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H.640

Introduced by Representatives Manwaring of Wilmington, Bohi of Hartford,
Botzow of Pownal, Campion of Bennington, Christie of
Hartford, Clarkson of Woodstock, Condon of Colchester,
Consejo of Sheldon, Courcelle of Rutland City, Greshin of
Warren, Keenan of St. Albans City, Komline of Dorset,
Lanpher of Vergennes, Lenes of Shelburne, McCullough of
Williston, Miller of Shaftsbury, Moran of Wardsboro, Olsen of
Jamaica, Russell of Rutland City, Scheuermann of Stowe,
Stuart of Brattleboro, Waite-Simpson of Essex, Wilson of
Manchester and Yantachka of Charlotte

Referred to Committee on

Date:

Subject: Commerce and trade; tourism and marketing; meals and rooms tax

Statement of purpose: This bill proposes to adopt a permanent funding
formula to dedicate additional funds to the promotional budget of the
department of tourism and marketing.

An act relating to promoting tourism and marketing

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 Sec. 1. FINDINGS

3 The general assembly finds:

4 (1) Vermont's economy remains heavily reliant on successful tourism
5 seasons in fall, winter, and summer. According to Economic and Policy
6 Resources (A Benchmark Study of the Economic Impact of Visitor
7 Expenditures on the Vermont Economy, 2009), direct spending by visitors
8 totals \$1.42 billion annually, visitor spending supports 33,530 (11.5 percent) of
9 all jobs, and tourism accounts for nearly \$200 million of state revenue from
10 lodging, meals, gas, and property taxes.

11 (2) Vermont enjoys the tremendous advantage of being within a day's
12 drive of 80 million people in the metropolitan markets to the north and south.
13 We share this advantage with Maine, New Hampshire, and New York, and,
14 with more visitors opting to stay closer to home and forgo the trip to an
15 airline-dependent destination, it is critically important that we be competitive
16 with our northeastern neighbors when marketing to our core markets.

17 (3) Maine and New Hampshire, with which Vermont competes in a
18 similar arena, outpace Vermont in per-capita tourism spending.

19 (4) The state annually funds a tourism budget to promote Vermont's
20 travel, recreation, and cultural opportunities to markets outside our borders.

21 As the steward of the Vermont brand, the department of tourism and marketing

1 uses this funding to promote Vermont as a destination with a unified voice.
2 This money is leveraged with both public and private sector partners to
3 enhance the efforts of the travel and tourism industry as a whole. The intent of
4 this legislation is to increase the overall promotional budget of the department
5 of tourism and marketing above the existing base appropriation.

6 (5) Adopting a permanent funding formula for the department will result
7 in increased promotional funding at times when meals and rooms tax revenues
8 increase year over year. Increased promotional funding will encourage a
9 healthy tourism sector and, in turn, deliver additional tax revenue to Vermont,
10 as well as help grow Vermont businesses and employment opportunities.

11 Sec. 2. 10 V.S.A. § 668 is added to read:

12 § 668. TOURISM FUNDING

13 (a) In addition to any other funds appropriated to the department of tourism
14 and marketing, in each fiscal year, the general assembly shall appropriate to
15 the department of tourism and marketing 75 percent of the amount by which
16 the total meals and rooms tax revenue collected in the immediately preceding
17 fiscal year exceeds the total meals and rooms tax revenue collected in the fiscal
18 year two years preceding the current fiscal year.

19 (b) The additional amount appropriated in a fiscal year pursuant to this
20 section shall not exceed \$2,000,000.00.

- 1 Sec. 3. EFFECTIVE DATE
- 2 This act shall take effect on passage.