

**Rep. Heidi Scheuermann**  
**House Commerce and Economic Development Committee**  
**H. 101 and H. 298**  
**March 20, 2019**

***The Importance of Tourism in Vermont***

Thank you for inviting me in today to present to you the two bills I've introduced regarding tourism.

As introduction, in my view, the tourism industry in Vermont is absolutely critical to our success as a state – economically and otherwise. From the millions of dollars in tax revenue the industry generates (\$391 million in FY 2018) to the thousands of Vermonters whose jobs and salaries are supported by tourism (32,000 jobs in FY 2018), the economic impact of the industry is over \$2.5 billion.

To be clear, though, at this time, we are competing in an ever-increasingly global market. And, in order to grow and increase our market share of those global tourism dollars, we cannot lose sight of staying economically competitive.

Toward that end, I have introduced two pieces of legislation that are designed to bring greater attention to, and investment in, our state's tourism industry.

H. 101 would include in the General Fund an appropriation for a State Event Marketing Fund. This fund would be used to support events that bring visitors to our great state, and would bring us in line with the countless cities and states that put skin in the game to help promote the big events in their areas.

The other bill, the one I am going to really focus on today, is H. 298.

This bill would provide for a dedicated fund for tourism marketing. Following in the footsteps of the State of Maine, this bill would take a percentage of the revenues generated from tourism (2% of the revenues raised by the Vermont rooms and meals tax) and direct that percentage into promoting and marketing Vermont as a tourist destination. In this bill, that amount would be in addition to the stagnant \$3 million we fund tourism marketing through the General Fund.

While there are many who argue that investments in tourism marketing are wasted investments, I submit to all of you that the real impact is exactly the opposite.

In fact, the first year (Fiscal Year 2004) that Maine instituted a dedicated fund paid for by 5% of the lodging and meals tax to promote its tourism, the state saw a \$20 million increase in gross receipts from the lodging and meals tax. And from FY 2004 to FY 2019, the average annual increase in gross receipts from the lodging and meals tax has been over \$13.5 million, and this year, annual total revenues from the lodging and meals tax was \$342 million – a \$208 million increase over FY 2004.

These numbers make it abundantly clear – investment in tourism marketing is an absolute necessity.

Level funding equals a decrease every year as the cost of marketing increases. Vermont must follow the lead of the State of Maine. We can no longer sit idly by and watch as other states and countries invest more and more each year, and reap the benefits of greater tourism dollars being spent in their locations.

To be clear, we have been fortunate in recent years to maintain our market share because of the brand we have developed and collaboration with the collective creativity of the public and private sector to adopt new marketing strategies within the limited budgets. But in this ever-increasingly global market, this trend will not continue. We must have a growing investment each year in order to stay economically competitive and increase our share of the global tourism dollars spent.

H. 298 provides for just that.