



Senate Committee on Community, Economic, & Recreational Development
Testimony re: Tourism Improvement Districts (TIDs)
October 17, 2022

Good morning, Chairman Yudichak, Chair Cappelletti, and members of the Senate Committee on Community, Economic & Recreational Development. Thank you for facilitating this discussion and your willingness to have this conversation. Furthermore, thank you for asking our Association to participate.

My name is Joe Massaro, and I am the President & CEO at the Pennsylvania Restaurant & Lodging Association (PRLA). We appreciate this opportunity to submit testimony and feedback regarding tourism improvement district enabling legislation and we want to thank the Chairman for his willingness to coordinate this conversation.

PRLA represents restaurants, hotels, and the entirety of the travel and tourism industries. There are more than 26,000 restaurants, 1,500 hotels, and 100 travel and tourism partners that we represent.

Many cities throughout the country, and even areas throughout Pennsylvania, have created Tourism Improvement Districts, also known as TIDs. TIDs allow communities to invest more funds into travel and tourism at the local and regional level.

Three TIDs have been created within the commonwealth, however, current law does not allow for a streamlined, clear process to be used. The legislation we would ultimately like the General Assembly to consider would enable, not mandate, TIDs throughout Pennsylvania.

PRLA has worked hard to craft legislation for all our tourism partners, and especially the hotel community which this legislation significantly impacts. We see it as a solution to generate tourism promotions or to create new local attractions, based on regional needs, while allowing lodging businesses, who must justify an additional levy on their customers, decision making authority.

TIDs help generate regional tourism demand, something members of the General Assembly have emphasized to us is important to prioritize.

A 2022 Competitive Analysis Report conducted by Tourism Economics shows an average 2.12 percent difference in room demand between years in which a destination has an active TID and years without a TID. This tourism-related economic impact study of 100 cities, shows on average, TIDs produce a 4.5 percent lift in hotel room revenue, while a destination gains 1.1 percent in revenue growth per year after a TID is put in place.

The bill allows a county to determine if they want to move forward with creating a TID:

- If a county wants to move forward in establishing a TID, a petition, plan, objections procedures as well as the date and time of a public hearing must be sent to ALL lodging businesses located within the region of the TID.
- There are many regions that may not even consider doing so.
- The TID is controlled by a board that is separate from existing county government.
- Only those lodging businesses that would be assessed the fee may vote to create a TID.
- Only those assessed a fee may sit on the board of the TID.
- The Board develops a plan, authorizes the use of funds, and ensures they are being used correctly.

Considerations like this are what have made our hotel members quite supportive of the legislation.

PRLA looks forward to continued dialogue and stands ready to assist in any way we can.

Thank you all for allowing me the opportunity to speak with you today. I would be happy to help answer any of your questions.

Joe Massaro
President & CEO
Pennsylvania Restaurant & Lodging Association