



Partnerships. Progress. Prosperity.

Introduction to

Tourism Business Improvement Districts

A tourism business improvement district (TBID) is a stable source of funding for marketing efforts designed to increase occupancy and room rates for lodging businesses. Funds raised through a small assessment on lodging stays are used to provide services desired by and directly benefitting the businesses in the district.

What does a TBID do?

TBIDs can have many functions, all of which are aimed at increasing tourism. A TBID's operations are determined by the businesses funding the TBID. TBID activities can include print and internet advertising, visitor center operations, sales lead generation and many other marketing efforts.

Who manages a TBID?

A new non-profit corporation can be formed to manage district funds, or an existing corporation (such as a Conference and Visitor's Bureau) can fill this role. The businesses forming the TBID decide how the corporation will be structured and who will manage it.

How is a TBID funded?

TBIDs 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, within particular legal guidelines. Certain types of stays can be exempt from the assessment if they are not procured as a result of district activities. Funds raised through the assessment must be spent for the benefit of the businesses paying the assessment. Funds raised through a TBID cannot be diverted to government programs.

Why should I support forming a TBID?

As the economy struggles, marketing efforts are an increasingly important aspect of maintaining a popular destination. TBIDs provide stable funding for the necessary marketing to keep a destination competitive in a difficult economy. As cities and countries are forced to sacrifice tourism promotion funds, TBIDs provide funding to supplement or replace those monies. Because TBID funds are not controlled by a government entity, they cannot be subjected to the budget cuts municipalities have been forced to make.

What are the advantages of a TBID?

- ◆ They provide a stable funding source for tourism promotion
- ◆ They are designed and created by those who pay the assessment
- ◆ They are governed by those who pay the assessment
- ◆ Funds cannot be diverted for government programs