

# FY 2023 Annual Report: A Review of the Mississippi Development Authority Tourism Advertising Fund

A Report to the Mississippi Legislature  
Report #696  
December 12, 2023



# PEER Committee

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Charles Younger, Vice-Chair  
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James F. (Ted) Booth

## 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

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## Representatives

Jerry Turner  
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December 12, 2023

Honorable Tate Reeves, Governor

Honorable Delbert Hosemann, Lieutenant Governor

Honorable Philip Gunn, Speaker of the House

Members of the Mississippi State Legislature

On December 12, 2023, the PEER Committee authorized release of the report titled *FY 2023 Annual Report: A Review of the Mississippi Development Authority Tourism Advertising Fund*.

## Senators

Charles Younger  
Vice Chair

Sollie Norwood  
Secretary

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Representative Jerry Turner, Chair

## Executive Director

James F. (Ted) Booth

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. Additionally, MISS. CODE ANN. § 27-65-23 (b) (1972) requires a certain percentage of monthly restaurant and hotel sales tax collections be deposited into the fund. As required by state law, PEER conducted a review to detail how funds were spent and deposited in FY 2023.



## BACKGROUND

### Background

MISS CODE ANN. § 27-65-75 (23) (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).

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 agreement with other tourism associations for the purpose of facilitating revenue to deposit into the Tourism Advertising Fund. Additionally, MISS. CODE ANN. § 27-65-75 (23) (a) requires a certain percentage of each month's sales tax collections from restaurants and hotels to be deposited into the Tourism Advertising Fund.

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## KEY FINDINGS

- **As provided by MISS CODE ANN §27-65-75 (23) (a) the Tourism Advertising Fund received approximately \$14.2 million in restaurant and hotel sales tax revenue.**

MISS. CODE ANN. § 27-65-75 (23) (a) mandates a 1% increase in the amount of sales tax collections deposited into the fund from FYs 2020 through 2022. These increases took place in August of FYs 2020 through 2022. Because the fiscal year begins in July, FY 2023 is the first fiscal year in which 3% of restaurant and hotel sales tax collections has been deposited into the fund for every month of the year. FY 2023 deposits increased from \$12.9 million in FY 2022 to \$14.2 million in FY 2023 (a \$1.2 million increase).

- **In FY 2023, MDA expended approximately \$19.1 million from the Tourism Advertising Fund, primarily on advertisements promoting tourism in Mississippi.**

FY 2023 expenditures exceeded FY 2022 expenditures by \$3.1 million.

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

Proceeding into FY 2024 and future fiscal years, MDA's goal is to operate the fund at a near net-zero balance. MDA staff spent an average of \$1 million to \$1.3 million monthly from the Tourism Advertising Fund during FY 2023.

## RECOMMENDATION

MDA should continue planning expenditures around activities that show effectiveness in both output (e.g., search engine hits or press coverage) as well as outcomes (e.g., increased tourism or increased restaurant and hotel sales tax revenue collections). MDA should ensure it has created clearly defined goals for expenditures of the Tourism Advertising Fund and ensure all planned expenditures will further MDA's plan to meet the defined goals.

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# FY 2023 Annual Report: A Review of the Mississippi Development Authority Tourism Advertising Fund

## Introduction

### Authority, Scope, and Purpose

MISS. CODE ANN. § 27-65-75 (23) (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 2023 report on the Tourism Advertising Fund includes an update on revenue and expenditures and addresses the following questions:

- How much in restaurant and hotel sales tax revenue was distributed to the Tourism Advertising Fund during FY 2023?
- How did MDA expend the sales tax revenue directed to the Tourism Advertising Fund during FY 2023?
- How does MDA intend to expend and manage funds in FY 2024?

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,
- establishment of restaurant and hotel sales tax collections deposits into the 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 amounts 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 activity.*

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 (23) (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 (23) (a) (1972) 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 2023 Tourism Advertising Fund revenue;
- FY 2023 Tourism Advertising Fund expenditures; and,
- FY 2024 projected revenues and expenditures.

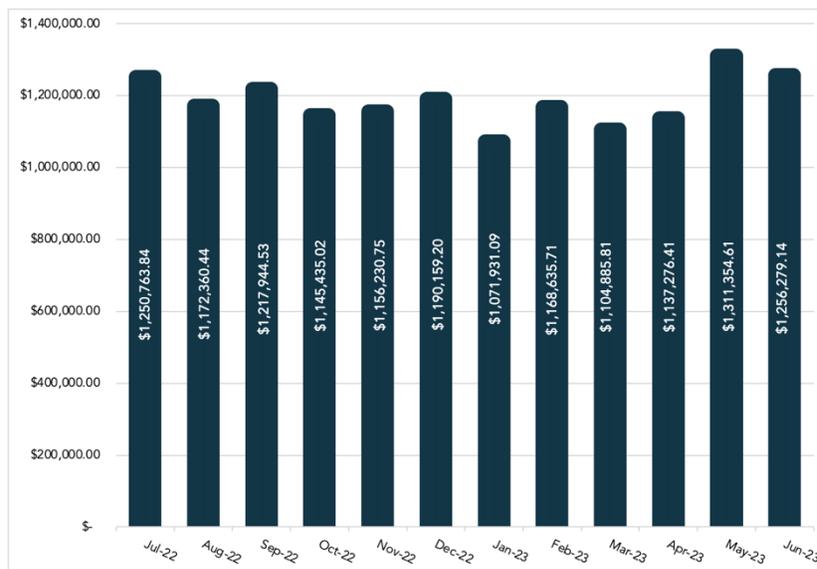
## FY 2023 Tourism Advertising Fund Revenue

As provided by MISS. CODE ANN. § 27-65-75 (23) (a), the Tourism Advertising Fund received approximately \$14.2 million in restaurant and hotel sales tax revenue in FY 2023.

MISS. CODE ANN. § 27-65-75 (23) (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 2023, MDA deposited approximately \$14.2 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 during FY 2023**



SOURCE: PEER analysis of data provided by MDA.

MISS. CODE ANN. § 27-65-75 (23) (a) mandates a 1% increase in the amount of sales tax collections deposited into the fund from FYs 2020 through 2022. These increases took place in August of FYs 2020 through 2022. Because the fiscal year begins in July, FY 2023 is the first fiscal year in which 3% of restaurant and hotel sales tax collections has been deposited into the fund for every month of the year.

FY 2023 deposits increased from \$12.9 million in FY 2022 to \$14.2 million in FY 2023 (a \$1.2 million increase). As shown in Exhibit 2 on page 5, the Tourism Advertising Fund received more collections in FY 2023 than in prior fiscal years.

## Exhibit 2: Restaurant and Hotel Sales Tax Collection Deposits into the MDA Tourism Advertising Fund from FY 2020 through FY 2023

Month	FY 2023	FY 2022	FY 2021	FY 2020	FY 2020 to FY 2023 Difference
July	\$1,250,764	\$792,062	\$279,205	- <sup>1</sup>	-
August	1,172,360	1,162,828	628,418	\$229,333	\$943,027
September	1,217,945	1,177,451	622,799	227,166	990,779
October	1,145,435	1,053,341	618,255	219,832	925,603
November	1,156,231	1,099,301	608,368	205,223	951,008
December	1,190,159	1,126,774	667,632	220,229	969,930
January	1,071,931	1,032,630	565,847	255,231	816,700
February	1,168,636	1,068,080	593,696	807,281	361,355
March	1,104,886	978,213	613,500	294,322	810,564
April	1,137,276	1,048,065	555,529	277,965	859,311
May	1,311,355	1,228,917	770,011	243,291	1,068,064
June	1,256,279	1,192,899	776,477	210,519	1,045,760
<b>Total</b>	<b>\$14,183,257</b>	<b>\$12,960,561</b>	<b>\$7,299,737</b>	<b>\$3,190,392</b>	<b>\$9,742,101</b>

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 information provided by MDA and DOR.

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. 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 2023 was from restaurant and hotel sales tax collections, according to MDA staff.

DOR transferred the first 3% sales tax revenue from hotels and restaurants to the Tourism Advertising Fund on August 2021, one month into FY 2022 missing July 2021. Therefore, FY 2023 is the first complete fiscal year that MDA has received the 3% hotel and restaurant sales tax transfers into the Tourism Advertising Fund.

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 2023 Tourism Advertising Fund Expenditures

**In FY 2023, MDA expended approximately \$19.1 million from the Tourism Advertising Fund, primarily on advertisements promoting tourism in Mississippi. FY 2023 expenditures exceeded FY 2022 expenditures by \$3.1 million.**

Expenditures from the Tourism Advertising Fund for FY 2023 were approximately \$19.1 million, an increase of approximately \$3.1 million from FY 2022 expenditures of almost \$16 million.

MDA's operational plans and expenditures in FY 2023 focused on the following areas of interest:

- advertising Mississippi's tourist attractions to target markets;
- re-assigning marketing funds to higher performing regions after determination that the Carolinas were an underperforming market region (e.g., increased advertisement in Chicago and participation in the Chicago Blues Festival);
- expanded investment in culinary-focused messaging and events; and,
- decreased spending for cable television advertisement placement and increased advertisement placement in streaming services both visual and audio.

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

- securing a partner for international tourism marketing;
- improving the speed of the Visit Mississippi website;
- expanding digital and streaming cooperative advertisement opportunities for local tourism destinations; and,
- obtaining a research company to determine the economic impact of tourism in Mississippi.

Further, MDA used expenditures from the Tourism Advertising Fund to assist local communities and tourism associations (e.g., Visit Hattiesburg, Visit Oxford). Cooperative advertising allows MDA to share the cost of advertising placement in magazines, internet websites, or other media sources with local communities. According to MDA, cooperative advertising placement helps local communities reach broader audiences.

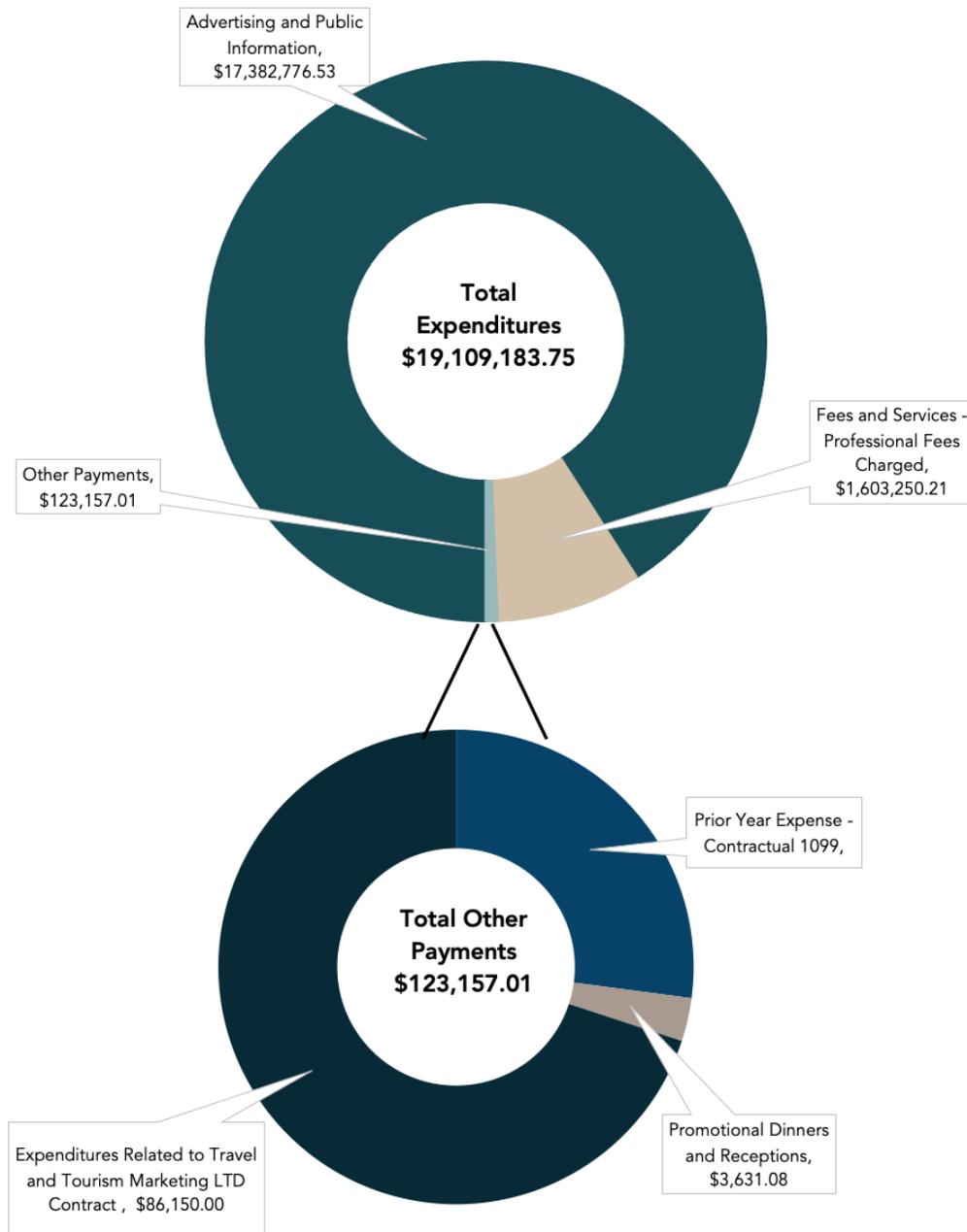
Exhibit 3 on page 7 illustrates FY 2023 total expenditures into seven categories:

- Advertising and Public Information;
- Fees and Services – Professional Fees Charged;
- Promotional Expenses;
- Promotional Dinner and Receptions;
- Banking and Credit Card Fees;
- Fees and Services - Expense Reimbursements 1099; and,

- Prior Year Expenses – Contractual 1099.

Of the total FY 2023 Tourism Advertising Fund expenditures, 91% (\$17,382,776.53) were for Advertising and Public Information, 8% (\$1,603,250.21) were for Fees and Services – Professional Fees, and the remaining 1% was expended throughout the remaining five categories (e.g., promotional expenses, promotional dinner and receptions, banking and credit card fees, fees and services - expense reimbursements 1099, and prior year expenses – contractual 1099).

### Exhibit 3: FY 2023 Tourism Advertising Fund Expenditures



SOURCE: PEER analysis of data in Mississippi’s Accountability System for Government Information and Collaboration.

The following section discusses contracts in effect during FY 2023 and services provided through those contracts. See Appendix A on page 14 for a list of expenditures per vendor and category of spending and Appendix B on page 15 for a list of spending per vendor for FY 2023.

### **Fees and Services – Professional Fees Charged**

Fees and Services – Professional Fees Charged expenditures accounted for 8% of expenditures from the Tourism Advertising Fund during FY 2023. MDA made payments on three professional services contracts during FY 2023. The contract with Maris West & Baker Inc., was entered into during FY 2022. Contracts with Longwoods International and Travel and Tourism Marketing LTD were entered into in FY 2023.

#### **Maris, West, & Baker, Inc., Contract<sup>1</sup>**

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. MDA amended the contract on May 9, 2022, increasing the total contract value and extending the contract terms for an additional year (through July 6, 2024).

MDA paid Maris, West, & Baker, Inc., \$1,214,174.86 for professional services in FY 2023. Maris, West, & Baker, Inc., provide professional services to MDA including, but not limited to the following:

- advertisement creation;
- graphic creation;
- television production; and,
- public relations services.

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. Additionally, Maris, West, & Baker, Inc., through their public relations services, pitched Mississippi travel destinations to travel writers. In turn, these travel writers visited Mississippi and published articles about their experience, further promoting tourism in Mississippi.

See Appendix C on page 16 for Maris, West, & Baker, Inc., advertisement placement purchases.

#### **Longwoods International**

On September 22, 2022, MDA signed a contract with Longwood International to provide a study on tourism in Mississippi. The contract was in the amount of \$39,500 for a custom overnight visitation study to be delivered in May 2023. 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.

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<sup>1</sup> MDA compensated Maris, West, & Baker, Inc., for both professional services and advertisement and public information services in FY 2023. 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.

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;
- size and composition of travel party;
- main purpose of trip; and,
- activities on trip.

Longwoods International delivered its report to MDA; it provided over 90 pages of information on tourism-related data to MDA. The Longwoods report Longwoods separates visitors into five separate behavioral groups, or segments, and provides visitor trend analysis for each of these segments. The segments are casino gaming/sports betting, historical interest, cultural interest, soft adventure, and hard adventure.

#### Travel and Tourism Marketing LTD

On September 1, 2022, MDA contracted with Travel and Tourism Marketing LTD to provide marketing services internationally to help promote international travel to Mississippi. The contract was an emergency procurement for \$600,000 effective September 1, 2022, through August 20, 2023. During FY 2023, MDA paid Travel and Tourism Marketing LTD \$435,725.35<sup>2</sup> for services provided. According to MDA, this emergency contract was necessary after being notified that its current contractor desired to end its contract with the State of Mississippi. MDA further explained that it must enter into an emergency contract for international marketing services to prevent potentially losing footing in the European marketplace. MDA stated that without the representation that a European marketing contractor provides, its three planned sales missions could have been less successful.

#### Advertising and Public Information Expenditures

MDA paid six vendors during FY 2023 for advertising and public information services. Advertising and public information expenditures accounted for 91% of expenditures from the Tourism Advertising Fund during FY 2023. According to MDA staff, the focus of expenditures was filling the tourism market with advertisements promoting tourism in Mississippi.

Two vendors (i.e., Maris, West, & Baker, Inc., and Advance Local Holdings, Corp./Advance Local Media, LLC<sup>3</sup>) account for approximately 97% of all advertising and public information

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<sup>2</sup> Payments made to Travel and Tourism Marketing LTD were made through Regions Bank. According to MDA staff, the State Treasury of Mississippi does not have a system in place to make international payments. Travel and Tourism Marketing LTD is an international company based in the United Kingdom. Therefore, MDA sends the money to Regions Bank, and Regions Bank makes the international payment to Travel and Tourism Marketing LTD on behalf of MDA. For accounting purposes in MAGIC, payments are listed as payments to Regions Bank, but it is noted that they are for the Travel and Tourism Marketing LTD contract.

<sup>3</sup> Advance Local Holdings, Corp., is the parent company of Advance Local Media, LLC. For this reason, Advance Local Media, LLC, and Advance Holding Corp. are counted as a single vendor rather than two individual vendors.

expenditures. The remaining four vendors' payments account for the other approximate 3% of advertising and public information expenditures in FY 2023.

Maris, West, & Baker, Inc.

In addition to professional services expenditures, MDA paid Maris, West, & Baker, Inc., \$16,238,441.52 in FY 2023 for placing advertisements on media outlets including:

- television streaming;
- radio streaming;
- print media platforms; and,
- digital media platforms.

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

Additionally, Maris, West, & Baker, Inc., receives discounted rates when purchasing advertisement placements as a result of purchasing placements for multiple clients concurrently with media outlets. According to MDA, by purchasing advertisement placements through Maris, West, & Baker, Inc., it is able to pay discounted advertisement rates. Moreover, MDA explained that the discounted rates paid to Maris, West, & Baker, Inc., for advertisement placements are cheaper than standalone advertisement placement rates MDA would pay if it tried to purchase advertisement placement on its own behalf.

Advance Local Holdings Corp., and Advance Local Media, LLC

Advance Local Holdings, Corp., is a marketing and advertisement firm that purchases digital advertisements for MDA. Advance Local Holdings, Corp, received \$689,365,01 for purchasing digital advertisements during FY 2023. Advance Local Media, LLC, owns *It's a Southern Thing*, a website and brand that creates and shares videos, articles, and other media featuring southern culture. MDA also places advertisements and sponsored content on *It's a Southern Thing's* media outlets, including the website and social media platforms.

According to MDA staff Advance Local Holdings, Corp. and Advance Local Media, LLC, are the same business entity but are paid separately solely by what name is listed on invoices when submitted to MDA for payment.

Other Payments

During FY 2023 MDA also expended funds in two other categories: Promotional Dinners and Receptions and Prior Year Expense – Contractual. The Promotional Dinners and Receptions was \$3,631.08. According to MDA staff, this expense was a reimbursement to an MDA staff member for purchasing hotel rooms for chefs from Mississippi who attended the Atlanta Food and Wine Festival. The Prior Year Expense – Contractual expenses are a payment to Maris, West, & Baker, Inc., for advertisement placements at the College World Series in June 2022.

## FY 2024 Projected 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, spending an average of \$1 million to \$1.3 million monthly from the Tourism Advertising Fund during FY 2023.

### FY 2024 Operational Plans and Expectations

FY 2023 is the first complete fiscal year that the Tourism Advertising Fund received the 3% hotel and restaurant sales tax collections. Because the rate of collections distributed to the Tourism Advertising fund will remain at 3%, MDA could 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 \$1,224,979.82 million balance at the end of FY 2023. Further, the Tourism Advertising Fund received approximately \$14.2 million in restaurant and hotel sales tax collections deposits and expended approximately \$19 million during FY 2023. The fund balance at the end of FY 2022 was \$6,940,013.93 which allowed MDA to expend more money in FY 2023 than was deposited into the fund. According to MDA staff, they combined monthly transfers of restaurant and hotel sales tax transfers with the funds remaining in the tourism advertising fund for monthly spending.

According to MDA staff, proceeding into FY 2024 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 spent an average of \$1 million to \$1.3 million monthly from the Tourism Advertising Fund during FY 2023; monthly spending may fluctuate according to seasonal travel trends.

According to MDA staff, the agency selects the types and dollar amounts of paid media advertisements (e.g., television commercials, social media advertisements, billboards) on a quarterly basis.

MDA staff also explained that with the direction from the Advisory Board, they review immediate past revenue deposit amounts into the Tourism Advertising fund to determine spending levels for planned media purchases. Further, MDA explained that along with Maris, West, & Baker, Inc., they monitor available data to ensure funds are directed to activities with maximum impact and reach. MDA reviews metrics such as impressions, clicks, website visits, press coverage, search engine activity, and visitation and spending in Mississippi from out-of-state visitors when determining how to expend Tourism Advertising Fund resources.

### Oversight of MDA Tourism Advertising Fund

Under MISS. CODE ANN. § 57-1-64, MDA has the authority to use amounts in the fund with the goal of increasing tourism in the state through promotional advertising and agreements with tourism associations throughout the state.

### House Bill 1093, 2022 Regular Session

As discussed in PEER Report 681, The Mississippi Legislature passed additional legislation requiring PEER to conduct further analysis of the Tourism Advertising Fund in response to the recommendation published in PEER Report 666. House Bill 1093 was signed into law

during the 2022 Regular Session. This bill amended MISS. CODE ANN. § 57-1-64.2 (1972) requiring the PEER Committee to review the effectiveness and administration of MDA's advertising and marketing efforts paid for by the Tourism Advertising Fund by no later than December 1, 2024, and every four years afterward.

House Bill 1093, Regular Session, now codified as MISS. CODE ANN. § 57-1-64.2, requires PEER to review:

- the effectiveness of attracting out-of-state visitors;
- the effectiveness of digital advertising efforts; and,
- the administration and oversight by MDA regarding expenditures from the fund.

The review created in House Bill 1093, 2022 Regular Session, is in addition to the annual expenditure review mandated by MISS. CODE ANN. § 27-65-75 (23) (b). PEER will continue to monitor and annually report revenue to and expenditures from the Tourism Advertising Fund.

MDA expends millions of dollars annually through the Tourism Advertising Fund. In looking forward to the more in-depth review of the Tourism Advertising Fund mandated by MISS. CODE ANN. § 27-65-75 (23) (b), it would be prudent for MDA to establish and review performance metrics that measure not only outputs but also outcomes from its efforts in promoting Mississippi Tourism. While MDA currently monitors several output metrics. Output metrics (e.g., number of search engine hits, social media engagements) do not measure to what extent members of the public engage in tourism in Mississippi. While these metrics may be useful if the goal of a particular advertising campaign is to raise awareness of Mississippi tourism options, they may not measure the overall effectiveness or success of such advertising efforts in increasing the number of out-of-state visitors.

## Recommendation

1. In preparation for the review of the effectiveness of expenditures from the Tourism Advertising Fund as required by MISS. CODE ANN. § 57-1-64.2 (1972), MDA should collect and maintain data on its performance metrics that will allow the PEER Committee and/or its external contractor to review the following:
  - a. the effectiveness of attracting out-of-state visitors;
  - b. the effectiveness of digital advertising efforts; and,
  - c. the administration and oversight by MDA regarding expenditures from the fund.

These metrics should measure the effectiveness of Tourism Advertising Fund expenditures, including but not limited to, output measures (e.g., search engine hits, press coverage, or social media impressions) and outcomes (e.g., increased restaurant and hotel sales tax revenue collections or increase in the number of out-of-state visitors).

# Appendix A: Fiscal Year 2023 MDA Tourism Advertising Fund Expenditures

Advertising and Public Information	
Advance Local Holdings Corp. Advance Local Media LLC	\$68,079.22
Advance Local Media, LLC	\$621,285.79
Huddle Up Group, LLC	\$25,000
Madden Preprint Media, LLC	\$340,000
Maris West & Baker, Inc.	\$16,238,411.52
Southern Travel Directors Council Travel South USA	\$50,000
The Corporation for Travel Promotion Brand USA	\$40,000
<b>Subtotal</b>	<b>\$17,382,776.53</b>
Fees and Services - Professional Services	
Longwoods International, Inc.	\$39,500
Maris West & Baker, Inc.	\$1,214,174.86
Regions Bank	\$349,575.35
<b>Subtotal</b>	<b>\$1,603,250.21</b>
Banking and Credit Card Fees	
Regions Bank	\$50.00
<b>Subtotal</b>	<b>\$50.00</b>
Fees and Services – Expense Reimbursements	
Regions Bank	\$74,100.00
<b>Subtotal</b>	<b>\$74,100.00</b>
Promotional Expenses	
Regions Bank	\$12,000.00
<b>Subtotal</b>	<b>\$12,000.00</b>
Promotional Dinners and Receptions	
Travis, Paula Jackson	\$3631.08
<b>Subtotal</b>	<b>\$3631.08</b>
Prior Year Expense – Contractual - 1099	
Maris West & Baker, Inc.	\$33,375.93
<b>Subtotal</b>	<b>\$33,375.93</b>
<b>Grand Total</b>	<b>\$19,109,183.75</b>

SOURCE: PEER analysis of data reported in Mississippi’s Accountability System for Government Information and Collaboration.

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## Appendix B: FY 2023 Expenditures by Vendor and Spending Category

Vendor	Amount Paid
Advance Local Holdings Corp. Advance Local Media LLC	\$ 68,079.22
Advance Local Media, LLC	\$ 621,285.79
Huddle Up Group, LLC	\$ 25,000.00
Longwoods International USA Inc	\$ 39,500.00
Madden Preprint Media LLC Madden Media	\$ 340,000.00
Maris West & Baker, Inc	\$17,485,962.31
Regions Bank	\$ 435,725.35
Southern Travel Directors Council Travel South USA	\$ 50,000.00
The Corporation for Travel Promotion Brand USA	\$ 40,000.00
Travis, Paula Jackson	\$ 3,631.08
<b>Total</b>	<b>\$19,109,183.75</b>

**SOURCE:** PEER analysis of data reported in Mississippi's Accountability System for Government Information and Collaboration.

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## Appendix C: Maris, West, & Baker, Inc., Advertisement Placement Purchases

Advertisement Purchases	
A Fabulous Moment, LLC (Grammy Program)	\$9,500.00
AAA Explorer Alabama	\$7,120.00
AAA Explorer Midwest	\$12,065.00
AAA Explorer Southern	\$11,375.00
AAA Explorer Texas	\$22,150.00
AAA Living	\$57,557.00
Advance Local	\$5,197,937.01
American Road	\$6,821.00
Bally Sports	\$247,174.95
Blac Life	\$6,000.00
Broadcast	\$1,716,199.50
Cable	\$68,351.78
Coastal Living	\$27,500.00
Compass Media	\$83,200.00
Country Living	\$21,000.00
Country Roads	\$36,795.00
Expedia Co-op	\$925,000.00
Food & Wine	\$237,984.23
Food Network Magazine	\$125,000.00
Garden & Gun	\$264,345.00
Good Grit	\$38,405.00
Hoffman Media	\$64,000.00
iHeart Media	\$2,982,658.62
Jackson Tour Guide	\$1,500.00
Lamar Outdoor	\$1,250,098.01
Matador	\$62,500.00
Okra Magazine	\$23,438.50
Oxford American	\$59,150.00
PJs Travel Directory	\$2,950.00
Pioneer Woman	\$53,875.00
Powerplay Marketing USA Travel	\$375,550.00
Rolling Stone	\$99,999.99
RV Magazine	\$14,581.42
Smithsonian	\$55,440.00

Southern Living	\$388,935.00
Style Blueprint	\$40,365.64
Texas Monthly	\$69,458.18
The Local Palate	\$136,750.00
Travel & Leisure	\$215,926.85
<b>Subtotal</b>	<b>\$15,018,657.68</b>
<b>Maris, West, &amp; Baker, Inc. Commissions</b>	
Media Commissions Print	\$883,322.07
Media Commissions Digital	\$336,431.77
<b>Subtotal</b>	<b>\$ 1,219,753.84</b>
<b>Grand Total</b>	<b>\$16,238,411.52</b>

SOURCE: MDA staff on November 07, 2023.

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## 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

Hannah Jane Costilow

Performance Evaluation

Lonnie Edgar, Deputy Director

Jennifer Sebren, Deputy Director

Drew Allen

Emily Cloys

Kim Cummins

Matthew Dry

Matthew Holmes

Drew Johnson

Billy Loper

Debra Monroe

Taylor Mullins

Meri Clare Ringer

Sarah Williamson

Julie Winkeljohn

Ray Wright