

Tourism Guidelines Discussion

How Can Room Taxes Be Used?

According to Wisconsin State Statutes, monies received from room taxes shall be used for tourism promotion and tourism development and cannot be to construct or develop a lodging facility.

- Tourism promotion and tourism development is defined as any of the following that are significantly used by transient tourists and reasonably likely to generate paid overnight stays at more than one establishment on which tax under sub. (1m)(a) may be imposed, that are owned by different persons and located within a municipality in which a tax under this section is in effect; or, if the municipality has only one such establishment, reasonably likely to generate paid overnight stays in that establishment:
 - Marketing projects, including advertising media buys, creation and distribution of printed or electronic promotional materials, or efforts to recruit conventions, sporting events, or motor coach groups.
 - Transient tourist information services.
 - Tangible municipal development, including a convention center.
- Tourism is defined as travel for recreational, business, or educational purposes.
- Transient is defined as any person residing for a continuous period of less than one month in a hotel, motel or other furnished accommodations available to the public.

The Tourism Commission should be mindful of the definition of tourism promotion and tourism development as stated by Wisconsin Statutes. This means any allocation of room tax funds must be for things that are likely to generate paid overnight stays at more than one lodging establishment.

What Can We Do?

The State allows flexibility for the tourism entities to distribute room tax funds. Staff recommends that Room Taxes be allocated from the Special Events line item into the following categories:

1. **Event Funding.** Funds granted for the creation, production, or acquisition of an event, convention, etc. to be held in Columbus by an event organizer.
 - Direct expenses incurred to create, produce, or acquire an event, convention, etc.
 - Excludes promotions/marketing and venue/facility
2. **Promotional Funding.** Funds to market and promote an event, convention, etc. by the event organizer.
 - Expenses explicitly for the marketing of an event
 - Meant for marketing purposes only
3. **Development Funding.** Funds for the development of a venue, facility, or attraction that is likely to host tourism events.
 - Direct expenses for development.
 - Excludes the events and their marketing that take place at the venue/facility/attraction.

What is Our Process for Funding?

The State leaves it to the tourism entities to come up with a process and guidelines for distributing funds. The City's Tourism Commission does not seem to have any processes in place (in writing), nor have they been consistently followed when awarding of room tax funding. Additionally, under the current "system", timelines get jumbled up and it is difficult to budget for.

Staff recommends implementation of an online application and a scoring system with an annual deadline for all grants to be submitted by. Proposed deadline could be September 30 with October through December used for review, and awarding funds in January. Staff would like to implement a required pre-application meeting with applicants to go over guidelines, process, final reporting, etc.

What is NOT Funded?

The State explicitly states that room tax funds cannot be used to construct or develop a lodging facility. There's some very specific exceptions, but those do not apply to our community. Beyond that, tourism entities may define what can / cannot be funded with room tax funds.

Other Stipulations?

The State does not list any stipulations that tourism entities must require for distributing room tax funding. The Tourism Commission may impose stipulations as part of its application process. Possible stipulations could be:

- Tourism use of event photos and videos. These would have to meet quality guidelines and be functionally useful for marketing purposes. It should be the responsibility of the applicant to procure any usage rights of subjects in the photos and videos.
- All applicants if awarded funds should develop a comprehensive final report that informs about:
 - Detailed use of funds along with copies of receipts
 - Impact on possibly generating paid overnight stays at multiple lodging establishments
 - Other impacts to local economy
 - How the event and fund use aided in promoting Columbus, WI
- Deadlines. Either annual or bi-annual for a deadline to apply.

Keeping Track of Analytics?

The Tourism Commission and City staff should create a follow up process to meet with the various lodging establishments in the city to help determine if awarded funds did in fact possibly help in generating paid overnight stays. The goal is to eliminate anecdotal here say and develop a database to better market the community to outside visitors.

Timeline?

- City Budget process begins in July, concludes late September / early October
- Ideally, either have applications due or final awarding / reimbursements due before the start of next year's budget