



## TOURISM, ARTS AND HERITAGE CABINET

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GOVERNOR

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September 1, 2021

Legislative Research Commission  
Kentucky General Assembly  
702 Capitol Avenue  
Frankfort, Kentucky 40601

Dear Commission Members:

As required by KRS 142.406, the Tourism, Arts and Heritage Cabinet is pleased to provide you with a report on the expenditures made in Fiscal Year 2021 from the Tourism, Meeting and Convention Marketing Fund (1% Statewide Lodging Tax) enacted by the General Assembly in 2005. A short synopsis of KRS 142.406 is included as Attachment 1.

In FY21, the fund had a total of \$13,943,929.07, available to use for the marketing and promotion of tourism in the Commonwealth. Expenditures from this fund for the fiscal year totaled \$8,650,128.78. During FY21, (211,864.06) was adjusted by the Department of Revenue for incorrect tax payment amounts and HB352 required an agency fund revenue transfer of \$1,000,000. Carry forward cash into Fiscal Year 2022 was \$5,293,800.29. (Attachment 2)

Kentucky Department of Tourism expenditures made from this fund in FY21 totaled \$8,650,128.78. \$6,026,647.87 was spent by the Department for marketing, promotion both nationally and internationally, and \$652,816.26 was spent on marketing by other agencies in our Cabinet. As required by HB 352 of the 2020 Regular Session, Tourism Grants of \$1,000,000.00 were distributed. (Attachment 3) Lastly, the Department helped fund local projects in each of the nine tourism regions through its Tourism Marketing Incentive Program in the amount of \$970,664.65. This program distributes much-needed marketing funds to local tourism promotion agencies on a matching basis as prescribed by state regulations. as summarized in Attachment 4.

Our Cabinet's goal is to use these monies in the most beneficial way in support of the Commonwealth's tourism industry. I will be happy to answer any questions you or your staffs may have regarding this important and effective spending.

Sincerely,

Michael E. Berry  
Secretary

Attachments

C: Hon. Andy Beshear  
Mr. John Hicks



**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>**

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**Kentucky Tourism, Arts and Heritage Cabinet  
Tourism Meeting and Convention Marketing Fund  
Cash Summary FY 2021**

<b>Revenues</b>	<b>Amount</b>
Beginning Cash Balance	5,524,778.29
Recognized Revenues	9,630,661.04
Misc Revenues	0.00
Interest Income	353.80
HB352 Agency Revenue Fund Transfer	(1,000,000.00)
Revenue Correction Transfers from Recognized Revenue	<u>(211,864.06)</u>
<b>Available Cash</b>	<b>13,943,929.07</b>
<b>Expenditures</b>	<b>Amount</b>
State Expenditures	6,679,464.13
Local Tourism Marketing Incentive Funds	970,664.65
HB 352 Tourism Grants	<u>1,000,000.00</u>
<b>Total Expenditures</b>	<b>8,650,128.78</b>
<b>Year-End Cash Balance</b>	<b>5,293,800.29</b>

**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 2021**

Dept of Tourism Marketing & Advertising	5,016,849.65
Dept of Tourism - International Marketing	178,527.56
Dept of Tourism - Web/Internet Marketing	116,976.94
Dept of Tourism - Sponsorship	61,502.96
Dept of Tourism - Research	345,450.85
Dept of Tourism - Membership Dues	227,995.91
Dept of Parks Marketing	348,943.68
KY Artisan Center Marketing	51,767.58
KY Horse Park Marketing	71,205.00
Office of the Secretary Marketing	150,900.00
Outdoor Drama Grants	30,000.00
Tourism Marketing Incentive Program	970,664.65
Website Services	79,344.00
HB 352 Tourism Grants	<u>1,000,000.00</u>
<b>Total State Expenditures</b>	<b><u><u>8,650,128.78</u></u></b>

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**Tourism Marketing Incentive Program  
Region Summary  
Disbursements FY 2021**

<b>Region</b>	<b>Regional</b>	<b>Local</b>	<b>Region Totals</b>
Kentucky's Western Waterland Region	0.00	73,030.44	73,030.44
Green River Region	0.00	33,668.42	33,668.42
Kentucky's Cave Region	0.00	92,275.00	92,275.00
Louisville Lincoln Region	0.00	396,380.25	396,380.25
Southern Kentucky Region	0.00	32,671.00	32,671.00
Northern Kentucky Tourism Region	0.00	73,784.54	73,784.54
Kentucky's Bluegrass Region	0.00	202,571.00	202,571.00
Eastern Highlands North Region	0.00	47,357.00	47,357.00
Eastern Highlands South Region	0.00	18,927.00	18,927.00
	<b>0.00</b>	<b>970,664.65</b>	<b>970,664.65</b>

**Tourism Marketing Incentive Program  
Kentucky's Western Region  
Disbursements FY 2021**

<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	654.00
Murray Convention & Visitors Bureau	Local	904.98
Grand Rivers Tourism Commission C/O City Of Grand Rivers Ky	Local	1,913.00
Hopkinsville Christian Co Rec. Tourism & Conv.	Local	9,750.00
Lake Barkley Tourist Commission/Lyon Co Fiscal Court	Local	4,199.00
Livingston County Tourist Commission/Livingston Co Fiscal Court	Local	1,125.00
Marshall Co Tourist & Convention Commission	Local	19,997.66
Mayfield Tourism Commission	Local	705.80
Paducah McCracken County Conv & Visitors Bureau	Local	<u>33,781.00</u>
	<b>Region Total</b>	<b>73,030.44</b>

**Tourism Marketing Incentive Program  
Green River Region  
Disbursements FY 2021**

<b>Applicant</b>	<b>Regional/Local</b>	<b>Amt Paid</b>
Green River Tourism Committee Inc	REGIONAL	0.00
City of Greenville Kentucky Tourism Commission	Local	1,114.00
Henderson Co Tourist Commission	Local	9,387.00
Hopkins Co. Tourist & Convention Commission	Local	9,695.00
Central City Tourist & Convention Commission/City of Central City	Local	2,070.00
Owensboro-Daviess Co. Convention And Visitors Bureau	Local	10,289.42
Muhlenburg Cunty Tourism commission	Local	<u>1,113.00</u>
	<b>Region Total</b>	<b>33,668.42</b>

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**Tourism Marketing Incentive Program  
Kentucky's Cave Region  
Disbursements FY 2021**

<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	50,177.00
Cave City Conv Ctr	Local	25,036.00
Glasgow Barren Co Tourist & Conv Commission	Local	2,050.00
Horse Cave/Hart County Tourist Commission	Local	3,103.00
Logan County Tourist	Local	2,858.00
Munfordville Tourism Commission	Local	1,034.00
Simpson County Tourism Commisson	Local	8,017.00
	<b>Region Total</b>	<b>92,275.00</b>

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**Tourism Marketing Incentive Program  
Louisville Lincoln Region  
Disbursements FY 2021**

<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	7,694.00
City Of Leitchfield Tourism And Convention Commission	Local	929.00
City Of Radcliff - Radcliff Recreation Convention & Tourist	Local	7,736.00
Elizabethtown Tourism	Local	22,388.25
Grayson Co Tourism Commission	Local	929.00
Louisville And Jefferson County Visitors & Convention Commis	Local	324,245.00
Oldham County Tourist & Convention Commission	Local	8,221.00
Shelbyville-Shelby Co. Tourist & Convention Commission	Local	7,346.00
Shepherdsville Bullitt Co Tourist & Conv Comm	Local	16,892.00
	<b>Region Total</b>	<b>396,380.25</b>

**Tourism Marketing Incentive Program  
Southern Kentucky Region  
Disbursements FY 2021**

<b>Applicant</b>	<b>Regional/Local</b>	<b>Amt Paid</b>
Southern Ky Vacations Inc	REGIONAL	0.00
Clinton Co Tourist and Convention Commission	Local	1,427.00
Cumberland Co Tourist Comm	Local	2,527.00
Lake Cumberland Tourist Commission	Local	6,064.00
McCreary Co Tourism Commission	Local	2,020.00
Somerset Pulaski Co Conv & Visitors Bureau	Local	16,468.00
Taylor Co Tourist Commission	Local	<u>4,165.00</u>
	<b>Region Total</b>	<b>32,671.00</b>

**Tourism Marketing Incentive Program  
Northern Kentucky Tourism Region  
Disbursements FY 2021**

<b>Applicant</b>	<b>Regional/Local</b>	<b>Amt Paid</b>
Northern Ky Tourism Region Inc	REGIONAL	0.00
City of Augusta& Bracken Co Tourist	Local	1,083.00
Carrollton Carroll Co Tourism & Convention Comm	Local	4,445.00
Gallatin Co Tourism & Convention Commission/Gallatin Co Fiscal Ct	Local	1,898.00
Grant Co. Tourist & Convention Commission	Local	5,220.70
Northern Ky Conv And Visitors Commission	Local	<u>61,137.84</u>
	<b>Region Total</b>	<b>73,784.54</b>

**Tourism Marketing Incentive Program  
Kentucky's Bluegrass Region  
Disbursements FY 2021**

<b>Applicant</b>	<b>Regional/Local</b>	<b>Amt Paid</b>
Bluegrass Tourism Region Inc.	REGIONAL	0.00
Berea Tourism	Local	4,635.00
Frankfort/ Franklin Co Tourist and Convention Commission	Local	12,639.00
Georgetown/ Scott Co Tourism & Convention Commission	Local	17,793.00
Greater Lexington Convention And Visitors Bureau	Local	144,223.00
Harrodsburg/ Mercer Co Tourist Commission	Local	5,665.00
Nicholasville, Wilmore, Jessamine Co Joint Tourism Commission	Local	5,816.00
Paris Bourbon Co Tourism Comm	Local	1,825.00
Winchester Clark County Recreation Convention & Tourism Comm	Local	6,942.00
Woodford Co Tourist Commission	Local	<u>3,033.00</u>
	<b>Region Total</b>	<b>202,571.00</b>

**Tourism Marketing Incentive Program  
Eastern Highlands North Region  
Disbursements FY 2021**

<b>Applicant</b>	<b>Regional/Local</b>	<b>Amt Paid</b>
Eastern Highlands North	REGIONAL	0.00
Ashland/ Boyd Co Tourism & Convention Commission	Local	14,288.00
Mt Sterling/Montgomery Co Tourist Commission	Local	5,087.00
Paintsville Tourism Commission	Local	3,348.00
Pikeville/Pike County Tourism Commission	Local	23,434.00
Greenup County Tourism Commission	Local	1,200.00
	<b>Region Total</b>	<b>47,357.00</b>

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**Tourism Marketing Incentive Program  
Eastern Highlands South Region  
Disbursements FY 2021**

<b>Applicant</b>	<b>Regional/Local</b>	<b>Amt Paid</b>
Eastern Kentucky Highlands South Inc	REGIONAL	0.00
City Of Corbin Tourist And Convention Commission Inc	Local	6,530.00
Letcher Co Tourism & Convention Commission	Local	1,657.00
London/ Laurel County Tourist Commission	Local	9,223.00
Mt Vernon/Rockcastle Co Tourist Commission Inc	Local	<u>1,517.00</u>
	<b>Region Total</b>	<b>18,927.00</b>