



**Alison Sucy, Chief Operating Officer and Director of Government Affairs
on Behalf of the Maine Tourism Association**

In Opposition To

***LD 1141, An Act to Improve Access and System Preservation by Providing Shoulders and Bicycle Lanes
on State Roadways Leading to State Parks and Other Significant Destinations***

April 4, 2023

Senator Chipman, Representative Williams, and Members of the Joint Standing Committee on Transportation:

My name is Alison Sucy and I am the Chief Operating Officer and Director of Government Affairs for the Maine Tourism Association. The Maine Tourism Association is a non-profit association and the state's largest tourism organization. For over 100 years, MTA has been promoting Maine and supporting members in every type of tourism business such as lodging, restaurants, campgrounds, retail, outdoor recreation, guides, tour operators, amusements, and historical and cultural attractions. I am testifying in opposition to LD 1141 as drafted.

We have no objections to the goal of this bill to add wide shoulders and bike lanes on state highways leading to state parks. We have a strong objection to sweeping \$1 million per year out of the Tourism Marketing Promotion Fund for paving projects.

The Tourism Marketing Promotion Fund has a decades-long history and the purpose behind its creation was to ensure not only the strength of the tourism industry in Maine but to ensure the economic strength of the State of Maine. Tourism is a tremendous contributor to the Maine economy as evidenced by the attached sheet from the Maine Office of Tourism (MOT), Department of Economic and Community Development. This 2022 data was released at the Governor's Conference of Tourism on March 28, 2023. Some of those highlights are:

- Tourism supported 151,000 Maine jobs
- Every 102 visitors support a new job in Maine
- Direct tourism expenditures totaled \$8.6 billion
- Without tourism, Maine households would have had to pay an additional \$2,172 in state and local taxes

In 2001, the Tourism Marketing Promotion Fund was created. The Title 36 section is referencing the meals and lodging taxes.

5 MRS §13090-K. Tourism Marketing Promotion Fund

1. Fund established. The Tourism Marketing Promotion Fund is established in the Department of Economic and Community Development, Office of Tourism as a nonlapsing dedicated account.
2. Source of fund. Beginning July 1, 2003 and every July 1st thereafter, the State Controller shall transfer to the Tourism Marketing Promotion Fund an amount, as certified by the State Tax Assessor, that is equivalent to...5% of the 8% tax and 5% of the 9% tax imposed on tangible personal property and taxable services pursuant to Title 36, section 1811.

Of all the revenue generated by the meals and lodging taxes, 95% stays in the General Fund while 5% is deposited into the dedicated Tourism Marketing Promotion Fund to be used to promote Maine as a destination for visitors. This, in turn, brings visitors to Maine and generates all of the job and revenue benefits listed above and on the attached MOT Highlights sheet.

The reason that this dedicated fund is so important is that we know from other states what happens when you reduce or eliminate state tourism marketing investments. It is clear that states cannot assume that visitors will come and a similar level of economic activity will occur without regular, committed, and robust marketing campaigns. Colorado made that mistake in 1993 when they eliminated their \$12 million tourism marketing budget and lost over \$2 billion annually for several years until they reinstated tourism marketing. It took 21 years for Colorado to regain their share of overnight leisure travelers after the 1993 budget elimination.*

Connecticut has had variable and unstable tourism marketing funding over the past 15 years. A 2012 study examining the effects of different funding levels found that a \$2 million decrease (from \$15M to \$13M) in marketing funds would result in a more than \$10 million loss in tax revenue.**

MTA has worked with the sponsor, Sen. Moore, and we appreciate her willingness to coordinate with MTA and the tourism industry to propose removing the funding provision we oppose—the taking of the dedicated Tourism Marketing Fund money for this paving project. I want to thank Sen. Moore for her efforts.

I'll reiterate that our testimony in opposition relates only the funding source in the bill as written regarding the taking of \$1 million per year from the Tourism Promotion Marketing Fund; and we have no objection to the goal of the bill or the sponsor's suggested amendment. Thank you for your consideration of our testimony.

**What Happens When You Stop Marketing? The Rise and Fall of Colorado Tourism*, Dr. Bill Siegel, Longwoods International (2020)

***Funding Connecticut's Tourism Promotion: A White Paper*, Longwoods International (2012)



2022 MAINE OFFICE OF TOURISM HIGHLIGHTS

BY THE NUMBERS

In 2022, tourists spent more than **\$8.6 billion** in Maine. As one of the state's largest industries, tourism supported 151,000 jobs and contributed nearly \$5.6 billion in earnings to Maine's households. Visitors to the state also saved every Maine household \$2,172 in state and local taxes in 2022.

MAINE OVERNIGHT VISITORS

Direct spending on tourism-related trips by overnight visitors to Maine totaled nearly **\$8.5 billion**. 78% of visitors stayed one or more nights in Maine on their trip in 2022 (+6% from 2021).

Overnight Visitation:

Non-residents = **11,431,200**

Residents = **567,800**

Overnight Visitor Direct Spending:

Non-residents = **\$8,068,273,000**

Residents = **\$400,759,800**

Total Overnight Visitor Spending =

\$8,469,032,800

Visitors spent 12,138,100 nights in Maine accommodations throughout 2022, up 18.4% from 2021.



MAINE DAY VISITORS

Day travelers to Maine accounted for more than **\$175.1 million** in direct expenditures. Maine hosted nearly 3.4 million day visitors in 2022.

TOTAL VISITOR DAYS

All visitors to Maine spent 68,769,800 days in market throughout 2022, up 10.2% from 2021.

VISITORS & JOBS

Every 102 visitors support a new job in Maine.

MAINE CANADIAN VISITORS

In 2022, Canadian visitors spent **\$413 million** in Maine. Canadian day and overnight visitation in Maine in 2022 accounted for 734,100 visitors.

TOTAL VISITATION

	2021	2022	Change
Visitation	15,601,800	15,363,600	-1.5%

DIRECT TOURISM EXPENDITURES

	2021	2022	Change
Restaurants	\$1,479,077,500	\$1,972,353,200	33.4%
Shopping	\$1,404,976,300	\$1,458,303,100	3.8%
Accommodations	\$1,874,899,800	\$2,145,627,000	14.4%
Transportation	\$982,932,100	\$934,373,400	-4.9%
Groceries	\$849,218,100	\$767,326,300	-9.6%
Activities, Attractions and Recreation	\$908,595,300	\$1,072,157,000	18.0%
Other	\$353,395,600	\$294,005,000	-16.8%
Total	\$7,853,094,700	\$8,644,145,000	10.1%

ECONOMIC IMPACT OF TOURISM

	2021	2022	Change
Jobs Supported	143,100	151,000	5.5%
Total Earnings	\$5,050,181,600	\$5,557,607,900	10.0%
Total Taxes	\$1,147,884,700	\$1,240,445,900	8.1%
Total Economic Impact	\$14,451,155,200	\$15,851,046,200	9.7%

Source: Downs & St. Germain Research with IMPLAN economic modeling. Calculations include only direct impact from tourism.