

**TOURISM PROMOTION PROGRAM • APPLICATION FOR FUNDING**

APPLICANT INFORMATION

Project Title: \_\_\_\_\_

Project Dates: Beginning: \_\_\_\_\_ Ending: \_\_\_\_\_

Name of Organization \_\_\_\_\_ Web Site \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_ E-Mail: \_\_\_\_\_ Phone: \_\_\_\_\_

Amount Requested: \$ \_\_\_\_\_ Total Project Cost: \$ \_\_\_\_\_

Signature of Authorized Representative \_\_\_\_\_

TYPE OF PROPOSAL

 **Tourism Infrastructure:**

Support tourism-related facilities, which is defined as real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor, and used to support tourism, performing arts, or to accommodate tourist activities.

 **Marketing of Events or Activities:**

Activities and expenditures designed to increase tourism, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists; developing strategies to expand tourism; operating tourism promotion agencies; and funding marketing of special events and festivals designed to attract tourists.

SUBMISSION REQUIREMENTS

**APPLICANTS MUST SUBMIT THE FOLLOWING:**

1. A one-page budget including all income and expenses for the entire project (including matching funds and in-kind contributions) and clearly showing expenses for which County lodging tax dollars will be used.
2. Documentation of non-profit status.
3. One page description of the organization or event including, history of its existence and success creating tourism, size of staff and board, size of volunteer base, constituency and geographic area served and type of service provided.
4. Provide a short (no more than one page) description of the proposed project and explain how it will assist in building tourism and/or promoting events or activities that will bring tourists to Kitsap County. Include marketing/promotional plans and examples of performance indicators.

Send Completed Application and Required Documentation to:

R'Lene Orr  
614 Division St., MS-7  
Port Orchard, WA 98366

All documentation must be received by deadline and contain ALL submission requirements to be considered for funding. Please provide (7) copies of submission package.  
Questions? Call R'Lene Orr at 360.337.4410 or e-mail rorr@co.kitsap.wa.us

# Project Requirements

## **RCW 67.28.120 Authorization to acquire and operate tourism-related facilities.**

Any municipality is authorized either individually or jointly with any other municipality, or person, or any combination thereof, to acquire and to operate tourism-related facilities, whether located within or without such municipality.

## **RCW 67.28.1815**

### **Revenue--Special fund--Uses for tourism promotion and tourism facility acquisition and operation.**

All revenue from taxes imposed under this chapter shall be credited to a special fund in the treasury of the municipality imposing such tax and used solely for the purpose of paying all or any part of the cost of tourism promotion, acquisition of tourism-related facilities, or operation of tourism-related facilities. Municipalities may, under chapter [39.34](#) RCW, agree to the utilization of revenue from taxes imposed under this chapter for the purposes of funding a multi-jurisdictional tourism-related facility.

**In Budget Suggestions 1999:** (page 30 #3) New permitted uses for tax revenues.

Tourism promotion is defined as: activities and expenditures designed to increase tourism, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists; developing strategies to expand tourism; operating tourism promotion agencies; and funding marketing of special events and festivals designed to attract tourism.

**Attorney Generals Opinion 2000 No 9**, (December, 11, 2000) the conclusion was reached that lodging tax funds could not be used to pay for the operating costs of a privately owned and operated museum, even if the owner was a non-profit. The Office of the Attorney General indicated that the city must own the museum individually or jointly with another government entity or a private firm before lodging tax funds may be used to help pay the costs of operation of the museum.

**Attorney General Opinion 2006 No 4**, (February 2, 2006) We adhere to our conclusion in AGO 2000 No. 9 that a municipality must have an ownership interest in tourism-related facilities in order to spend lodging tax revenues on the operation of such facilities. A municipality may not spend lodging tax revenues on operating expenses of special events and festivals which are operated by non-municipal entities. Rather, with respect to such events, the municipality may only spend lodging tax revenues on advertising and promotion. A municipality may not provide advance payments of lodging tax revenues to service providers. Payment must be made after the fact, supported by appropriate documentation.

"Acquisition" is defined in [RCW 67.28.080\(1\)](#) to include "construction," and a "tourism-related facility" is defined in [RCW 67.28.080\(7\)](#) to mean: *Real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor, and used to support tourism, performing arts, or to accommodate tourist activities.*

# POLICY

## DISTRIBUTION OF LODGING TAX

Cancels:  
See Also:

Approved by: BCC

### POL - XX      DISTRIBUTION OF LODGING TAX

The lodging tax will be used to fund tourism promotion and tourism-related facilities within Kitsap County. The Board of County Commissioners (the Board) will budget and distribute funds from lodging tax revenues as described in this policy in accordance with RCW 67.28 and Ordinance No. 70-A-1998. The Board will authorize support for specified projects and will distribute remaining funds to qualified applicants. Kitsap County Resolution 264-1997 establishes the Lodging Tax Advisory Committee which will review applicant packages and provide recommendations to the Board.

The following distribution schedule is dependent on revenue collected from utilization of those facilities in unincorporated Kitsap County. As lodging facilities are increased in incorporated Kitsap County, the distribution of lodging tax may change. An annual review will be accomplished to evaluate the proportional support between incorporated and unincorporated Kitsap County.

#### 1. Definition:

The following are RCW 67.28 definitions of tourism:

“Tourism-related facility” means real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor, and used to support tourism, performing arts, or to accommodate tourist activities.

“Tourism promotion” means activities and expenditures designed to increase tourism, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists; developing strategies to expand tourism; operating tourism promotion agencies; and funding marketing of special events and festivals designed to attract tourists.

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### **2. Kitsap County Tourism Support Objectives**

The Board considers tourism an important aspect of Kitsap County quality of life and growth. Funds collected through the lodging tax will be used to support the following objectives:

- A. Create and support tourism infrastructure that results in long-term benefits to the community.
- B. Leverage fund support with other sources, both cash and in-kind.
- C. Establish clear, meaningful and measurable indicators that support tourism.
- D. Maximize economic benefit to the community.
- E. Increase out-of-town or long-term day trips to Kitsap County.

To ensure tax dollars are used to support tourism-related activities in accordance with RCW 67.28, each project supported will be required to provide the Board with a projected budget for the up-coming year by the first Friday of November and provide a final budget report for last year's actual expenditures by the first week of February. These reports will include all income and expenses for the entire project, including matching funds and in-kind contributions and clearly show which expenses lodging tax dollars were used for.

To measure the effectiveness of the programs supported, at project completion or each year, supported organizations will provide the Board performance indicators that demonstrate a positive outcome towards tourism in Kitsap County.

### **3. Funding Distributions**

The Board agrees to support projects in the following order:

- A. The Board intends to provide approximately \$24,000 per year for debt service payments on infrastructure-related projects that support tourism.
- B. Of the remaining projected revenue, 25% will be designated for fine and cultural arts projects and 75% will be disbursed to other applicants as recommended by the Lodging Tax Advisory Committee and adopted by the Board of County Commissioners.

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#### **4. Applications from Qualified Agencies**

Qualified agencies may apply for lodging tax funds. The Board establishes high priority to those applicants who show other funding sources as primary and the County as a less significant contributor to the overall project. The Board will also consider the history of successes demonstrated by past activities using public funds to promote tourism. Special events and festivals designed to attract tourists may receive funds to expend only on advertising and promotion to attract tourists, payable on submission of itemized invoices.

Public Notice will be posted each year for remaining budgeted funds. Applicants will be required to provide an application and supporting documentation by the published deadline. The Lodging Tax Advisory Committee will evaluate applications and deliver recommendations to the Board. The Board will fund those projects that meet Kitsap County's tourism objectives for the following year. Applications will be scored using an evaluation worksheet to prioritize recommendations to the Board of County Commissioners.

Project Decision Making Criteria:

- Meets the definition of tourism-related activity
- Completed Application including all required documentation
- Received by Deadline
- Draws visitors from outside Kitsap County
- Leverages other funding sources
- Results in economic benefit to the community
- Budgetary information is clear and sufficiently detailed
- Provides measurable outcome performance indicators

#### **5. Multi-Year Awards**

Funding is allocated each year as part of the budgeting process; however, the Board may choose to forecast support for specific projects across fiscal years. These projections can change if priorities change, resources are not available, the program does not comply with policy requirements, or the program no longer fits within the intent of RCW 67.28.

Multi-year recipients must provide projected budget for the up-coming year by the first Friday of November and provide a final budget report for last year's actual expenditures by the first week of February. These reports will include all income and expenses for the entire project, including matching funds and in-kind contributions and clearly show expenses on which

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**Cancels:**

**See Also:**

**Approved by:**

lodging tax dollars were spent.

To measure the effectiveness of the programs supported, at project completion or each year, supported organizations will provide the Board performance indicators that demonstrate a positive outcome towards tourism in Kitsap County.

### **6. The Lodging Tax Advisory Committee**

The County utilizes a Lodging Tax Advisory Committee established to oversee the process of promoting tourism through revenue collected from the lodging tax. The appointed committee will receive applications and evaluate the applicants and rate them on a project evaluation sheet. The committee will meet and provide a list of recommendations in order of importance to the Board for consideration.

### **7. Time Line**

Public Notice  
Applications Submitted for Evaluation  
Advisory Committee reviews applications  
Recommendations to Board  
Board Adopts Distribution Plan for the following year

### **8. Contracts for Services**

Each agency receiving funding from lodging tax revenue will execute a contract for services with the County. Agencies receiving funding through a contract must demonstrate that it has performed the services required under the contract before funds will be disbursed. The recipient will also provide to the County all documents required in the contract prior to any funds being disbursed. All disbursements are dependent on adequate cash flow in the lodging tax fund.