



## About Hamilton County's Business of Entertainment and Sport Tourism (BEST) Legislation

*Creation of a 3% annual capital improvement fund pool to generate room overnights in Hamilton County.*

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Hamilton County Tourism is conducting a comprehensive study of its sports and entertainment market to understand how it can remain viable and competitive in the future. That study will inform best scenarios for return on capital improvement investments.

Whereas many cities adopt an additional lodging tax increase to create a single project, HCT hopes to develop a program fund that would support research and development and implementation of projects that would provide lasting long-term investments.

These actions will allow us to enable a BEST capital improvement investment program:

- 1) **State legislation** to allow for the 3% increase in Hamilton County's innkeeper's tax collections and to define its use. *Status: Complete*
- 2) **Local County Council Ordinance** to adopt the new tax rate and separates the 5% promotion fund from the 3% capital improvement fund. *Status: Complete.*
- 3) **Local County Commission Ordinance** to establish a Tourism Commission to oversee both the tourism and promotions funds as well as the capital improvement investment program. *Status: In Progress.*
- 4) **Hamilton County Visitor and Convention Commission ("Tourism Commission)** adoption of guiding principles and requirements for distribution of funds. *Status: In Progress.*

### Tax Rules & Regulations of Note

- Hamilton County would impose an 8% innkeeper's tax on lodging beginning January 1, 2024. The state retail sales tax remains at 7%.
- The funds would still be collected by the Hamilton County Treasurer and due on the 20<sup>th</sup> of each month after the actual collection month. (The exception to this is online travel agencies and short-term stays, which still remit to the Indiana Department of Revenue.)
- The bonus retention of 0.83% collection allowance for remitting on time remains in effect.
- The penalty of \$5 or 10% of collections for remitting late remains in effect.

### Principles and Process Defined for the BEST Capital Fund Program

**Purpose:** *The BEST Capital Fund is a designated fund that provides capital support for projects that generate positive tourism economic growth, especially in the areas of entertainment and sport travel.*

#### **Principles:**

- The HC Tourism Commission and the HCT Board of Directors shall work together to identify projects that best support the hospitality sector and the desires of the community.
- BEST will invest in tourism projects that will create the greatest impact on Hamilton County's people, place, and economic prosperity.
- Funds are exclusively for capital projects in Hamilton County. Operational and program funding will not be considered.

- Investment priorities will be given to projects with the greatest return and highest impact against a lower total project cost.
- Projects that leverage other assets and align with community goals are encouraged.
- BEST investments may support non-profit organizations and municipalities.
- Funding commitments will generally be for projects not yet under development where support from this grant fund is vital to the projects' completion.
- This fund is intended to be a resource for transformational projects.
- Projects must directly support tourism business sectors—including hotel/hospitality, parks/recreation, food service, sport, entertainment, and attractions—that drive group tourism to significant public assembly spaces.
- Projects will be measured for success on financial return, brand equity, inclusiveness, sustainability, engagement, and innovation.
- Any multi-year agreement or pledge will be reviewed annually considering market performance.
- Project agreements may be structured to allow HCT Inc. the ability to sell venue spaces within a time window format—ideally 12-18 months booking availability—to generate group business that supports room nights.

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