

# KENTUCKY TOURISM RECOVERY & INVESTMENT PROPOSAL

## NEED & OPPORTUNITY FOR AMERICAN RESCUE PLAN ACT FUNDS

- **NEED:** Expedited recovery of tourism's contributions of jobs, small and large business opportunities, tax revenue returned to state and local governments and quality of life in Kentucky communities.
- **OPPORTUNITY:** Utilize this once-in-a-lifetime opportunity to truly make Kentucky tourism a competitive industry that positions the state as a leader in this worldwide market.

### FUNDING NEEDED: \$75 MILLION

*(Less Than 3.5% of Kentucky's American Rescue Plan Act Funds)*

#### ① **MARKETING KENTUCKY** (KENTUCKY DEPARTMENT OF TOURISM, KDT)

**AMOUNT** – \$15 Million

**ALLOCATION** – Appropriation to KDT.

**USES & ACCOUNTABILITY** – Allowable uses of funds consistent with those for which Statewide Transient Room Tax monies can be used, as contained in KRS 142.406. Also, as contained in KRS 142.406, by September 1 of each year, the Secretary of the Tourism, Arts and Heritage Cabinet shall report to the Governor and the Legislative Research Commission concerning the expenditure of the funds.

#### ② **MARKETING COMMUNITIES** (TOURISM COMMISSIONS)

**AMOUNT** – \$35 Million

**ALLOCATION** – To provide controls and equity, allocations would be formula-based utilizing 2019 county tourism economic impact data, similar to the formula already used by KDT for distribution of Tourism Marketing Incentive Program (TMIP) matching funds to tourism commissions. 300 KAR 1:010. Section 6 (3)(a)-(b).

**USES & ACCOUNTABILITY** – Allowable uses of funds to include, but not be limited to, uses permitted for the TMIP. 300 KAR 1:010. Sections 8-17.

#### ③ **ATTRACTING MEETINGS & CONVENTIONS** (TOURISM COMMISSIONS)

**AMOUNT** – \$25 Million

**ALLOCATION** – Tourism commission competitive grant program administered by KDT.

**USES & ACCOUNTABILITY** – For use in intensified recruiting of meetings & conventions business which are vital components of the overall tourism industry. Grants awarded by KDT shall consider the economic impact of COVID-19, existence of adequate venues for meetings & conventions and ability of funds to generate ROI. Grant recipients will provide a written report to KDT and LRC on usage of funds and outcomes each year by June 30th until 2024 when all ARP funds must be fully expended.