

FY 2024 Annual Report: A Review of the Mississippi Development Authority Tourism Advertising Fund

A Report to the Mississippi Legislature
Report #709
December 9, 2024



PEER Committee

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Becky Currie, Vice-Chair
Kevin Felsher, Secretary

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About PEER:

The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A joint committee, the PEER Committee is composed of seven members of the House of Representatives appointed by the Speaker of the House and seven members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms, with one Senator and one Representative appointed from each of the U.S. Congressional Districts and three at-large members appointed from each house. Committee officers are elected by the membership, with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of four Representatives and four Senators voting in the affirmative.

Mississippi's constitution gives the Legislature broad power to conduct examinations and investigations. PEER is authorized by law to review any public entity, including contractors supported in whole or in part by public funds, and to address any issues that may require legislative action. PEER has statutory access to all state and local records and has subpoena power to compel testimony or the production of documents.

PEER provides a variety of services to the Legislature, including program evaluations, economy and efficiency reviews, financial audits, limited scope evaluations, fiscal notes, and other governmental research and assistance. The Committee identifies inefficiency or ineffectiveness or a failure to accomplish legislative objectives, and makes recommendations for redefinition, redirection, redistribution and/or restructuring of Mississippi government. As directed by and subject to the prior approval of the PEER Committee, the Committee's professional staff executes audit and evaluation projects obtaining information and developing options for consideration by the Committee. The PEER Committee releases reports to the Legislature, Governor, Lieutenant Governor, the agency examined, and the general public.

The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.



Joint Legislative Committee on Performance Evaluation and Expenditure Review

PEER Committee

P.O. Box 1204 | Jackson, Mississippi 39215-1204

Senators

Charles Younger
Chair

Kevin Blackwell

John Horhn

Dean Kirby

Chad McMahan

John Polk

Robin Robinson

December 9, 2024

Honorable Tate Reeves, Governor

Honorable Delbert Hosemann, Lieutenant Governor

Honorable Jason White, Speaker of the House

Members of the Mississippi State Legislature

On December 9, 2024, the PEER Committee authorized release of the report titled *FY 2024 Annual Report: A Review of the Mississippi Development Authority Tourism Advertising Fund*.

Representatives

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Vice Chair

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Senator Charles Younger, Chair

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This report does not recommend increased funding or additional staff.

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CONCLUSION: Under the authority of MISS. CODE ANN. § 57-1-64 (1972), the Mississippi Development Authority (MDA) oversees deposits to and expenditures from the Tourism Advertising Fund. As required by state law, PEER conducted a review to detail how funds were spent and deposited in FY 2024. In FY 2024, the Tourism Advertising Fund received approximately \$14.7 million in revenues and MDA expended approximately \$14.25 million from the fund.



BACKGROUND

Background

MISS CODE ANN. § 27-65-75 (24) (b) (1972) requires the Joint Legislative PEER Committee to provide an annual report to the Legislature reviewing the MDA Tourism Advertising Fund established by MISS CODE ANN. § 57-1-64 (1972) to include the amount of funds and a detail record of how the funds are spent.

MISS. CODE ANN. § 57-1-64 created a special fund in the State Treasury known as the MDA Tourism Advertising Fund (Tourism Advertising Fund).

MDA is authorized to sell advertising and other promotion information and enter into agreements with other tourism associations for the purpose of facilitating revenue to deposit into the Tourism Advertising Fund. Additionally, MISS. CODE ANN. § 27-65-75 (24) (a) requires a certain percentage of each month's sales tax collections from restaurants and hotels to be deposited into the Tourism Advertising Fund.

MISS. CODE ANN. § 27-65-75 (24) (a) requires a 3% of each month's sales tax collections from restaurants and hotels to be deposited into the Tourism Advertising Fund.



KEY FINDINGS

- **As provided by MISS. CODE ANN. § 27-65-75 (24) (a) the Tourism Advertising Fund received approximately \$14.7 million in restaurant and hotel sales tax revenue.**

MISS. CODE ANN. § 27-65-75 (24) (a) mandates a 1% increase in the amount of sales tax collections deposited into the fund from FYs 2020 through 2022. In its second year of full funding (i.e., 3%), the Tourism Advertising Fund saw similar levels of funding as FY 2023 with a difference of approximately \$518,000.

- **In FY 2024, MDA expended approximately \$14.25 million from the Tourism Advertising Fund, primarily on advertisements promoting tourism in Mississippi.**

FY 2024 expenditures decreased by \$4.9 million from FY 2023 expenditures. MDA worked with three companies to place advertisements in FY 2023. Local destination marketing organizations utilized MDA's cooperative advertisement program to place advertisements during FY 2024, sharing the cost burden of placing advertisements.

- **MDA establishes spending levels based on the revenue collected and deposited into the Tourism Advertising Fund in the previous quarter.**

Proceeding into FY 2025 and future fiscal years, MDA's goal is to operate the fund at a near net-zero balance. MDA staff anticipates spending an average of \$1 million to \$1.3 million monthly from the Tourism Advertising Fund.

RECOMMENDATION

The Mississippi Development Authority should ensure that it is planning expenditures around marketing activities that show increased tourism as well as increased restaurant and hotel sales tax revenue collection.

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FY 2024 Annual Report: A Review of the Mississippi Development Authority Tourism Advertising Fund

Introduction

Authority, Scope, and Purpose

MISS. CODE ANN. § 27-65-75 (24) (b) (1972) requires the Joint Legislative PEER Committee to provide an annual report to the Legislature reviewing the Mississippi Development Authority (MDA) Tourism Advertising Fund established by MISS. CODE ANN. § 57-1-64 (1972).

This FY 2024 report on the Tourism Advertising Fund includes an update on revenues and expenditures and addresses the following questions:

- How much in restaurant and hotel sales tax revenues were distributed to the Tourism Advertising Fund during FY 2024?
- How did MDA expend the sales tax revenue directed to the Tourism Advertising Fund during FY 2024?
- How does MDA intend to expend and manage funds in FY 2025?

PEER conducted this review in accordance with MISS. CODE ANN. § 5-3-1 (1972) et seq.

Method

To conduct this analysis, PEER:

- reviewed relevant sections of state law;
- reviewed data reported in the state's accounting system, Mississippi Accountability System for Government Information and Collaboration (MAGIC);
- obtained programmatic information from MDA; and,
- obtained sales tax collection and distribution information from the Mississippi Department of Revenue (DOR) and MDA.

Background

This chapter serves as a review of tourism-related laws and statutory requirements and presents the following information:

- creation of the MDA Tourism Advertising Fund;
- structure of the Mississippi Tourism Association Marketing Advisory Board; and,
- percentages of restaurant and hotel sales tax collections deposited into the Mississippi Tourism Advertising Fund.

Creation of the MDA Tourism Advertising Fund

MISS. CODE ANN. § 57-1-64 created the MDA Tourism Advertising Fund and authorized MDA to sell advertising and promotional information to generate revenues to deposit into the fund.

MISS. CODE ANN. § 57-1-64 created a special fund in the State Treasury known as the MDA Tourism Advertising Fund, hereafter referred to as the Tourism Advertising Fund. This law states MDA can use amount in the fund for:

...the purpose of paying costs incurred in connection with the purchase of Internet advertising and other promotional information and materials related to Mississippi tourism resources and activities...

Additionally, MDA is authorized to sell advertising and other promotional information and enter into agreements with other tourism associations for the purpose of facilitating sales revenue to deposit into the Tourism Advertising Fund.

Structure of the Mississippi Tourism Association Marketing Advisory Board

MISS. CODE ANN. § 57-1-64.1 (1972) created the Mississippi Tourism Association Marketing Advisory Board to assist MDA with advertising and promotion of tourism in Mississippi.

MISS. CODE ANN. § 57-1-64.1 (1972) created the Mississippi Tourism Association (MTA) Marketing Advisory Board (Advisory Board) to assist MDA in planning the initiatives for advertising and promoting tourism in Mississippi. The Advisory Board provides input and advice to MDA on marketing and advertising planning; however, it has no executive powers at MDA.

The statute provides the following composition for the Advisory Board:

- MTA Executive Director;

- the members of the MTA Board of Directors representing each of MTA's five tourism regions (i.e., the Hills, the Delta, the Capital/River, the Pines, and the Coastal regions), and three at-large members;
- three at-large members appointed by the Governor;
- one at-large member appointed by the Lieutenant Governor; and,
- one at-large member appointed by the Speaker of the House of Representatives.

The Advisory Board's statute does not establish any term length or term limits for sitting members.

Establishment of Restaurant and Hotel Sales Tax Collections Deposits into the Tourism Advertising Fund

MISS. CODE ANN. § 27-65-75 (24) (a) (1972) requires percentages of sales tax revenue collected from Mississippi restaurants and hotels to be deposited into the Tourism Advertising Fund.

MISS. CODE ANN. § 27-65-75 (24) (a) requires a certain percentage of each month's sales tax collections from restaurants and hotels to be deposited into the Tourism Advertising Fund. The law requires a set percentage of these sales tax collections to be distributed as follows:

- for the period from August 15, 2019, through July 15, 2020: 1% of total sales tax revenue collected from restaurants and hotels;
- for the period from August 15, 2020, through July 15, 2021: 2% of total sales tax revenue collected from restaurants and hotels; and,
- from August 15, 2021, and each month thereafter, 3% of total sales tax revenue collected from restaurants and hotels.

Sales tax collections are to be deposited into the Tourism Advertising Fund and used exclusively for the purposes established by MISS. CODE ANN. § 57-1-64.

MDA Tourism Advertising Fund Revenues and Expenditures

This chapter discusses:

- FY 2024 restaurant and hotel sales tax collections;
- FY 2024 Tourism Advertising Fund expenditures; and,
- FY 2025 projected revenues and expenditures.

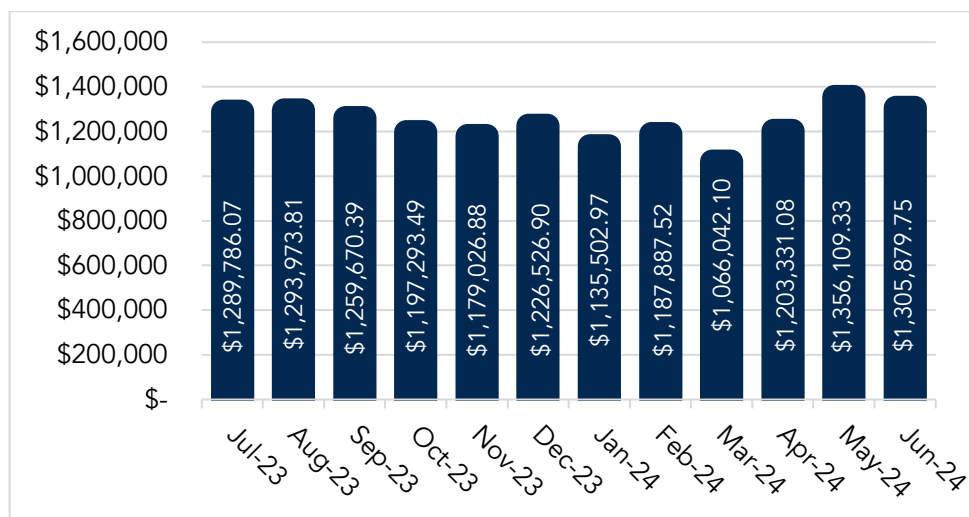
FY 2024 Tourism Advertising Fund Revenue

As provided by MISS. CODE ANN. § 27-65-75 (24) (a), the Tourism Advertising Fund received approximately \$14.7 million in restaurant and hotel sales tax revenues in FY 2024.

MISS. CODE ANN. § 27-65-75 (24) (a) requires a percentage of each month's sales tax collections from restaurants and hotels to be deposited into the Tourism Advertising Fund. In FY 2024, MDA received approximately \$14.7 million in restaurant and hotel sales tax collections into the Tourism Advertising Fund.

Exhibit 1 on page 4 shows the amount of restaurant and hotel sales tax collections deposited into the Tourism Advertising Fund per month.

Exhibit 1: Monthly Restaurant and Hotel Sales Tax Collections Deposited into the MDA Tourism Advertising Fund in FY 2024

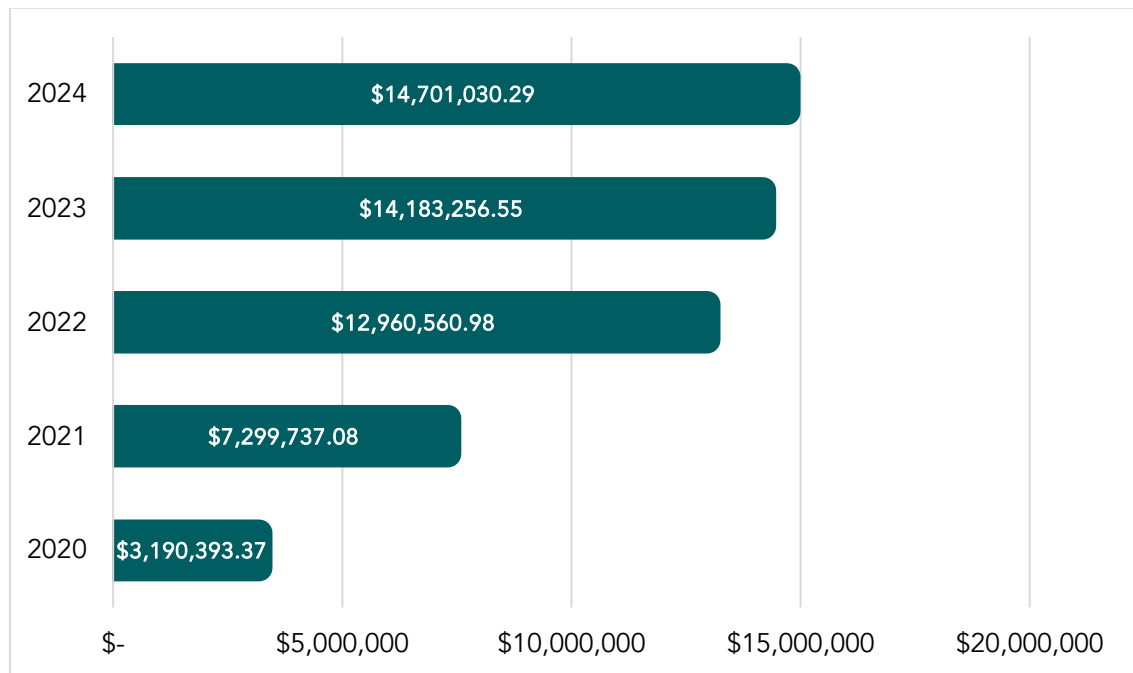


SOURCE: PEER analysis of data reported by the Mississippi Department of Revenue.

MISS. CODE ANN. § 27-65-75 (24) (a) mandated a 1% increase in the amount of sales tax collections deposited into the fund from FYs 2020 through 2022. These annual increases occurred in August of FYs 2020 through 2022. Because the fiscal year begins in July, the first fiscal year in which 3% of restaurant and hotel sales tax collections were deposited into the fund for every month of the year was FY 2023.

FY 2024 deposits from these sales tax collections increased from \$14.2 million in FY 2023 to \$14.7 million (an approximate \$500,000 increase). As shown in Exhibit 2 on page 5, the Tourism Advertising Fund received more collections in FY 2024 than in prior fiscal years since inception. Appendix A on page 15 shows monthly deposits by fiscal year into the Tourism Advertising Fund since inception.

Exhibit 2: Total Restaurant and Hotel Sales Tax Collection Deposits into the MDA Tourism Advertising Fund from FY 2020 through FY 2024



SOURCE: PEER analysis of data reported by the Mississippi Department of Revenue.

MISS. CODE ANN. § 57-1-64 authorizes MDA to “sell advertising and other tourism promotional information through the MDA Internet website and other marketing outlets” and deposit the revenues from any sales into the Tourism Advertising Fund. According to MDA staff, no revenues or profits were made from selling advertisements and other tourism promotional information; therefore, the only money deposited into the Tourism Advertising Fund in FY 2024 was from restaurant and hotel sales tax collections.

Currently, state law does not mandate any more increases in restaurant and hotel sales tax collections to be deposited into the Tourism Advertising Fund. Therefore, MDA could expect to

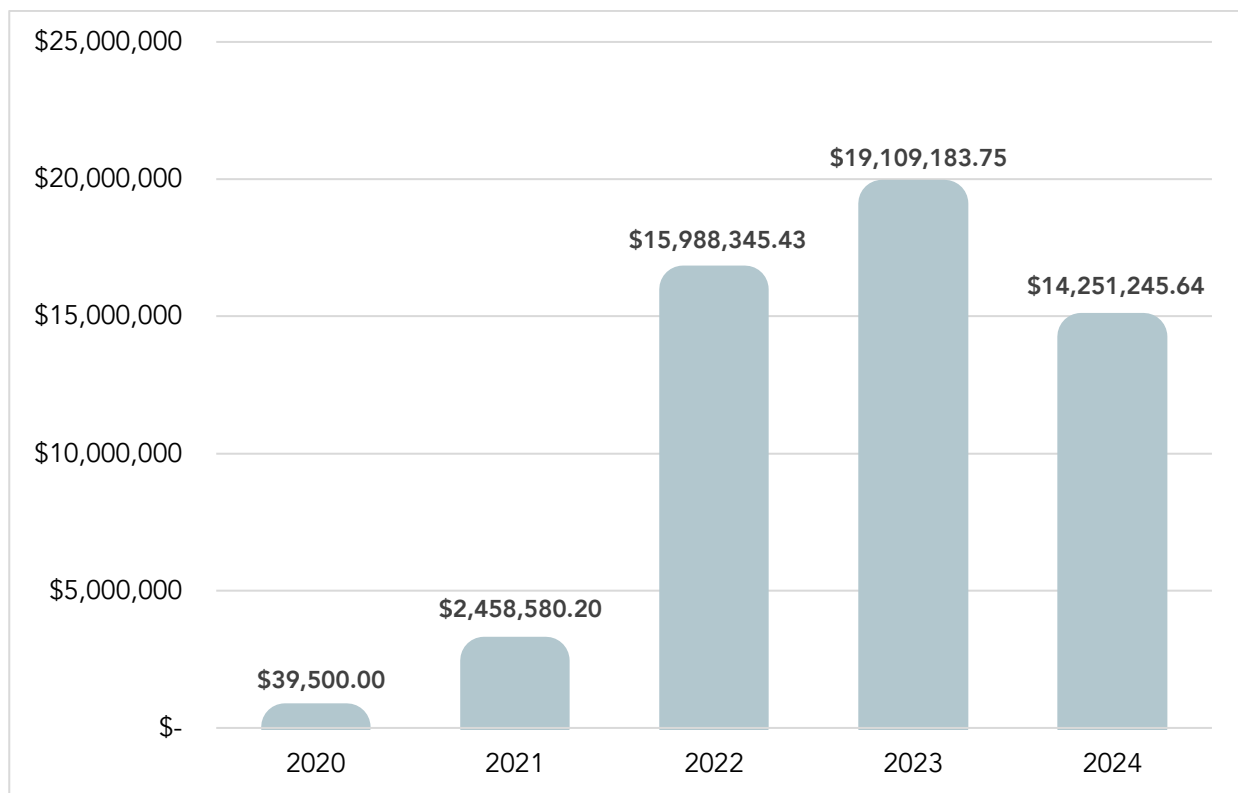
receive similar levels of funding moving forward depending on the stability of future sales activities of restaurants and hotels within the state.

FY 2024 Tourism Advertising Fund Expenditures

In FY 2024, MDA expended approximately \$14.3 million from the Tourism Advertising Fund, primarily on advertisements promoting tourism in Mississippi. FY 2024 expenditures decreased by \$4.9 million from FY 2023 expenditures.

Expenditures from the Tourism Advertising Fund for FY 2024 were approximately \$14.3 million, a decrease of approximately \$4.9 million from FY 2023 expenditures of approximately \$19.1 million. See Exhibit 3 on page 6 for annual expenditures from the Tourism Advertising Fund since inception.

Exhibit 3: Annual Expenditures from the Tourism Advertising Fund Since Inception



SOURCE: PEER analysis of data reported by the Mississippi Development Authority.

MDA's expenditures in FY 2024 focused on the following areas of interest:

- a study of visitors to Mississippi;

- culinary event-related costs;
- media placement; and,
- production of advertisements both domestically and internationally.

According to MDA staff, the Visit Mississippi marketing campaign in FY 2024 was updated after receiving stakeholder input and reviewing visitor attribution and economic impact data. Specifically, marketing dollars were increased in the Dallas, Houston, and Galveston areas. Further, marketing dollars were allocated to Austin, Texas and Oklahoma City, Oklahoma media markets to promote Mississippi as a destination as a result of the University of Texas and the University of Oklahoma becoming members of the Southeastern Conference. Civil rights, outdoor adventure, and music were the main themes where marketing dollars were focused.

According to MDA staff, in response to input from the Advisory Board, MDA has implemented several new recommendations including, but not limited to:

- commissioning a comprehensive analysis of the economic impact of tourism in Mississippi for Calendar Year 2023;¹
- sharing more frequent marketing data highlights with the Advisory Committee;
- refreshing the digital marketing for the Blues Trail, Country Music Trail, Writers Trail, and Freedom Trail markers and applications; and,
- partnering with Zartico,² to capture destination performance, visitor profiles, and visualize trends in key marketing indicators.

MDA used expenditures from the Tourism Advertising Fund to assist local communities and tourism associations (e.g., Visit Natchez, Starkville Convention and Visitors Bureau). Through MDA's cooperative advertisement program, local destination marketing organizations (DMOs) pay 50% of the advertisement placement cost while MDA pays the other 50%. Cooperative advertising placement helps local DMOs reach broader audiences by sharing the cost of advertisement placement.

Exhibit 4 on page 8 shows FY 2024 total expenditures in four categories:

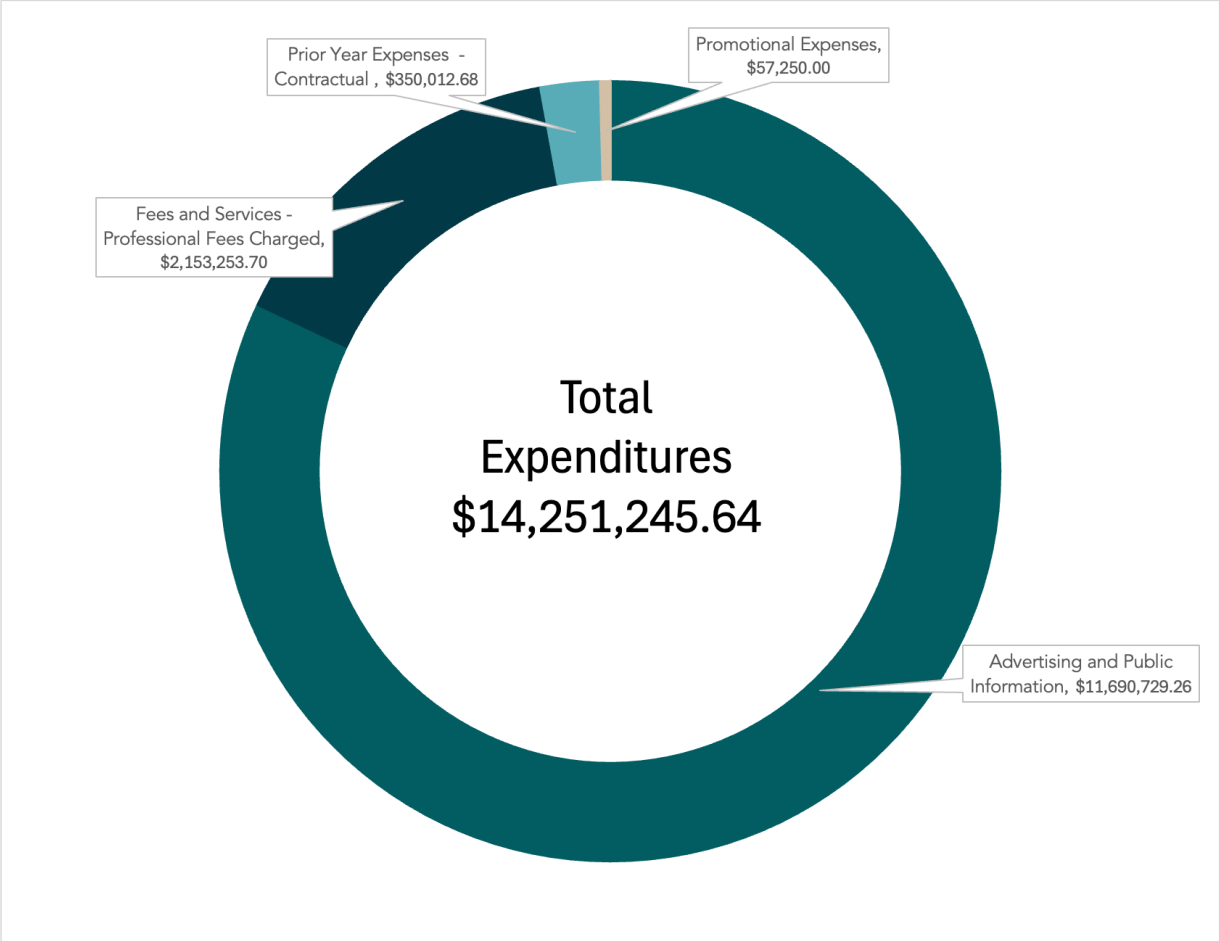
- advertising and public information;
- fees and services – professional fees charged;
- promotional expenses; and,
- prior year expenses – contractual.

Of the total FY 2024 Tourism Advertising Fund expenditures, 82% (\$11,690,729.26) were for Advertising and Public Information, 15% (\$2,153,253.70) were for Fees and Services – Professional Fees, 2% (\$350,012.68) were for Prior Year Expenses – Contractual while less than one percent (\$57,250.00) were spent on Promotional Expenses.

¹ In previous years, economic impact reports provided analysis in fiscal year format. However, beginning in 2024, MDA began creating these reports in calendar year format to coordinate better with other state's reporting process.

² Zartico is a SaaS technology company that provides data science, benchmarking, and analytical services.

Exhibit 4: FY 2024 Tourism Advertising Fund Expenditures



SOURCE: PEER analysis of data reported by the Mississippi Development Authority.

The following section discusses the contracts in effect during FY 2024 and the services provided through those contracts. See Appendix B on page 16 for a list of expenditures per vendor and category of spending. Appendix C on page 17 provides a list of expenditures by vendor.

Fees and Services – Professional Fees Charged

Fees and Services – Professional Fees Charged expenditures accounted for 15% of expenditures from the Tourism Advertising Fund during FY 2024. MDA made payments on five professional contracts related to Professional Fees Charged during FY 2024.

The contract with Maris West & Baker Inc., was entered into during FY 2022. Contracts with Longwoods International; Travel and Tourism Marketing LTD; Corragio Group, LLC; Miles Partnership, LLLP, and Madden Media were entered into in FY 2024.

Maris, West, & Baker, Inc., Contract

MDA entered into a professional services contract with Maris, West, & Baker, Inc., on July 7, 2021, to serve as the agency of record for tourism at MDA.³ MDA amended the contract on May 9, 2022, increasing the total contract maximum and extending the contract terms for an additional year (through July 6, 2024). MDA exercised its option to renew the contract for an additional one-year term on June 5, 2024. The new contract end date is July 6, 2025.

MDA paid Maris, West, & Baker, Inc., \$1,199,391.58 for professional services in FY 2024. Maris, West, & Baker, Inc., provides professional services to MDA including, but not limited to the following:

- advertisement creation;
- graphic creation; and,
- television production.

Maris, West, & Baker, Inc., created video commercials and print advertisements including photography, artwork, and copy content (e.g., press releases, advertisement text) for MDA. These video commercials aired on television, streaming services, and social media platforms.

Longwoods International

On October 3, 2023, MDA signed a contract with Longwood International to provide a study on domestic tourism in Mississippi. The contract was in the amount of \$44,500 for a custom overnight and day visitation study to be delivered in May 2024. According to the contract, this study provides a comprehensive view of visitors to and within the state to provide insights for MDA when promoting travel to Mississippi.

According to the Longwoods International contract, the company's visitor report includes, but is not limited to, various visitor data pertaining to the following:

- number of trips to the destination;
- trip expenditures;
- visitor origin markets;
- visitor demographics;
- main purpose of the trip; and,
- activities on the trip.

After Longwoods International delivered the report to MDA, MDA provided this report to Tourism Economics.⁴ The data provided by Longwoods International was used by Tourism Economics to create Visit Mississippi's Calendar Year 2023 Economic Impact Report.

³ MDA compensated Maris, West, & Baker, Inc., for both professional services and advertisement and public information services in FY 2024. Any professional services provided by Maris, West, & Baker, Inc. are billed to the total value of the contract while advertisement and public information service charges are not billed to the total value of the professional services contract.

⁴ Tourism Economics is a company that prepared Visit Mississippi's Calendar Year 2023 Economic Impact Report.

Travel and Tourism Marketing LTD

On August 8, 2023, MDA contracted with Travel and Tourism Marketing LTD to provide marketing assistance by promoting Mississippi as a tourism destination in the United Kingdom, Germany, France, Ireland, Belgium, the Netherlands, Austria, Switzerland, and Scandinavia. Previously, in September 2022, MDA utilized an emergency procurement to contract with Travel and Tourism Marketing LTD to provide marketing services internationally to help promote international travel to Mississippi. Examples of work provided by Travel and Tourism Marketing LTD include attending trade shows to promote visitation to Mississippi, representing Mississippi at media networking events, and commissioning publications to create and print media featuring Mississippi's tourism destinations.

Travel and Tourism Marketing LTD payments are made through Regions Bank. According to MDA staff, the State Treasury of Mississippi does not have a system in place to make international payments. Since Travel and Tourism Marketing LTD is a company based in the United Kingdom, MDA sends money to Regions Bank in large blocks of funding. These funds are then used to pay invoices as they are received. According to MDA staff, the funds in the Regions Bank account are replenished as needed. MDA transferred \$819,244.70 from the Tourism Advertising Fund to the Regions Bank account which was used to pay the Travel and Tourism Marketing LTD invoices during FY 2024. MDA paid \$663,077.62 to Travel and Tourism Marketing LTD for services provided during FY 2024.

Corragio Group, LLC

MDA entered into a contract with Corragio Group, LLC, on May 1, 2024, to provide professional services developing a statewide strategic plan for tourism at MDA. According to the contract, Corragio Group, LLC, will develop an outcome-based and actionable 2025-2030 strategic plan. Corragio Group, LLC, has surveyed Visit Mississippi staff and other key tourism stakeholders (e.g., Mississippi Destination Marketing Organization leadership, Mississippi Tourism Association) as well as collected data from tourism forums and interviews to craft the Strategic Plan for Visit Mississippi (MDA's Tourism Department). MDA expects this strategic plan to be delivered by April 30, 2025. MDA paid the Corragio Group, LLC, \$77,619.42 for services provided in FY 2024.

Miles Partnership, LLLP

MDA contracted with Miles Partnership, LLLP, on May 1, 2024, to provide strategic support for MDA's international marketing efforts. This includes, but is not limited to, acting as the agency point of contact with suppliers regarding all Travel South USA and Brand USA co-op programs, developing updated trade and industry assets for MDA sales kits on Travel South USA's industry site, and providing support to MDA's international marketing partners. According to MDA, Miles Partnership, LLLP, creates collateral materials and advertisements that are used in international marketing efforts in the following market areas:

- the United Kingdom;
- France;
- Benelux;
- Germany; and,

- the Nordic region.

During FY 2024 MDA paid \$12,498 to Miles Partnership, LLLP.

Advertising and Public Information Expenditures

MDA paid three vendors during FY 2024 for advertising and public information services. Advertising and public information expenditures accounted for 82% of expenditures from the Tourism Advertising Fund during FY 2024 at \$11,690,729.26.

Advertising and Public Information Expenditures in FY 2024 were \$5,692,047.27 below FY 2023 expenditures in the same category.

Maris, West, & Baker, Inc.

In addition to professional services expenditures, MDA paid Maris, West, & Baker, Inc., \$10,819,261.24 in FY 2024 for placing advertisements on media outlets. See Appendix D on page 18 for Maris, West, & Baker, Inc. advertisement placement purchases for FY 2024

Maris, West, & Baker, Inc., purchased advertisement placements on MDA's behalf. According to MDA staff, allowing Maris, West, & Baker, Inc., to purchase advertisements streamlines the process because they are also the company that creates the content. Therefore, it has the content in-house and ready to be distributed. This prevents MDA from having to retrieve the content from Maris, West, & Baker Inc., to distribute it to another company for purchasing advertisements.

Advance Local Media, LLC

Advance Local Media, LLC, is a marketing and advertisement firm that purchases digital advertisements for MDA. Advance Local Media received \$580,468.02 for purchasing digital advertisements during FY 2024. Advance Local Media, LLC, places cooperative media ads for Visit Mississippi and local DMO's. The \$580,468.02 paid to Advance Local Media, LLC, accounts for MDA's portion of the cooperative advertisements placed in FY 2024.

Madden Media

Madden Media provided account management, media strategy, and media placement for local DMO's through MDA's cooperative advertisement program. MDA paid Madden Media \$291,000 for placing cooperative advertisements in FY 2024.

During FY 2024 Madden Media worked with six cooperative participants:

- Greenwood;
- Grenada;
- Hattiesburg;
- Jackson;
- Meridian; and,
- Oxford.

Prior Year Expense - Contractual

During FY 2024, MDA spent \$350,012.68 on prior year contractual expenses to three vendors: Hammons & Associates; Maris, West, & Baker, Inc.; and Travel and Tourism Marketing LTD. MDA paid Hammons & Associates \$18,790 in FY 2024 for creating a mobile application for both iOS and Android devices for the Mississippi Country Music Trail. This contract was signed during FY 2022; however, according to MDA staff the final invoice from Hammons & Associates was not submitted in accordance with the progress billing time frame outlined in the contract resulting in the delayed payment.

MDA also paid Maris, West, & Baker, Inc., \$274,499.20 in prior year contractual expenses for advertisement placements in AAA Living Enews in May and June 2023, advertisement placements to Bally Sports, and Arrivalist cooperative advertisement placements. According to MDA staff, Travel and Tourism Marketing LTD, was paid \$56,723.48 for fees and in-market activities for May and June 2023.

Promotional Expenses

MDA spent \$57,250 on promotional expenses in FY 2024. These payments were made to Pasadena Tournament of Roses Association and The Local Palate. MDA paid \$35,000.00 for the 2025 Rose Parade float entry fee. According to MDA staff, the float will feature B.B. King and Elvis Presley. The payment to the Local Palate for \$22,250 was for the Mississippi Music City Chef Jam event that was held on January 24, 2024.

Projected FY 2025 Revenues and Expenditures

MDA establishes spending levels based on the revenue collected and deposited into the Tourism Advertising Fund in the previous quarter. MDA sets monthly spending levels to equate monthly revenue collections and expects to spend approximately \$1 million to \$1.3 million monthly from the Tourism Advertising Fund during FY 2025.

FY 2025 Operational Plans and Expectations

FY 2024 is the second complete fiscal year that the Tourism Advertising Fund received 3% of the hotel and restaurant sales tax collections. Because the rate of collections distributed to the Tourism Advertising fund will remain at 3%, MDA should anticipate similar rates of funding in future fiscal years should other economic factors that influence public travel remain stable.

The Tourism Advertising Fund held a \$3,371,586.57 balance at the end of FY 2024. According to MDA staff, proceeding into FY 2025 and future fiscal years its goal is to operate the fund at a near net-zero balance by setting expenditures relative to the previous quarter's collected revenues. MDA staff anticipates spending an average of \$1 million to \$1.3 million monthly from the Tourism Advertising Fund during FY 2025. MDA staff explained that they review immediate past revenue deposit amounts into the Tourism Advertising fund on a quarterly basis to determine spending levels for planned media purchases. MDA staff furthered that because the Tourism Advertising Fund is revenue-based, that it must also factor in aspects such as inflation, fluctuating fuel prices,

and any unforeseen circumstances that might impede tourists from traveling when forecasting expenditures.

According to MDA staff, all advertising, media, promotional services, and events are evaluated according to available metrics to ensure funds are being spent on activities that maximize the reach and impact of the funds. The metrics used to measure these effects are impressions (the number of times a person sees an advertisement), clicks (someone seeing an advertisement and clicking the advertisement to be taken to the webpage), website visits (the number of people who visit the Visit Mississippi webpage), press coverage (the amount of press coverage received by Visit Mississippi events), social media amplification (paid social media posts), search engine activity (people who click a Visit Mississippi webpage link based on the page whether the link was paid to be the first hit on the search engine or if the person searched Visit Mississippi on their own), and visitation/spending in Mississippi from out-of-state visitors.

Recommendation

1. The Mississippi Development Authority should ensure that it is planning expenditures around marketing activities that show increased tourism as well as increased restaurant and hotel sales tax revenues collection.

Appendix A: Monthly Tourism Advertising Fund Deposits from Inception through FY 2024

Month	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
July	\$1,289,786.07	\$1,250,763.84	\$792,061.93	\$ 279,204.52	- ¹
August	\$1,293,973.81	\$1,172,360.44	\$1,162,827.99	\$628,417.77	\$229,333.36
September	\$1,259,670.39	\$1,217,944.53	\$1,177,450.93	\$622,799.40	\$227,166.00
October	\$1,197,293.49	\$1,145,435.02	\$1,053,340.76	\$618,255.22	\$219,831.81
November	\$1,179,026.88	\$1,156,230.75	\$1,099,300.84	\$608,367.50	\$205,223.14
December	\$1,226,526.90	\$1,190,159.20	\$1,126,774.29	\$667,632.00	\$220,228.76
January	\$1,135,502.97	\$1,071,931.09	\$1,032,629.51	\$565,847.21	\$255,231.36
February	\$1,187,887.52	\$1,168,635.71	\$1,068,079.73	\$593,695.95	\$807,281.26
March	\$1,066,042.10	\$1,104,885.81	\$978,213.20	\$613,499.77	\$294,322.34
April	\$1,203,331.08	\$1,137,276.41	\$1,048,064.87	\$555,529.40	\$277,965.28
May	\$1,356,109.33	\$1,311,354.61	\$1,228,917.02	\$770,011.36	\$243,290.61
June	\$1,305,879.75	\$1,256,279.14	\$1,192,899.91	\$776,476.98	\$210,519.46
TOTAL	\$14,701,030.29	\$14,183,256.55	\$12,960,560.98	\$7,299,737.08	\$3,190,393.37

¹ The law establishing the distribution of restaurant and hotel sales tax collections to the Tourism Advertising Fund was enacted during the 2019 Regular Session; therefore, it did not begin receiving funds until August 2019—one month after the start of FY 2020.

SOURCE: PEER analysis of data reported by the Mississippi Department of Revenue.

Appendix B: FY 2024 MDA Tourism Advertising Fund Expenditures by Spending Category and Vendor

Advertising and Public Information	
Advance Local Media, LLC	\$580,468.02
Madden Preprint Media, LLC	\$291,000.00
Maris West & Baker, Inc.	\$10,819,261.24
Subtotal	\$11,690,729.26
Fees and Services - Professional Services	
Corragio Group, LLC	\$77,619.42
Longwoods International USA, Inc.	\$44,500.00
Maris West & Baker, Inc.	\$1,199,391.58
Miles Partnership, LLLP	\$12,498.00
Regions Bank	\$819,244.70
Subtotal	\$2,153,253.70
Promotional Expenses	
Pasadena Tournament of Roses Association	\$35,000.00
Peninsula Publishing, LLC/The Local Palate	\$22,250.00
Subtotal	\$57,250.00
Prior Year Expense – Contractual	
Hammons & Associates	\$18,790.00
Maris West & Baker, Inc.	\$274,499.20
Travel and Tourism Marketing LTD ¹	\$56,723.48
Subtotal	\$350,012.68
Grand Total	\$14,251,245.64

¹ Travel and Tourism Marketing LTD is a company based in the United Kingdom. Therefore, MDA sends money to Regions Bank in order to make international payments on behalf of MDA to this vendor.

SOURCE: PEER analysis of data reported in Mississippi's Accountability System for Government Information and Collaboration and provided by the Mississippi Development Authority.

Appendix C: FY 2024 MDA Tourism Advertising Fund Expenditures by Vendor

Vendor	Amount Paid
Advance Local Media, LLC	\$ 580,468.02
Corragio Group, LLC	\$77,619.42
Hammons & Associates	\$ 18,790.00
Longwoods International USA Inc	\$ 44,500.00
Madden Preprint Media LLC Madden Media	\$ 291,000.00
Maris West & Baker, Inc	\$ 12,293,152.02
Miles Partnership, LLLP	\$ 12,498.00
Pasadena Tournament of Roses Association	\$ 35,000.00
Peninsula Publishing, LLC/The Local Palate	\$22,250.00
Travel and Tourism Marketing LTD ¹	\$ 875,968.18
Total	\$14,251,245.64

¹ Travel and Tourism Marketing LTD is a company based in the United Kingdom. Therefore, MDA sends money to Regions Bank in order to make international payments on behalf of MDA to this vendor.

SOURCE: PEER analysis of data reported in Mississippi's Accountability System for Government Information and Collaboration and provided by the Mississippi Development Authority.

Appendix D: Maris, West, & Baker, Inc., Advertisement Placement Purchases and Commissions

Advertisement Placement Purchases	
AAA Explorer Alabama	\$4,720
AAA Explorer Midwest	\$9,690
AAA Explorer Southern	\$13,740
AAA Explorer Texas	\$24,000
Advance Local	\$4,313,400
American Mainstreet Publications	\$29,000
American Road	\$28,887
Bally Sports	\$595,210
Blac Life	\$2,000
Broadcast	\$758,968
Cable	\$395,475
Compass Media	\$241,955
Country Roads	\$46,000
Destination Signals	\$2,350
Expedia Co-op	\$575,000
Food & Wine	\$142,500
Food Network Magazine	\$105,000
Garden & Gun	\$343,495
Good Grit	\$44,456
Great Days Outdoors Media	\$41,698
Hoffman Media	\$58,000
iHeart Media	\$448,587
Lamar Outdoor	\$483,350
Okra Magazine	\$21,888
Oxford American	\$62,015
Pioneer Woman	\$54,375
Powerplay Marketing	\$163,350
Rolling Stone	\$219,094
Smithsonian	\$51,900
Southern Living	\$291,614
Texas Monthly	\$67,535
The Local Palate	\$141,200

Travel & Leisure	\$216,000
WRKS Alpha Media TV	\$17,000
Subtotal	\$10,013,452
Commissions	
MWB Media Commissions Print	\$512,505
MWB Media Commissions Digital	\$293,304
Subtotal	\$805,809
Grand Total	\$10,819,261

SOURCE: Data provided by Mississippi Development Authority staff on November 13, 2024.

Agency Response

The Mississippi Development Authority reviewed the report and elected not to provide a formal agency response, as it noted no issues with the report as written.

James F. (Ted) Booth, Executive Director

Reapportionment

Ben Collins

Administration

Kirby Arinder

Stephanie Harris

Gale Taylor

Quality Assurance and Reporting

Tracy Bobo

Performance Evaluation

Lonnie Edgar, Deputy Director

Jennifer Sebren, Deputy Director

Taylor Burns

Emily Cloys

Kim Cummins

Matthew Dry

Rucell Harris

Matthew Holmes

Drew Johnson

Chelsey Little

Billy Loper

Debra Monroe

Meri Clare Ringer

Sarah Williamson

Julie Winkeljohn

Ray Wright