



**Association of Indiana Convention and Visitor Bureaus
2010 Legislative Platform
Position Paper: Innkeepers Tax Integrity**

Statement of Position:

AICVB will protect the spirit and letter of all existing legislation dedicating innkeepers tax to tourism promotion, and will seek to ensure that any future innkeepers tax legislation enacted will adhere to that same intent.

Statement of Support:

1. 76% of the state's bureaus operate under the Uniform Innkeepers Tax Code 6-19-18.
2. The Uniform Innkeepers Tax Code specifically already well defines how innkeepers tax dollars are to be used:

Sec. 4. (a) If a tax is levied under section 3 of this chapter, the county treasurer shall establish a convention, visitor, and tourism promotion fund.
Sec. 4 (c) Money in a convention, visitor, and tourism promotion fund, or money transferred from such a fund under subsection (b), may be expended only to promote and encourage conventions, visitors, and tourism within the county. Expenditures under this subsection may include, but are not limited to, expenditures for advertising, promotional activities, trade shows, special events, and recreation.
3. The "innkeepers" or lodging tax is no different than a "check-off" tax such as those instituted by the dairy, pork or corn industries. The original intent of the tax is to support the industry that is taxed in order to generate additional economic development in Indiana's third largest industry – hospitality.
4. Hotels in each community already provide significant local support through property taxes, by providing county option income taxes through their employees' payrolls and rarely receive economic development incentives as other industries do.
5. A study by Ball State University's Building Better Communities and the Center for Business and Economic Research showed a \$15 return in taxes for every \$1 of innkeepers taxes invested
6. That same study proved that in 2006, the average county in Indiana received about \$11.7 million in wages from hotel and motel accommodations, \$66 million in food service, \$7.5 million in amusement and gaming, almost \$2 million from

museums and \$19.5 million from the arts and recreation activities. Diverting innkeepers tax dollars would negatively impact local tourism economic impact.

7. Efforts to redirect funds to other projects in the county could jeopardize the existing support provided by local visitors bureaus. Of the counties with bureaus in the state 43% have a grant program, redirecting funds back to the county for community development, marketing or festival support.
8. 55% of Indiana's convention and visitors bureaus operate a welcome center, serving as a gateway to their communities.
9. 97% of Indiana's convention and visitors bureaus provide economic support for Indiana's print, web and marketing initiatives, and redirection of those funds could seriously jeopardize an already under funded state tourism program.

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**Association of Indiana Convention and Visitor Bureaus
2010 Legislative Platform
Position Paper: Authority Over Local Innkeepers Tax Collections**

Statement of Position:

AICVB supports existing statutes which allow voluntary allocation of county innkeepers' tax by local tourism authorities toward regional tourism initiatives and will seek to ensure that any future legislation will not redirect locally generated innkeepers tax outside the county in which it is generated without the consent of the legislatively appointed tourism authority within that county.

Statement of Support:

1. The Uniform Innkeepers Tax Statute 6-19-18 already allows for voluntary regionalization but only with the consent of the appropriate tourism authorities within the county:

Sec. 5. (a) If a tax is levied under section 3 of this chapter, the county executive shall create a commission to promote the development and growth of the convention visitor, and tourism industry in the county. If two (2) or more adjoining counties desire to establish a joint commission, the counties shall enter into an agreement under IC 36-1-7.
2. Although convention and visitors bureaus that represent more than 60 counties across the state of Indiana share a common goal of attracting visitors to the state of Indiana, each county is unique in focus. There are many distinct tourism "markets," and not every county is able to target markets due to the products it might have available. These markets may include convention, corporate, transient, sports, leisure, social and group tour among others. Shared marketing efforts, when it makes sense, can be affective toward specific target markets; but that should be a voluntary initiative.
3. Already a number of convention and visitors bureaus join together for shared successful marketing efforts and have for more than a decade. Again, this voluntary collaboration is most effective when it is with shared consent and when it makes sense for the tourism market or product, route or geographic region. Examples include: Sports Indiana (a statewide cooperative); the Northern Indiana Tourism Development Corporation; the East Indiana Regional Cooperative; the Down the Lazy River Cooperative (southeast Indiana); and the Indiana 500 Trail (statewide cooperative).
4. An innkeepers tax is collected from a guest staying at a local lodging property, but it is collected in a particular county. The funds from those taxes should remain in that

county to be handled in a way that is appropriate for that county, and not pre-empted for special interests by organizations outside of that county involuntarily. The statute was designed and voluntarily supported by the Indiana lodging industry as a way of growing business, and not redirecting it.

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Position Paper: Uniform School Start Date**

Statement of Position:

AICVB supports the efforts of “Save Indiana Summers” to establish a uniform school start date no earlier than the fourth Monday in August in Indiana.

Statement of Support:

1. Research conducted in states which have switched to a later, uniform school start date has proven it does not negatively impact learning or test scores. Rather, a uniform school start date will actually provide a more equal platform with all students receiving adequate learning prior to the new spring ISTEP date.
2. Studies show older youth who work summers receive many tangible and intangible benefits; a uniform school start date would better support that positive outcome.
3. Currently, the tourism industry loses three weeks of its best weather for outdoor activities with early school start dates. By shifting the end dates for school back to the more volatile weather season and allowing for the more days in August when the days are more likely to be warm, more expenditures and thus more desperately needed tax dollars would be realized for local and state entities.
4. Tourism related businesses also lose student youth employees earlier than needed, although attendance does drop off precipitously. A coordinated schedule would allow not only for more travel by Hoosiers, it also would allow for more jobs for our youth.
5. Non-tourism related businesses suffer from reduced productivity during the shortened summer season with a reduced work force during the height of the summer season – mid-June to late July, a period of only six weeks. Weather is often too volatile in late May/early June to take a vacation, and with early school start dates the travel season is compressed.

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Position Paper: Tourism as Economic Development**

Statement of Position:

AICVB recognizes that tourism is a vital component of Indiana's economic development therefore advocates for competitive funding for the Indiana Office of Tourism.

Statement of Support:

1. Indiana's state tourism office ranks sixth nationally in its ability to leverage private dollars, inclusive of CVB funding, to assist its state budget, according to the Travel Industry Association of America. Redirection of innkeepers tax would prevent communities from collaboratively investing on such state supported marketing projects.
2. Indiana's tourism funding ranks in the bottom five in the United States.
3. Indiana's tourism industry supports more than 257,000 jobs throughout the state, with a total payroll impact of \$6.7 billion.
4. 95 percent of all tourism related businesses are considered small businesses; without the support of the Indiana tourism office their survival would be significantly jeopardized.
5. The Indiana Office of Tourism Development contributes \$20 back in sales tax revenue for every \$1 invested by the state of Indiana in direct tourism promotional spending.
6. Indiana welcomes 62 million visitors annually, who spend a total of \$10.36 billion. The ability to market and promote Indiana to potential visitors is vital to the state's economy.

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