



**John Longstreet  
President & CEO**

**Testimony to Senate Community, Economic & Recreational Development Committee Hearing  
June 13, 2017**

Chairmen Scavello and Farnese, members of the Committee, thank you for taking the time to hold this hearing to discuss the important subject of tourism marketing and the necessary funding within our Commonwealth. I'm John Longstreet, President & CEO of the Pennsylvania Restaurant and Lodging Association (PRLA), whose members include about 3,000 restaurants and hotels across the state as well as nearly all of Pennsylvania's destination marketing organizations and tourist attractions. Our industry represents over half a million employees.

When I was here last year, I pointed out that funding tourism marketing actually contributes to the state's general fund by providing real return on investment in increased tax revenue, and we introduced evidence to prove that fact. The PRLA, along with several travel and tourism partners, introduced a comprehensive study to accurately measure the impact that defunding tourism has had on state taxes and to determine the potential return by implementing an appropriate investment in tourism marketing.

At its peak, the Commonwealth was investing \$40 million dollars per year to bring visitors and their money to the state. Last year, while the line item showed statewide tourism promotion funded at \$11.5 million, only about \$4 million dollars actually went to the tourism office for statewide tourism marketing. That investment once again placed Pennsylvania near the bottom in the country in terms of state tourism promotion.

Each day, we see more and more advertising from nearby competitive states like New York. That's because they've increased their tourism marketing budgets. New York has nearly doubled their \$37 million dollar budget to \$70 million in the last two years alone. The tourism study of Pennsylvania showed that we have lost significant market share to states like New York. In fact, since 2007 Pennsylvania has lost 14.7% of overnight share and 19.4% of day trips in our nine-state competitive region.

That loss of market share directly results in a loss of tax revenue for the Commonwealth. Over the last six years of reduced tourism funding, we have lost \$324 million dollars in state taxes. As you are well aware, this is revenue that the state desperately needs, and it is revenue that is generated from a comparatively small investment. Every dollar spent on tourism marketing results in \$3.43 of additional tax revenue for the state.

Each year since tourism has been defunded, legislation has been introduced to reverse the trend and increase state tourism marketing. Unfortunately, that legislation has never made it through the budget process.

This year, the Governor's budget includes \$10 million for state tourism marketing. While this is far short of the \$35 million the study recommended, it represents a notable improvement over the last few years

and we, representing travel, tourism, hotels and restaurants across the Commonwealth, strongly urge you to restore this line in the budget to \$10 million—and ensure every dollar goes to the tourism office for statewide promotion.

Thank you for your time, and for your service to the citizens of Pennsylvania.