



ROCKFORD AREA TOURISM PROMOTION SPECIAL SERVICE AREA

Frequently Asked Questions



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To help you further explore how a Tourism Improvement District works and how it will help rejuvenate our tourism economy, we pulled together answers to the commonly asked questions.

To learn more about our local TID, **Rockford Area Tourism Promotion Special Service Area**, visit our website at gorockford.com/TID.

What Does A TID Do?

TIDs work to increase tourism to a designated geographic area, through funding from the lodging properties. TID activities can support expansion of strategic marketing, advertising, product development, and sales initiatives. It funds any avenue that will position our region as a key competitor for tourism focused events and support of our local hotels, attractions and venues.

Who Manages a TID?

A non-profit corporation such as a Destination Marketing Organization, like RACVB, with an advisory board of hoteliers overseeing all funding revenues and expenses.

How is a TID Funded?

TIDs are funded through an assessment on certain lodging stays. The amount of the assessment is determined by business owners at the formation of the district.

What are the Advantages of a TID?

They provide a stable funding source for tourism promotion. Since they are designed, created and governed by those who pay the assessment, TID funds must be spent to benefit those who pay the assessment. Funds cannot be diverted by government for other purposes.

How will the Improvement District be formed?

The district is formed in collaboration with hotel partners and the RACVB for approval by the City Council in a standard hearing process.

Is there a written document governing the TID?

Yes. The TID will be operated in accordance with a written plan developed by a board of area hoteliers.

Is the TID permanent?

The term of a TID is flexible and will be determined by the board of area hoteliers. However, the purpose of this TID is to ensure a long-term, sustainable source of funding that will fuel our region's recovery and growth.

How much is the assessment?

Assessment amounts throughout the United States vary from 1% - 4% per room night. Assessment amounts are set by the district and typically determined by the amount of dollars needed to make a difference. At this time, we are working with stakeholders to build consensus around what the assessment rate will be and are proposing 2%, with a maximum rate of 3%.

Who pays the fee?

Assessed lodging establishments pass the assessment onto customers. The fee will show up as a line item on their check-out folio.



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How is the assessment collected?

Hotels will collect the assessment via the room folio and remit to the city as a passthrough to the DMO, in our case, RACVB.

Who controls how the funds are spent?

Tourism Improvement Districts are designed and mandated that the money spent must benefit those who are paying into the assessment. RACVB will manage and direct spending on behalf of, and with oversight from, a board representing the assessed lodging businesses.

Are we putting ourselves at a competitive disadvantage?

No, the proposed assessment of 2% will ensure we remain competitive against tourism destinations across the U.S. Based on a national TID survey, the respondents by in large indicated that their districts have increased the number of room nights sold.

Can a guest dispute the charge?

Yes, and the hotelier can remove the charge from the guest's account. However, the responsibility of payment to the district still lies on the hotel for remittance.

Are only hotels included? What about attractions and other hospitality-related businesses?

Yes, in the case of the TID being proposed locally, only hotels will be part of the RATPSSA district.

What cities are included in the TID?

The TID will encompass hotels in Rockford and Loves Park. In the future it could expand to include hotels in other municipalities, with their consent and approval.

How will the money be spent?

TID funds are authorized to support marketing, sales and other promotional programs and activities to increase tourism and specifically benefit assessed businesses. As the industry expert, RACVB will create a marketing plan based on feedback and needs of the assessed businesses. A board comprised of area hoteliers will oversee marketing plans and spending.

What is the timeline for this process?

We are currently engaging stakeholders and municipal leaders, as well as filing the resolution with the Cities of Rockford and Loves Park. The cities will collaborate on the approval process through Rockford City Council, with the goal of receiving authority to begin collecting in early fall 2021.

Why now?

Without an additional multi-year investment into tourism marketing, sales and destination development, our economy—including the performance of our hotels, restaurants, retail shops and attractions—is at greater risk of not fully recovering from the pandemic, let alone, returning to our ten-year history of growing our tourism economy.

