



# Alabama Mountain Lakes Tourist Association

## Creating Positive Tax Revenue from Rentals in North Alabama

21%

increase in tax revenue to AMLTA in 4 months

8%

increase for state overall from only 16 counties

2,500

letters mailed to North Alabama STRs

500

community users across 16 counties

### OVERVIEW

When the Alabama Mountain Lakes Tourist Association saw hotel development stalling, they discovered the hidden growth of short-term rentals across 16 counties. By working with Granicus to drive tax compliance, they were able to increase statewide revenue collection by eight percent.

### SITUATION | MANUAL AND MONOTONOUS

Spanning 16 counties in the North Alabama region, the Alabama Mountain Lakes Tourist Association provides support and awareness to a wide area of popular destinations. The issue of short-term rentals (STRs) was making an impact on the area's economy. While Alabama Mountain Lakes Tourist Association President Tami Reist stated she's a fan of short-term rentals, even using them herself, the revenue shortfall from residents operating STRs left her feeling that operators were taking a one-sided advantage of the organization that helped attract visitors.

### SOLUTION | AUTOMATED AND ACCESSIBLE

After meeting with the State Tourism Director to review the data, the decision was made to move forward with a new host compliance program. With the state's support, Reist had Granicus work to identify homes that were not properly paying lodging tax as STRs and send, per Reist's count, over 2,500 notification letters through Granicus' Host Compliance Tax Collection and Letters modules. These letters connected STR operators to a website where they could be properly educated about their tax responsibilities, as well as settling any outstanding taxes.

### RESULTS | PAPERLESS AND PRACTICAL

In just two months, Reist found a 21% increase in revenues billed out through the Granicus Host Compliance system. After launching the letter campaign in January and February 2022, over 40 properties had logged into the system to address revenue collection issues by March. Since then, the system has gained 500 community users and, driven by the 16 counties in Reist's area alone, statewide STR revenue collection in Alabama increased by 8%.

### MUST HAVE SOLUTION

Host Compliance

Using Granicus, we can identify this data and send it out (via the Granicus letters module) to short-term rental property owners to let them know about the state law for lodging tax to be paid. We found out a lot of people didn't know about the law."

Tami Reist

President, Alabama Mountain Lakes Tourist Association