

City of Mountlake Terrace

2021 Lodging Tax Funds Instructions, Guidelines & Criteria

GUIDELINES

Lodging tax funds are derived from the hotel-motel tax collected by the city's lodging establishments and may be used towards the marketing and operations of special events and festivals designed to attract tourists. They may also be used to support the operations and capital expenditures of tourism-related facilities owned or operated by a municipality or a public facilities district created under RCW 35.57 and 36.100. Finally, lodging tax funds may also support the operations of tourism-related facilities owned or operated by nonprofit organizations described under 26 U.S.C. Sec. 501(c)(3) and 26 U.S.C. Sec. 501(c)(6) of the internal revenue code of 1986, as amended.

"Tourism" means economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs.

ELIGIBILITY

State law (CHAPTER 67.28 RCW) requires you to provide estimates of potential economic impact. In addition, the city requires you to provide a description of how you calculated the estimates for the event, activity, or facility for which you are requesting funding, so the city may complete its annual report to the state.

PROCEDURE

Applications must be submitted on this form and may be disqualified if answers are incomplete or refer to attached documents in lieu of answering on the form. Application materials are due to the City Clerk's Office by **4:30 p.m. on Thursday, November 13, 2020**. Allocation of the funds is tentatively scheduled for the **January 4, 2021** City Council meeting. (Please check with the City Clerk to verify date if planning to attend.) If funds are allocated to your organization, an agreement must be executed with the City.

FINAL REPORT

Following the event/project, a Final Report, including receipts, must be submitted to the City **within 90 days** of the conclusion of the project/event or the end of the calendar year whichever comes first. If an extension of this deadline is necessary, the fund recipient must submit a written request for an extension to the City Clerk within the 90-day time period.

REVIEW CRITERIA

The Lodging Tax Advisory Committee, appointed by the Mayor and confirmed by the City Council, will review applications and consider the extent to which the proposal will accommodate activities for tourist or increase tourism. Specifically, the Committee will consider and score applications based upon these criteria:

- Whether the applicant submitted a complete application in a timely manner;
- Whether the proposed expenditure is a permitted use of lodging tax funds;
- Whether the proposed expenditure has the potential to increase overnight visits, including off-season visits and/or create a positive economic impact;
- Whether the applicant demonstrates a need for the funding by submitting complete budget and financial statement information, a demonstrated shortfall toward expenditures, and if applicable, denial of other grant funding;
- Whether the applicant applied for Snohomish County lodging tax or other county funds (if applicable) and/or other grant funding and sponsorships to make up its project shortfall.

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By November 13, 2020 (4:30 p.m.), submit application to:

Lodging Tax Advisory Committee
c/o Virginia Olsen, City Clerk/Community Relations Director
City of Mountlake Terrace
6100 219th Street SW, Suite 200
Mountlake Terrace, WA 98043

Or via Email to: cityhall@ci.mtl.wa.us

Please Attach:

1. Itemized budget form for your event/activity/facility.
2. A copy of your agency's current non-profit corporate registration with the Washington Secretary of State (if applicable).
3. (Optional) Brochures or other information about your event/activity/facility, in particular items showing recent tourism promotion efforts.

The proposal and all documents filed with the City are public records. The City may choose to post on its website copies of the proposals and attached documents.

State Law Excerpts

RCW 67.28.1816 – Use of Lodging Tax Fund.

Lodging tax revenue under this chapter may be used, directly by any municipality or indirectly through a convention and visitors' bureau or destination marketing organization for:

- a. Tourism marketing;
- b. The marketing and operations of special events and festivals designed to attract tourists;
- c. Supporting the operations and capital expenditures of tourism-related facilities owned or operated by a municipality or a public facilities district created under chapters 35.57 and 36.100 RCW; or
- d. Supporting the operations of tourism-related facilities owned or operated by nonprofit organizations described under 26 U.S.C. Sec. 501(c)(3) and 26 U.S.C. Sec 501(c)(6) or the internal revenue code of 1986, as amended.

RCW 67.28.080 – Definitions.

- "Municipality" means any county, city or town of the state of Washington.
- "Operation" includes, but is not limited to, operation, management, and marketing.
- "Person" means the federal government or any agency thereof, the state or any agency, subdivision, taxing district or municipal corporation thereof other than county, city or town, any private corporation, partnership, association, or individual.
- "Tourism" means economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs.
- "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.
- "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.
- "Tourist" means a person who travels from a place of residence to a different town, city, county, state, or country, for purposes of business, pleasure, recreation, education, arts, heritage, or culture.

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APPLICANT CHECKLIST

- _____ Submit a complete application, signed and dated by the applicant.

- _____ Submit a Letter of Endorsement from Studio 6 Hotel (city's only lodging establishment) offering overnight accommodations (if applicable to your program, event, festival).

- _____ For non-profits, submit a copy of state certificate of non-profit incorporation and/or Federal 501 (c) letter.

- _____ For public agencies, submit a copy of meeting minutes showing official approval of project and authorization of this project.

- _____ Complete the online budget form or submit a completed paper copy of the form.

- _____ Submit copies of financial/bank statements for the two most recent years to include beginning cash balances, a listing of annual actual revenues, a listing of annual actual expenditures, and the resulting ending fund cash balances. (Beginning fund balance plus revenues minus expenditures equals the ending cash balance.)