



Partial revision of the Guest Tax Regulation and levies for the promotion of tourism in the municipality of Klosters-Serneus (GKAT)

Questions & Answers

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1. Summary of key points

Following the rejection of the “New Tourism Financing (NTF)” on 27 November 2016, the Municipal Council installed the “Klosters 2018” Tourism Commission to develop proposals for possible solutions to improve tourism financing. This had the aim of correcting the outdated tourism financing, which has not covered the costs for many years, and assuring a solid basis to permanently cover the arising tourism costs in the future. An additional objective was coping with the markedly changed framework conditions of tourism and developing tourism services further in Klosters.

Public referendum of 30 June 2019

The electorate of Klosters accepted the partial revision of the Guest Tax Regulation (GKAT) on 30 June 2019 **with 78% of the votes in favour.**

2. Streamlining and rearranging the cash flows between the municipality of Klosters-Serneus and the Davos Destination Organisation (DDO)

The measures proposed for the new tourism financing enable Klosters-Serneus to sustainably develop its touristic development further. The aim is to create reasonable financial structures and sustainability for all branches of industry.

At the same time, the contributions paid by the tourism organisation for the touristic infrastructure of the municipality of Klosters-Serneus will be capped. This measure is taking the fact into account that the Klosters tourism industry has thus far paid an above-average contribution to the touristic infrastructure of the municipality compared to other destinations.

3. Partial revision of the present regulation (GKAT) and the related implementing provisions (ABGKAT)

In general, rates and tax types of the guest tax have been adjusted to those of existing established tourism destinations. Hotels and providers of commercial holiday homes will pay their contributions also in the future on the basis of actually sold nights of accommodation. The owners, beneficiaries and permanent tenants of holiday flats and houses will pay a new per-bed fee, which will be calculated per unit based on the number of rooms or the number of beds assessed for the rooms. Furthermore, **guest tax revenues are to be used exclusively for the financing of touristic establishments and events, which are created for guests and predominantly used by them**, whereas not for the financing of regular municipal spending. Marketing measures are likewise not to be financed from guest tax revenues but from the levy for the promotion of tourism (TFA).

3.1 What is concretely reached by the partial revision of the GKAT?

Coverage of the incurred tourism costs: The incurred tourism costs can be covered in the future by the (additional) income from the guest tax of Klosters-Serneus.

Generating more revenues to maintain today's services and ensure a successful further development of tourism in Klosters for the long term: Without a lasting improvement of tourism financing, it would have been necessary to reduce services, which would have diminished the attractiveness of the holiday destination. This would have entailed fatal consequences for business proprietors and apartment owners.

Improvement of the existing tourism financing: This will make up for the framework conditions of tourism that have markedly changed over recent years.

Preservation and further development of the existing tourism services by means of a reorganisation of the Klosters tourism division: The services from tourism Klosters will be developed further. For this purpose, additional employees with new responsibilities will be needed in the course of reorganisation. These are concretely a managing director as the “face” of tourism, an event manager and a content manager.

Assuring the performance mandate between the municipality of Klosters-Serneus and the Davos Destination Organisation for the Klosters division by arranging the related structures, tasks and competencies: The funds that can be used for tourism come from guest taxes and levies for the promotion of tourism, which is why a new “Tourism Klosters” service agreement has been concluded directly between the municipality of Klosters-Serneus and the Davos Destination Organisation (DDO).

Streamlining the cash flows between the municipality of Klosters-Serneus and the DDO: the reduction to fixed contributions permits eliminating the present tourism deficit.

3.2 Concrete changes

The system of guest taxes is being fundamentally adjusted by the revision of the regulation. In the process, the total amounts for overnight stays with commercial lodging providers is raised on the one hand, while a new per-bed fee is introduced for holiday flats and houses, on the other hand, which is based on the number of rooms in the holiday accommodation (see GKAT Art. 6b) "Obligatory annual fee"). It is to be ensured with this approach that the same amount is paid in guest taxes for all flats or houses of the same category (single bedroom/two bedroom/three bedroom, etc.) The system of the per-bed fee based on the number of rooms is replacing the outdated system of the family fee and leads to a fair assessment and control of the guest tax that is transparent and logical to all involved (second home owners and the tourism organisation).

The new assessments are concretely as follows:

Guest tax per person and night for commercial accommodation providers:

- increase of the **guest tax: CHF 5.50 new** (year-round same rate) (ABGKAT Art. 2 Regular rate)
- **Children before completion of the 12th year of age: exempted from the guest tax** (to date up to 6 years of age) (see GKAT Art. 3 "Exemption and reduction")

Annual fee for second home owners:

- the **family fee is replaced by an annual fee** (dependent on the number of beds) (see GKAT Art. 6 "Obligatory annual fee"):
 - the fee per bed and calendar year amounts to CHF 150.00.- (see ABGKAT Art. 4 "Annual fee").
 - The following numbers of beds per apartment or home are calculated:
 - a) 1-1.5 rooms = 2 beds: CHF 300.00**
 - b) 2-2.5 rooms = 3 beds: CHF 450.00**
 - c) 3-3.5 rooms = 4 beds: CHF 600.00, etc.**
- The **new voluntary guest fee amounts to CHF 50.00** instead of CHF 120.00 so far **per bed and year** (see ABGKAT Art. 5 "Voluntary guest fee")

Annual fees, previously family fees

Starting situation of family fees

The system of the family fee for the guest tax in Klosters was a construct unique in Switzerland.

Calculation of the family fee so far

- **Self-declaration** CHF 150.00 per person/year and family member, independent of the size of the holiday home.

Example of a two-person household:

Size of apartment	Guest tax
1-1.5 rooms	CHF 300.00
2-2.5 rooms	CHF 300.00
3-3.5 rooms	CHF 300.00
4-4.5 rooms	CHF 300.00
5-5.5 rooms	CHF 300.00
6+ rooms	CHF 300.00

Regardless of the apartment sizes, the same guest tax rate could be paid until now.

New annual fees

Flat-rate guest taxes that are calculated based on the number of rooms or beds in a holiday accommodation have been tried and proven in practice and they have also been charged for years in other established tourism destinations (e.g. Davos, Arosa, Flims, St. Moritz, Scuol or Vaz/Obervaz or Lenzerheide). With the planned assessments of CHF 150.00 per year and bed for the obligatory annual fee and CHF 50.00 for the voluntary guest fee, the principle of proportionality is observed.

The practice of charging the guest taxes based on the number of beds was supported by a **decision of the Federal Court** of 15 April 2019.

Comparison of annual fees to other destinations

	Klosters	Davos	Pontresina/ St. Moritz	Arosa	Flims
1-1.5 rooms	CHF 300.00	CHF 336.00	CHF 400.00	CHF 465.60	CHF 580.00
2-2.5 rooms	CHF 450.00	CHF 504.00	CHF 600.00	CHF 698.40	CHF 670.00
3-3.5 rooms	CHF 600.00	CHF 672.00	CHF 800.00	CHF 931.20	CHF 940.00
4-4.5 rooms	CHF 750.00	CHF 840.00	CHF 1'000.00	CHF 1'164.00	CHF 1'120.00
5-5.5 rooms	CHF 900.00	CHF 1'008.00	CHF 1'200.00	CHF 1'396.80	CHF 1'570.00
6 and more rooms	CHF 1'050.00	CHF 1'176.00	CHF 1'200.00	CHF 1'396.80	CHF 2'220.00

3.3 What will the additional income from the guest tax being used for?

The additional income will be used to maintain and further the development of the existing touristic offer and touristic infrastructure (local bus, sports and recreational facilities, hiking paths, cross-country ski trails, etc.)

3.4 Conclusion regarding the new financing system or partial revision of the existing regulation (GKAT) and the implementing provisions (ABGKAT)

The financial undercoverage of the tourism in Klosters must be eliminated. In addition, the tourism services of Klosters must be expanded. The present financial starting situation with undercoverage did not permit taking the necessary steps for the further development of tourism. A new tourism financing and a reorganisation of the tourism in Klosters are therefore required.

By raising the regular guest tax for commercial providers of accommodation and the change for holiday houses and flats from a family to an annual fee based on the number of beds (per-bed fee), additional income will be generated, and its appropriation is already known to partial extent in terms of the amount. Consequently, better planability and efficiency result for the spending policy. By virtue of the deliberate streamlining of cash flows and a service agreement

newly concluded between the municipality of Klosters-Serneus and the Davos Destination Organisation (DDO), the preservation and expansion of touristic facilities and events to be pursued in the future will be ensured (according to Art. 11 GKAT) and locally improved in terms of quality.

The appropriation of the guest tax will be publicly disclosed and made publicly accessible each year in accordance with the legal requirements as well as the stipulations under the service agreement concluded between the municipality of Klosters-Serneus and the DDO. This also ensures the legally prescribed transparency.

3.5 Guest cards

The guest tax is levied based on the size of the apartment. For each person living in the same household (residence) as the owner and for economically dependent children, the owner receives a **personal guest card**.

In addition, it is possible for guests to purchase a **voluntary, transferable guest card** in line with the number of beds. This amounts to CHF 50 per year and bed (previously CHF 120).

Example

1-1½ room apartment: maximum 2 transferable guest cards
2-2½ room apartment: maximum of 3 transferable guest cards
3-3½ room apartment: maximum of 4 transferable guest cards
4-4½ room apartment: maximum of 5 transferable guest cards
5-5½ room apartment: maximum 6 transferable guest cards
6 rooms and more: maximum 7 transferable guest cards

4. Reorganisation of the Klosters tourism division

To advance tourism in Klosters, additional employees with new tasks to be defined within the scope of the service agreement between the DDO and the municipality will be needed in the context of reorganising the Klosters division. In addition, a Tourism Board will be installed, which will prescribe the strategic alignment of the Klosters division.

Installation of the Tourism Board: Apart from the aforementioned reorganisation of the Klosters division, a new strategic committee will be constituted in the form of a Tourism Board. The Tourism Board, which will be composed of representatives of local interests and service providers, will be responsible for the new strategic alignment of the Klosters division. A new direct possibility for co-determination is thereby created for shaping Klosters's touristic future. Bylaws for the Tourism Board will define the details. Before the new structures are implemented and the members of the Tourism Board appointed, the present "Klosters 2018" Tourism Commission will continue to fulfil the tasks of the Tourism Board for a transition period of at most two years.

Composition of the Tourism Board: According to the implementing provisions regarding the law on guest taxes and charges for the promotion of tourism in the municipality of Klosters-Serneus (ABGKAT) Art. 24:

"The Tourism Board installed by the Municipal Council according to Art. 21a GKAT is composed of seven to nine members. A well-balanced composition of representatives from politics, owners of second homes, the hotel industry, commerce, mountain railways, sports and culture must be ensured. The Municipal Council shall issue bylaws."

Election of the Tourism Board:

For the initial staffing of the Tourism Board, the members are appointed by the Municipal Council upon proposal by the Tourism Commission, which will be dissolved upon appointment of the Tourism Board.

After the initial staffing, the appointment by the Municipal Council will take place respectively on proposal by the Tourism Board and in consideration of proposals from the interest groups in the aforementioned circles.

The Municipal Council can reject the appointment of the candidates proposed to it if objective reasons apply.

Competencies of the Tourism Board:

The new Tourism Board will have the following tasks and competencies:

- **strategic management of the Klosters division;**
- **definition of the event and products strategy for the Klosters division;**
- **approval of the budget and annual plan, financial controlling of the Klosters division by the DDO;**
- **resolutions on applications from the DDO directors;**
- **annual report for the attention of the municipality of Klosters-Serneus;**
- **regular strategic exchange with the committee of the supervisory board of the DDO;**
- **co-determination in the selection of the managing director for Klosters, who will be hired by the DDO;**
- **all further decisions and actions that are necessary to fulfil the mandate according Art. 21a GKAT.**

5. What will the new bill be like as of 1 November 2019?

The partly revised guest tax regulation will take force on **1 November 2019**, which is why an assessment period from **1 November 2019 to 30 April 2020** applies **one time only**.

50% of the already paid family fee for the guest tax from 1 May 2019 to 30 April 2020 will be refunded (01/11/2019 to 30/04/2020) and 50% of the new annual fee will be billed (01/11/2019 to 30/04/2020).

Example: 1-room apartment

2019/20 family fee paid (1 person)	CHF	150.00
Refund of 50% of CHF 150.00 (01/11/2019 to 30/04/2020)	CHF	-75.00
New annual fee of 50% of CHF 300.00 (01/11/2019 to 30/04/2020)	CHF	+155.00
Payable difference:	CHF	75.00

Example: 3.5-room apartment

2019/20 family fee paid (2 persons)	CHF	300.00
Refund of 50% of CHF 300.00 (01/11/2019 to 30/04/2020)	CHF	-155.00
New annual fee of 50% of CHF 600.00 (01/11/2019 to 30/04/2020)	CHF	+300.00
Payable difference:	CHF	150.00

Example: 6-room apartment

2019/20 family fee paid (3 persons)	CHF	450.00
Refund of 50% of CHF 450.00 (01/11/2019 to 30/04/2020)	CHF	-225.00
New annual fee of 50% of CHF 1,050.00 (01/11/2019 to 30/04/2020)	CHF	+525.00
Payable difference:	CHF	300.00

The billing will be made annually from **1 May 2020 to 30 April 2021 and in the following years**. On purchase/sale or on the start or end of a lease for an apartment, the billing will be issued on a pro rata temporis basis, whereas at least half the annual fee will be billed.

Reduction of the guest tax on renting

If the apartment/house is rented out frequently, the annual fee will reduce:

- for 10 and more weeks: by 25%
- for 20 and more weeks: by 50%

The reduction will be made upon written request by the owner, which must be filed with Destination Davos Klosters by mid-March of a year. The discount will be offset against the subsequent period.