.66</b>	<b>2,533,369.66</b>

**Tourism Marketing Incentive Program  
Kentucky's Western Region  
Disbursements FY 2018**

<b>Applicant</b>	<b>Regional/Local</b>	<b>Amt Paid</b>
Kentuckys Western Waterland Inc.	REGIONAL	0.00
City Of Marion Recreational, Tourism & Convention Commission	Local	1,365.00
City Of Murray	Local	15,153.34
Grand Rivers Tourism Commission C/O City Of Grand Rivers Ky	Local	6,047.50
Hopkinsville Christian Co Rec. Tourism & Conv.	Local	23,893.59
Ky Great River Region Organization Inc	Local	8,376.77
Lake Barkley Tourist Commission	Local	9,654.56
Marshall Co Tourist & Convention Commission	Local	39,286.84
Mayfield Tourism Commission	Local	2,406.00
Paducah Mccracken County	Local	71,274.88
Princeton Recreational Tourist & Convention Commission	Local	2,681.00
Trigg County Tourist Commission	Local	<u>10,056.37</u>
	<b>Region Total</b>	<b>190,195.85</b>

**Tourism Marketing Incentive Program  
Green River Region  
Disbursements FY 2018**

<b>Applicant</b>	<b>Regional/Local</b>	<b>Amt Paid</b>
Green River Tourism Committee Inc	REGIONAL	0.00
Central City Tourist & Convention Commission	Local	6,747.00
City of Greenville Kentucky Tourism Commission	Local	4,395.00
Henderson Co Tourist Commission	Local	32,386.75
Hopkins Co. Tourist & Convention Commission	Local	29,746.64
Ohio County Tourism Commission	Local	1,967.50
Owensboro-Daviess Co. Convention And Visitors Bureau	Local	80,214.84
Union Co Fiscal Court	Local	<u>516.66</u>
	<b>Region Total</b>	<b>155,974.39</b>

**Tourism Marketing Incentive Program  
Kentucky's Cave Region  
Disbursements FY 2018**

<b>Applicant</b>	<b>Regional/Local</b>	<b>Amt Paid</b>
Kentuckys Cave Country Inc	REGIONAL	0.00
Bowling Green Area Convention Visitors Bureau	Local	141,062.60
Cave City Conv Ctr	Local	26,043.80
Glasgow Barren Co Tourist & Conv Comm	Local	2,493.08
Hart County Tourist Commission	Local	5,980.22
Logan County Tourist	Local	675.00
Monroe Co Recreational Tourist & Convention Commission	Local	1,337.50
Simpson County Tourism Commisson	Local	<u>13,074.00</u>
	<b>Region Total</b>	<b>190,666.20</b>



**Tourism Marketing Incentive Program  
Louisville Lincoln Region  
Disbursements FY 2018**

<b>Applicant</b>	<b>Regional/Local</b>	<b>Amt Paid</b>
Louisville Lincoln Tourism Region, Inc	REGIONAL	0.00
Bardstown Nelson Co Recreation Tourist & Convention Commissi	Local	17,139.00
City Of Leitchfield Tourism And Convention Commission	Local	625.00
City Of Radcliff - Radcliff Recreation Convention & Tourist	Local	18,332.17
Elizabethtown Tourism	Local	53,808.23
Grayson Co Tourism Commission	Local	4,592.00
Larue County Fiscal Court	Local	2,099.50
Lebanon Tourism and Convention Commission	Local	8,822.00
Louisville And Jefferson County Visitors & Convention Commis	Local	651,923.06
Oldham County Tourist & Convention Commission	Local	21,963.25
Shepherdsville Bullitt Co Tourist & Conv Comm	Local	<u>32,040.00</u>
	<b>Region Total</b>	<b>811,344.21</b>

**Tourism Marketing Incentive Program  
Southern Kentucky Region  
Disbursements FY 2018**

<b>Applicant</b>	<b>Regional/Local</b>	<b>Amt Paid</b>
Southern Ky Vacations Inc	REGIONAL	0.00
Burnside Tourist and Recreation Commision Inc.	Local	2,325.75
Columbia Adair Co Tourism Comm	Local	4,221.00
Russell County Tourist	Local	12,454.00
Somerset Pulaski Cvb	Local	33,501.00
Taylor Co Tourist	Local	<u>9,970.00</u>
	<b>Region Total</b>	<b>62,471.75</b>

**Tourism Marketing Incentive Program  
Northern Kentucky Tourism Region  
Disbursements FY 2018**

<b>Applicant</b>	<b>Regional/Local</b>	<b>Amt Paid</b>
Northern Ky Tourism Region Inc	REGIONAL	0.00
Carrollton Carroll Co Tourism & Convention Comm	Local	8,221.35
Grant Co. Tourist & Convention Commission	Local	9,907.75
Northern Ky Conv And Visitors Commission	Local	383,411.91
Owen County Tourism Commission	Local	1,461.50
Pendleton County Tourism Council, Inc.	Local	<u>535.80</u>
	<b>Region Total</b>	<b>403,538.31</b>

**Tourism Marketing Incentive Program  
Kentucky's Bluegrass Region  
Disbursements FY 2018**

<b>Applicant</b>	<b>Regional/Local</b>	<b>Amt Paid</b>
Bluegrass Tourism Region Inc.	REGIONAL	0.00
Carlisle Nicholas County Tourism Inc.	Local	420.12
City of Berea	Local	15,822.00
Danville Boyle Co Conv And Visitors Bureau	Local	1,912.50
Frankfort Franklin Co	Local	32,552.62
Georgetown Scott County Tourism & Convention Commission	Local	35,509.00
Greater Lexington Convention And Visitors Bureau	Local	387,409.89
Harrodsburg Mercer Co Tourist Commission	Local	11,435.00
Jessamine County Fiscal Court	Local	4,210.00
The Richmond Tourist Commission C/O City Of Richmond	Local	24,495.53
Winchester Clark County Recreation Convention & Tourism Comm	Local	14,382.00
Woodford Co Tourist Commission	Local	<u>3,190.28</u>
	<b>Region Total</b>	<b>531,338.94</b>

**Tourism Marketing Incentive Program  
Eastern Highlands North Region  
Disbursements FY 2018**

<b>Applicant</b>	<b>Regional/Local</b>	<b>Amt Paid</b>
Eastern Highlands North	REGIONAL	0.00
Ashland Boyd County Tourism Commission	Local	35,818.01
City Of Grayson Tourism & Convention Commission	Local	9,018.13
Morehead Recreation Tourism & Convention Commission	Local	12,409.00
Mt Sterling Montgomery County Tourist Commission	Local	9,739.77
Pikeville-Pike County Tourism	Local	18,599.05
Prestonsburg Tourism Comm	Local	<u>11,927.00</u>
	<b>Region Total</b>	<b>97,510.96</b>

**Tourism Marketing Incentive Program  
Eastern Highlands South Region  
Disbursements FY 2018**

<b>Applicant</b>	<b>Regional/Local</b>	<b>Amt Paid</b>
Eastern Kentucky Highlands South Inc	REGIONAL	0.00
Barbourville Tourist & Recreation Commission	Local	2,909.00
City Of Corbin Tourist And Convention Commission Inc	Local	13,312.00
City Of Harlan Tourist & Convention Commission	Local	6,299.20
Lee County Tourism Inc	Local	1,490.21
London Laurel County Tourist Commission	Local	33,338.17
Middlesborough-Pineville-Bell County Tourism Commission	Local	12,552.10
Mt Vernon - Rockcastle Co Tourist Commission Inc	Local	2,357.50
Powell Co Tourism Comm	Local	12,491.00
Williamsburg Tourist & Convention Commission	Local	<u>5,579.87</u>
	<b>Region Total</b>	<b>90,329.05</b>