



TOURISM, ARTS AND HERITAGE CABINET

MATTHEW G. BEVIN
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DON PARKINSON
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REGINA STIVERS
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September 25, 2019

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 2019, the fund had a total of \$18,714,741.65 available cash to use for the marketing and promotion of tourism in the Commonwealth. Expenditures from this fund for the fiscal year totaled \$13,396,450.45. During FY 2019, \$395,768.00 was adjusted by the Department of Revenue due to incorrect tax payment amounts. Carry forward cash into fiscal year 2020 was \$5,318,291.20. (Attachment #2).

Tourism, Arts and Heritage Cabinet, Department of Tourism expenditures made from this fund during last year totaled \$13,396,450.45. Of that, total \$9,712,379.16 was spent by the Department of Tourism for marketing and promotion, both nationally and internationally and \$1,017,792.45 was spent on marketing through agencies in the Tourism, Arts and Heritage Cabinet. As required by HB 268, \$260,860.94 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 \$2,405,417.90. 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
Nick Peak, LRC
Chase O'Dell, 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 2019

Revenues	Amount
Beginning Cash Balance	3,581,710.07
Recognized Revenues	15,371,167.22
Misc Revenues	0.00
Interest Income	157,632.36
Cash Transfer to General Fund	0.00
Revenue Correction Transfers from Recognized Revenue	<u>(395,768.00)</u>
Available Cash	18,714,741.65
Expenditures	Amount
State Expenditures	10,991,032.55
Regional Tourism Marketing Incentive Funds	0.00
Local Tourism Marketing Incentive Funds	<u>2,405,417.90</u>
Total Expenditures	13,396,450.45
Year-End Cash Balance	5,318,291.20

Note: Revenue correction 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 2019**

Dept of Tourism Marketing & Advertising	8,834,235.97
Dept of Tourism - International Marketing	489,961.61
Dept of Tourism - Web/Internet Marketing	388,181.58
Dept of Parks Marketing	533,163.12
KY Artisan Center Marketing	46,016.08
KY Arts Council Marketing	68,779.25
KY Horse Park Marketing	98,211.00
Office of the Secretary Marketing	271,623.00
Outdoor Drama Grants	260,860.94
Tourism Marketing Incentive Program	<u>2,405,417.90</u>
Total State Expenditures	<u><u>13,396,450.45</u></u>

**Tourism Marketing Incentive Program
Region Summary
Disbursements FY 2019**

Region	Regional	Local	Region Totals
Kentucky's Western Waterland Region	0.00	152,095.62	152,095.62
Green River Region	0.00	83,005.06	83,005.06
Kentucky's Cave Region	0.00	127,408.42	127,408.42
Louisville Lincoln Region	0.00	859,568.04	859,568.04
Southern Kentucky Region	0.00	67,373.25	67,373.25
Northern Kentucky Tourism Region	0.00	448,653.41	448,653.41
Kentucky's Bluegrass Region	0.00	457,746.29	457,746.29
Eastern Highlands North Region	0.00	128,613.05	128,613.05
Eastern Highlands South Region	0.00	80,954.76	80,954.76
	0.00	2,405,417.90	2,405,417.90

**Tourism Marketing Incentive Program
Kentucky's Western Region
Disbursements FY 2019**

Applicant	Regional/Local	Amt Paid
Kentuckys Western Waterland Inc.	REGIONAL	0.00
City Of Marion Recreational, Tourism & Convention Commission	Local	1,470.00
City Of Murray	Local	9,780.30
Cadiz-Trigg County Tourism and Convention Commission	Local	10,309.00
Grand Rivers Tourism Commission C/O City Of Grand Rivers Ky	Local	9,086.18
Hopkinsville Christian Co Rec. Tourism & Conv.	Local	27,709.02
Ky Great River Region Organization Inc	Local	0.00
Lake Barkley Tourist Commission	Local	13,304.25
Livingston County Fiscal Court	Local	2,344.50
Marshall Co Tourist & Convention Commission	Local	51,728.66
Mayfield Tourism Commission	Local	1,948.00
Paducah Mccracken County	Local	24,415.71
Princeton Recreational Tourist & Convention Commission	Local	0.00
Trigg County Tourist Commission	Local	0.00
	Region Total	152,095.62

**Tourism Marketing Incentive Program
Green River Region
Disbursements FY 2019**

Applicant	Regional/Local	Amt Paid
Green River Tourism Committee Inc	REGIONAL	0.00
Central City Tourist & Convention Commission	Local	6,791.00
City of Greenville Kentucky Tourism Commission	Local	2,264.00
Henderson Co Tourist Commission	Local	19,571.00
Hopkins Co. Tourist & Convention Commission	Local	17,033.41
Ohio County Tourism Commission	Local	5,226.50
Owensboro-Daviess Co. Convention And Visitors Bureau	Local	32,119.15
Union Co Fiscal Court	Local	<u>0.00</u>
	Region Total	83,005.06

**Tourism Marketing Incentive Program
Kentucky's Cave Region
Disbursements FY 2019**

Applicant	Regional/Local	Amt Paid
Kentuckys Cave Country Inc	REGIONAL	0.00
Bowling Green Area Convention Visitors Bureau	Local	92,158.00
Cave City Conv Ctr	Local	9,959.33
Glasgow Barren Co Tourist & Conv Comm	Local	0.00
Hart County Tourist Commission	Local	5,926.00
Logan County Tourist	Local	2,064.59
Monroe Co Recreational Tourist & Convention Commission	Local	525.50
Munfordville Tourism Commission	Local	3,861.00
Simpson County Tourism Commisson	Local	12,914.00
	Region Total	127,408.42

**Tourism Marketing Incentive Program
Louisville Lincoln Region
Disbursements FY 2019**

Applicant	Regional/Local	Amt Paid
Louisville Lincoln Tourism Region, Inc	REGIONAL	0.00
Bardstown Nelson Co Recreation Tourist & Convention Commissi	Local	16,255.77
City of Lebanon	Local	4,543.00
City Of Leitchfield Tourism And Convention Commission	Local	1,573.00
City Of Radcliff - Radcliff Recreation Convention & Tourist	Local	17,085.50
Elizabethtown Tourism	Local	46,150.05
Grayson Co Tourism Commission	Local	3,277.00
Larue County Fiscal Court	Local	1,101.60
Lebanon Tourism and Convention Commission	Local	0.00
Louisville And Jefferson County Visitors & Convention Commis	Local	688,923.45
Meade County Fiscal Court	Local	1,349.34
Oldham County Tourist & Convention Commission	Local	14,783.33
Shelbyville-Shelby Co. Tourist & Convention Commission	Local	32,736.00
Shepherdsville Bullitt Co Tourist & Conv Comm	Local	31,790.00
	Region Total	859,568.04

**Tourism Marketing Incentive Program
Southern Kentucky Region
Disbursements FY 2019**

Applicant	Regional/Local	Amt Paid
Southern Ky Vacations Inc	REGIONAL	0.00
Burnside Tourist and Recreation Commision Inc.	Local	19,951.25
Columbia Adair Co Tourism Comm	Local	0.00
Clinton Co Tourist and Convention Commission	Local	1,950.00
Cumberland Co Tourist Comm	Local	5,054.00
McCreary Co Tourism Commission	Local	3,476.00
Russell County Tourist	Local	12,578.00
Somerset Pulaski Cvb	Local	20,887.00
Taylor Co Tourist	Local	<u>3,477.00</u>
	Region Total	67,373.25

**Tourism Marketing Incentive Program
Northern Kentucky Tourism Region
Disbursements FY 2019**

Applicant	Regional/Local	Amt Paid
Northern Ky Tourism Region Inc	REGIONAL	0.00
Carrollton Carroll Co Tourism & Convention Comm	Local	10,388.78
Gallatin Co Recreation, Tourism & Convention Comm	Local	3,703.00
Grant Co. Tourist & Convention Commission	Local	18,677.00
Maysville-Mason County Convention & Visitors Bureau	Local	13,198.00
Northern Ky Conv And Visitors Commission	Local	400,907.01
Owen County Tourism Commission	Local	1,779.62
Pendleton County Tourism Council, Inc.	Local	0.00
	Region Total	448,653.41

**Tourism Marketing Incentive Program
Kentucky's Bluegrass Region
Disbursements FY 2019**

Applicant	Regional/Local	Amt Paid
Bluegrass Tourism Region Inc.	REGIONAL	0.00
Carlisle Nicholas County Tourism Inc.	Local	0.00
City of Berea	Local	16,309.00
Danville Boyle Co Conv And Visitors Bureau	Local	25,593.50
Frankfort Franklin Co	Local	31,622.35
Georgetown Scott County Tourism & Convention Commission	Local	36,200.00
Greater Lexington Convention And Visitors Bureau	Local	262,257.33
Harrodsburg Mercer Co Tourist Commission	Local	11,838.00
Jessamine County Fiscal Court	Local	4,196.00
The Richmond Tourist Commission C/O City Of Richmond	Local	26,464.69
Nicholasville Tourism and Convention Commission	Local	22,488.00
Paris Bourbon Co Tourism Comm	Local	3,402.00
Winchester Clark County Recreation Convention & Tourism Comm	Local	11,592.25
Woodford Co Tourist Commission	Local	<u>5,783.17</u>
	Region Total	457,746.29

**Tourism Marketing Incentive Program
Eastern Highlands North Region
Disbursements FY 2019**

Applicant	Regional/Local	Amt Paid
Eastern Highlands North	REGIONAL	0.00
Ashland Boyd County Tourism Commission	Local	39,643.57
Lawrence County	Local	8,380.00
City Of Grayson Tourism & Convention Commission	Local	1,620.00
Morehead Recreation Tourism & Convention Commission	Local	12,386.00
Mt Sterling Montgomery County Tourist Commission	Local	2,785.83
Paintsville Tourism Commission	Local	8,474.00
Pikeville-Pike County Tourism	Local	23,263.65
Prestonsburg Tourism Comm	Local	<u>32,060.00</u>
	Region Total	128,613.05

**Tourism Marketing Incentive Program
Eastern Highlands South Region
Disbursements FY 2019**

Applicant	Regional/Local	Amt Paid
Eastern Kentucky Highlands South Inc	REGIONAL	0.00
Barbourville Tourist & Recreation Commission	Local	0.00
City Of Corbin Tourist And Convention Commission Inc	Local	10,052.00
City Of Harlan Tourist & Convention Commission	Local	5,439.00
Lee County Tourism Inc	Local	0.00
Letcher County Fiscal Court	Local	849.34
London Laurel County Tourist Commission	Local	36,569.15
Middlesborough-Pineville-Bell County Tourism Commission	Local	7,025.40
Mt Vernon - Rockcastle Co Tourist Commission Inc	Local	7,940.50
Powell Co Tourism Comm	Local	0.00
Whitley County	Local	5,006.00
Williamsburg Tourist & Convention Commission	Local	<u>8,073.37</u>
	Region Total	80,954.76