

## **Committee's discussion of tourism tax shifts toward oversight, impact**

**By Courtney H** ughett Brown County Democrat

As Brown County prepares to begin state collection of its new 3 percent innkeepers' tax, members of the Quality of Life Innkeepers' Tax Steering Committee held a wide-ranging discussion on July 23 about how the revenue should be managed, monitored and allocated in the years to come.

The committee reviewed models from other counties, specifically Tippecanoe County, and evaluated potential board structures and responsibilities for the local management of the tax funds. Central to the conversation was what responsibilities would fall on the Quality of Life group and a potential Economic Development Corporation (EDC).

Tippecanoe County's codified statute and oversight model drew attention as a successful example. "Their statute is very specific on how the funds are allocated out," said Committee member Brian Tadlock. "They send specific amounts to their commission allocation, economic development funding, and even provide funds to their state park."

In Tippecanoe, the Quality of Life board reviews project proposals and uses a standardized rubric to make funding recommendations to the county's Convention and Visitors Commission (CVC). From there, the commission makes formal recommendations to the county fiscal body, which in Brown County would be the county council.

Committee members agreed that a similar approach might be the most efficient way to handle local requests while avoiding duplication or confusion.

With the tax now moving from local to state collection, several members raised concerns about compliance and education, especially for short-term rental owners.

"Starting Sept. 1, any innkeepers' tax collected will be paid directly to the state," said Committee member Stephanie Tadlock. "Airbnb automatically pays it, but if hosts are also on VRBO, they'll need to set up an account with the state manually."

She said that distinction matters for small, "mom-and-pop" operators who may not understand the new requirements. "We need to provide them with all the information," she said.

Questions were raised about how to identify who is paying the tax and who isn't.

Several participants expressed concern that without better tools or broader access to records, illegal or under-reporting operators could continue slipping through the cracks.

"If there are people operating illegally, and they're not paying anything, that's not fair to those of us who are," said Stephanie Tadlock.

"This could be a big hole in the bucket," said Committee member Pam Gould. "We need checks and balances to make sure it's a level playing field."

Committee member Scott Rudd said he and Committee member Darren Byrd would check with the state and see who can be authorized to monitor tax payments to ensure oversight.

The group agreed their future Quality of Life board should serve as a recommending and filtering body, not a hands-on manager of projects. Committee member John Elliott noted that when you provide grant funds you

have to have some level of trust with the recipient. “We’re here to validate, not be there with someone every day shoveling dirt,” he said.

The committee also discussed using a grant application process for project funding, possibly borrowing templates from the Brown County Community Foundation.

Members reviewed a potential division of responsibilities between the proposed quality of life board and a future EDC. While the Quality of Life board would focus on parks, sidewalks, beautification, community programming, and events, the EDC would target business development, housing, site readiness, and workforce retention.

Discussion moved toward an idea of dividing the new 3 percent revenue into thirds, onethird for quality of life initiatives, one-third for economic development, and one-third for direct support of county services such as parks and the fairgrounds.

Still, members emphasized that the EDC is not yet formed and would need “seed money” to get started. It was also noted that the money put into an EDC would need to be left untouched, with the intent for the pot to grow to help fund projects.

Several committee members suggested hiring a grant writer, potentially a contractor or consultant, who could help identify and apply for matching funds to stretch the impact of the new tax dollars.

“There are grants that would have paid for part of the pickleball courts,” said Brian Tadlock. He added that the county is missing out on getting grant funds because they don’t have anyone to specifically focus on finding them.

In addition to grant seeking, the committee noted the need to develop a grant administration process for overseeing how awarded funds are used. One suggestion was to ask local experts from the Brown County Community Foundation for guidance on what that process should entail.

The committee has 60 days to present an investment plan to the county council by Oct. 1. That plan will likely include a mix of long-term priorities, funding categories, and recommendations for administrative oversight and grant mechanisms.

Subcommittees were proposed to focus on EDC planning, investment strategy, and grant administration. Members also discussed collaborating with other local entities, including the Town of Nashville, the tourism bureau, the parks department, and the fairgrounds.

Several members agreed that if projects are not sustainable, then they should be funded. “If we don’t see a return on investment then it’s done,” said Stephanie Tadlock.

The committee’s next meeting is scheduled for Wednesday, Aug. 6. If a representative from the Regional Opportunity Initiative (ROI) can attend, that session will focus on learning more about EDC structures. If not, the group will continue refining its recommendations and preparing the Oct. 1 investment plan.

“What we’re doing here is planning the future of Brown County because we’ve got some money to do something toward that direction, said Committee member Gary Huett. “It’s good that it’s being done and it’s a healthy group that’s doing it.”

