

Appendix B: GUIDELINES

Use of Lodging Tax Revenue

Guiding Principle:

The use of lodging taxes: Expenditures must be used only for **activities or operations** designed exclusively to increase tourism and for **capital expenditures of municipal tourism-related facilities**.

Tourism Marketing -

Examples:

Advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists.

Developing strategies to expand tourism

Tourism Operations

- Operating tourism promotion agencies
- Special events and festivals which are designed specifically to attract tourists.
- Operations **and** capital expenditures of tourism-related facilities owned or operated by a municipality or public facilities district.
- Operations of tourism-related facilities owned or operated by **nonprofit organizations**, but NOT for capital expenditures.
- **Tourism-Related Facility:** A real or tangible personal property with a usable life of **three or more years, or constructed with volunteer labor** that is:
 - (a) owned by a public entity, nonprofit organization (including a non-profit business organization, destination marketing organization, main street organization, lodging association, or chamber of commerce) and
 - (b) used to support tourism, performing arts, or to accommodate tourist activities.

Reference: MRSC Bulletin, Lodging Tax (Hotel-Motel Tax, dated 05/2014