



MARYLAND

Office of Tourism

FY 2017 TOURISM DEVELOPMENT BOARD ANNUAL REPORT

PUBLISHED BY THE MARYLAND TOURISM DEVELOPMENT BOARD
AND THE MARYLAND DEPARTMENT OF COMMERCE

Governor's Message

DEAR FRIENDS:

A major aspect of my job as Governor is providing a positive environment for Maryland businesses to thrive and prosper. The tourism industry continues to be a powerful economic engine and job generator by employing more than 146,000 Marylanders, making it the 10th largest private sector employer in the state. Additionally, the assets of the tourism industry – its attractions, events, accommodations and services – create a positive impact on the quality of life that can be enjoyed by residents and visitors alike.

Tourism generates and continues to grow significant revenue that is integral to Maryland's economic vitality. In Fiscal Year 2017, visitors to Maryland spent nearly \$17.3 billion on travel, an increase of more than 4 percent over the previous year. That visitor spending is an important revenue generator for both state and local governments, generating \$2.35 billion in taxes last year.

That increase in revenues is driven by the fact that Maryland welcomed 42.1 million domestic visitors, an increase of 4 percent from 40.5 million the previous year. And last year, employees in tourism-related jobs around the state earned \$5.7 billion in wages. This report details the impact of visitor spending, the growth of visitation to Maryland as a tourist destination, and the results

of tourism sales and tax revenues. In addition, it's an opportunity to share the hands-on accomplishments of the Office of Tourism Development over the past fiscal year, including welcoming the U.S. Navy's biennial Fleet Week to Baltimore, helping to coordinate the opening of the new Harriet Tubman Underground Railroad Visitor Center in Dorchester County, and hosting the world's travel industry at this year's Maryland Welcomes the World to National Harbor as part of the office's international marketing efforts at IPW.

These, and many other accomplishments help to demonstrate that, more than ever, Maryland is indeed Open for Business.

I am proud of the Tourism Development Board's continuing work with the Office of Tourism, and am pleased to present the Fiscal Year 2017 Annual Report.

Sincerely,



LARRY HOGAN
Governor

Chairman's Message

DEAR TOURISM INDUSTRY PARTNERS:

Each year, the Maryland Tourism Development Board and the Department of Commerce report on the contributions that the travel and tourism industry make to Maryland's economy. As someone who has been involved in tourism throughout my career, I know firsthand the economic impact visitors have on my bottom line and the resulting benefits it has to the community through wages, tax savings and employment.

This year's annual report highlights the economic impact of Maryland's tourism industry from the recently released Economic Impact of Tourism in Maryland – Calendar Year 2016 Tourism Satellite Account report from Tourism Economics, a leading tourism industry research firm. They reported more than \$17.3 billion in visitor spending and close to \$2.4 billion in State and local taxes.

Another measurement highlighted in the Annual Report is the direct result of the passage of the Tourism Promotion Act of 2008 and its performance-based formula. Eight key tourism tax codes are tracked, reported and considered in calculating budgets. The Fiscal Year 2017 Direct Tourism Taxes are also included in this report. The Board is also mandated to submit a report, in cooperation with the Maryland Association of Destination Marketing Organizations (MDMO), on the effectiveness of mandatory funding and the passage of the Tourism Promotion Act in increasing visitor attendance and visitor spending in Maryland.

Economic impact and visitation are generally reported by calendar year; all other metrics in the Annual Report are fiscal year. While the results of a Tourism Satellite Account are available only on a delayed annual basis, many performance metrics – including the tourism tax codes, are available on a more frequent basis. The Office of Tourism Development (OTD) distributes an electronic Tourism Monitor, which reports trends and key performance metrics on a monthly basis.

And so, pursuant to Section 5 of Chapter 471 Acts of 1997 (HB 685), I am pleased to present the Fiscal Year 2017 Maryland Tourism Development – Fund Annual Report. I am proud of the work of the Board and the OTD, and the positive impact that tourism has on our State.

Sincerely,



RICK HOWARTH
Chair, Maryland Tourism Development Board
President, Six Flags America

Customers Generate Revenue

VISITATION TO MARYLAND OUTPACING GROWTH IN U.S. VISITATION

In calendar year 2016 Maryland welcomed 42.1 million visitors, up 4 percent from 2015.

CY 2016 VISITOR VOLUME (% CHANGE FROM 2015)							
	US	MD	DC	DE	PA	VA	WVA
TOTAL	2.6%	4.0%	11.7%	6.0%	0.7%	7.0%	-11.6%
BUSINESS	1.0%	-0.8%	5.6%	-1.8%	1.4%	14.4%	-21.4%
LEISURE	3.1%	5.1%	15.2%	7.9%	-1.1%	4.8%	-9.4%
DAY	3.1%	4.8%	20.8%		-0.9%	9.5%	-11.5%
OVERNIGHT	2.2%	3.2%	7.0%	1.5%	-0.4%	4.8%	-11.7%

CY VISITOR VOLUME 2012 TO 2016 (PERSON-TRIPS IN MILLIONS)					
	2012	2013	2014	2015	2016
TOTAL	35.4	36.1	38.2	40.5	42.1
BUSINESS	6.7	7.2	7.2	7.6	7.5
LEISURE	28.6	28.9	31.1	32.9	34.6
DAY	17.5	18.4	19.4	21.0	22.0
OVERNIGHT	17.8	17.8	18.9	19.5	20.1

Source: DK Shifflet and Associates, Visitor Volume Calendar Year 2016.

Tourism: A Revenue Generator

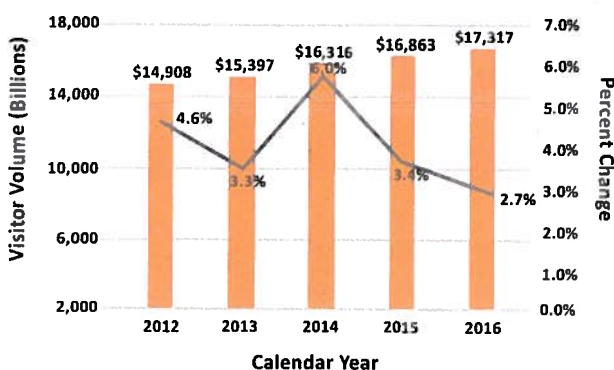
\$17.3 BILLION IN VISITOR SPENDING

In calendar year 2016 visitor spending reached \$17.3 billion, growing for seven straight years and expanding by more than 35 percent since 2009.

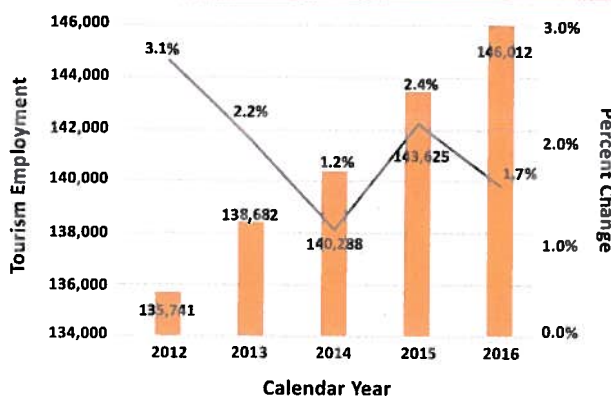
MORE THAN 146,000 DIRECT TOURISM JOBS

Tourism is the 10th largest employer in Maryland contributing 146,012 Full-Time-Equivalent (FTE) jobs. In calendar year 2016, growth in tourism employment outpaced overall job growth in the State.

VISITOR SPENDING CY 2012 TO 2016



TOURISM EMPLOYMENT CY 2012 TO 2016



TOURISM INDUSTRY SALES (MILLIONS)						
SECTOR	2012	2013	2014	2015	2016	% CHANGE
TRANSPORTATION	\$3,342.3	\$3,417.1	\$3,597.0	\$3,682.7	\$3,598.1	(-2.3%)
LODGING	\$2,888.6	\$2,864.2	\$3,039.4	\$3,162.2	\$3,350.5	6.0%
F&B	\$3,079.3	\$3,221.7	\$3,459.6	\$3,673.5	\$3,850.4	4.8%
RETAIL	\$2,205.1	\$2,300.2	\$2,426.3	\$2,400.6	\$2,383.2	(-0.7%)
ENT/REC	\$1,277.6	\$1,345.4	\$1,458.9	\$1,498.3	\$1,577.2	5.3%
OTHER	\$630.0	\$663.3	\$698.8	\$753.7	\$808.2	7.2%
AIR	\$1,536.3	\$1,585.4	\$1,636.1	\$1,691.8	\$1,749.3	3.4%
TOTAL	\$14,960.1	\$15,397.4	\$16,316.1	\$16,862.9	\$17,316.8	2.7%
% CHANGE	4.9%	2.9%	6.0%	3.4%	2.7%	

Source: Tourism Economics, Maryland Tourism Satellite Account Calendar Year 2016.



The Maryland Office of Tourism Accomplishments in Fiscal Year 2017

FY 2017 HIGHLIGHTS

OCTOBER 2016

The U.S. Navy sailed into Baltimore for Maryland Fleet Week and Air Show, as well as the commissioning of their newest warship, the U.S.S. *Zumwalt*, drawing an estimated 300,000 visitors to the city and generating \$27.88 million in economic impact.



FEBRUARY AND MARCH 2017

The Maryland Office of Tourism worked with the Brewers Association of Maryland and the Maryland Wineries Association to develop and launch FeBREWary and Maryland Wine Month.



MARCH 2017

The Maryland Office of Tourism, in partnership with national, state and local entities, opened the Harriet Tubman Underground Railroad Visitor Center in Church Creek. The events surrounding the opening garnered a media public relations equivalent value of \$3,521,200.

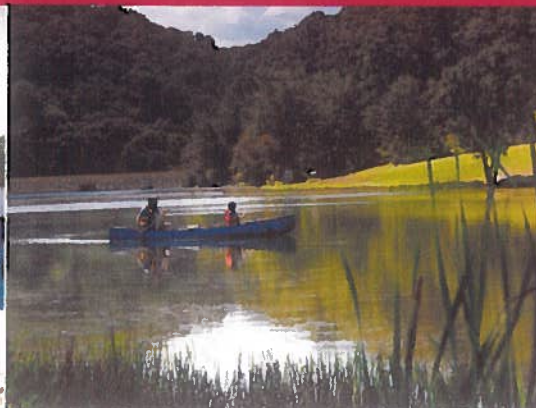


JUNE 2017

As part of the annual IPW International Travel Trade Conference, Maryland spearheaded three major customer events, conducted 300 business appointments, and hosted 12 journalists and five fam tours.

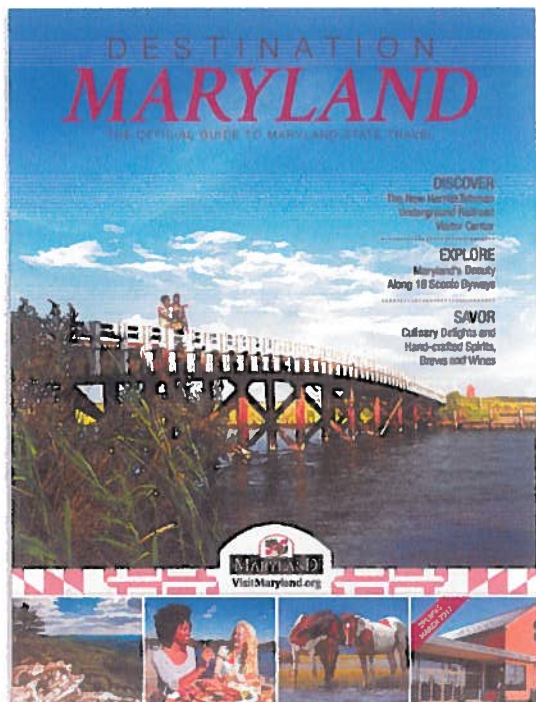
IN CALENDAR YEAR 2016 TOURISM GENERATED \$2.35 BILLION IN STATE AND LOCAL TAXES

Each household in Maryland would need to pay an additional \$1,080 per year to replace these taxes.



Office Of Tourism Development Consumer Interactions

One of OTD's key goals is to inspire prospective visitors in specific markets to plan a trip to Maryland. Marketing activities are then developed with the objective of increasing web visits and quality leads from potential visitors. Four performance metrics are tracked against this objective of increasing consumer interactions via advertising, web activities, public relations and face-to-face customer interactions at Welcome Centers.



ADVERTISING-GENERATED INQUIRIES

OTD receives requests for travel kits in response to print, radio, outdoor, online and TV advertising. While the overall marketing budget decreased by 11.4 percent in Fiscal Year 2017, overall advertising requests rose 9 percent.

REQUEST TYPE	FY 2017	FY 2016	% CHANGE
PRINT ADVERTISING REQUESTS	28,289	27,113	4.3%
PRINT AD BUDGET	\$184,312	\$200,968	(-8.3%)
BROADCAST LEADS	3,769	3,212	17.3%
BROADCAST AD BUDGET	\$1,644,335	\$1,574,539	4.4%

WELCOME CENTERS

In Fiscal Year 2017, the eight welcome centers operated by the Maryland Office of Tourism welcomed 371,879 visitors, an increase of 6 percent compared to last fiscal year.

	FY 2017	FY 2016	% CHANGE
WELCOME CENTER VISITATION	371,879	350,573	6.1%

PRIVATE SECTOR CONSUMER ADVERTISING PARTNERSHIP PROGRAM

In its second year, the Private Sector Consumer Advertising Partnership Program disbursed \$300,500 to tourism industry partners to expand advertising reach in key domestic leisure travel markets. The funding from the state, plus the \$760,551 local match, puts total investment at \$1,061,051, for a leverage ratio of \$1:\$2.53.

NUMBER OF UNIQUE WEB VISITORS

VisitMaryland.org climbed to 2.5 million unique users in Fiscal Year 2017. Nearly 310,000 of these visitors were navigated to other industry partner websites.

REQUEST TYPE	FY 2017	FY 2016	% CHANGE
VISITMARYLAND.ORG UNIQUE WEB VISITORS*	2,587,116	1,824,904	41.8%
WEB ADVERTISING CLICKS	518,915	1,323,245	(-60.8%)
WEB TRAVEL KIT REQUESTS	14,129	12,033	17.4%
ONLINE ADVERTISING BUDGET	\$297,141	\$624,405	(-52.4%)

* Google Analytics data

SOCIAL MEDIA EFFORTS

Maryland's social media followers across Facebook, Twitter and Instagram have increased nearly 29 percent compared to last fiscal year.

	FY 2017	FY 2016	% CHANGE
SOCIAL FOLLOWERS	120,230	93,453	28.7%



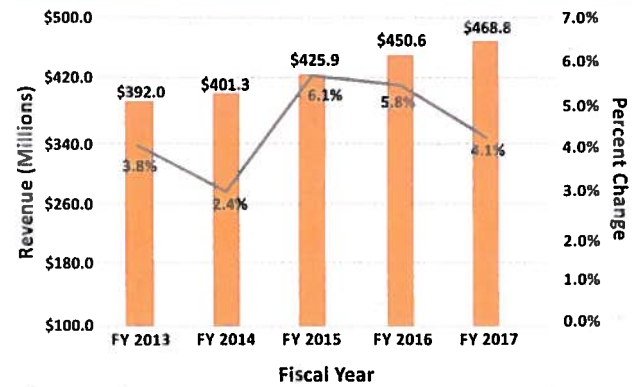
Tourism Sales Tax Revenues

OUTPERFORM OVERALL RETAIL SALES TAX COLLECTIONS

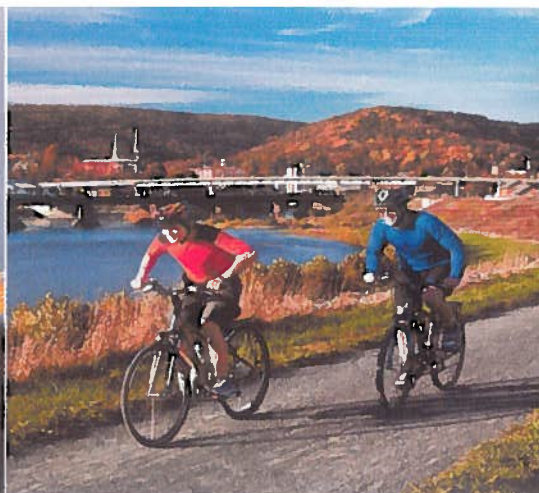
The passage of the Tourism Promotion Act of 2008 enacted the potential for enhanced funding appropriations based on the tourism sector's growth year over year. This funding formula provides a quantitative, policy-backed way to report the impact that visitor spending has on sales tax revenue in Maryland. Eight sales tax codes are tracked and multiplied by a tourism factor – the amount deemed attributable to visitor spending – by the Maryland Comptroller. The Board qualifies for additional funding if this tourism tax increment exceeds three percent of the tourism tax revenues from the previous year.

The Bureau of Revenue Estimates reported adjusted tourism expenditures of \$468.9 million for FY 2017, an increase of 4.1 percent from FY 2016. The total revenues for all categories amounted to nearly \$1.2 billion, outpacing overall sales tax collections, which grew 2 percent to \$4.6 billion.

TOURISM SALES & USE TAX REVENUE FY 2013 TO 2017



SALES TAX CODE & CATEGORY (MILLIONS)	TOTAL FY 2016	TOTAL FY 2017	FACTOR	ADJUSTED FY 2016	ADJUSTED FY 2017	% CHANGE
108 RESTAURANTS, LUNCHROOMS, DELICATESSENS - WO/BWL	\$388.5	\$400.3	33%	\$129.5	\$133.4	3.0%
111 HOTELS, MOTELS SELLING FOOD - W/BWL	\$40	\$38.3	100%	\$40.0	\$38.3	(-4.3%)
112 RESTAURANTS AND NIGHTCLUBS - W/BWL	\$265.5	\$273.5	33%	\$88.5	\$91.2	3.0%
306 GENERAL MERCHANDISE	\$268.7	\$280.4	5%	\$13.4	\$14.0	4.3%
407 AUTOMOBILE, BUS AND TRUCK RENTALS	\$70.8	\$73.4	90%	\$63.8	\$66.1	3.6%
706 AIRLINES - COMMERCIAL	\$0.6	\$0.4	50%	\$0.3	\$0.2	(-31.0%)
901 HOTELS, MOTELS, APARTMENTS, COTTAGES	\$110.4	\$121.1	100%	\$110.4	\$121.1	9.7%
925 RECREATION AND AMUSEMENT PLACES	\$9.3	\$9.3	50%	\$4.6	\$4.6	(-0.3%)
TOURISM TAX CATEGORIES SUBTOTAL	\$1,153.9	\$1,196.7		\$450.6	\$468.9	4.1%



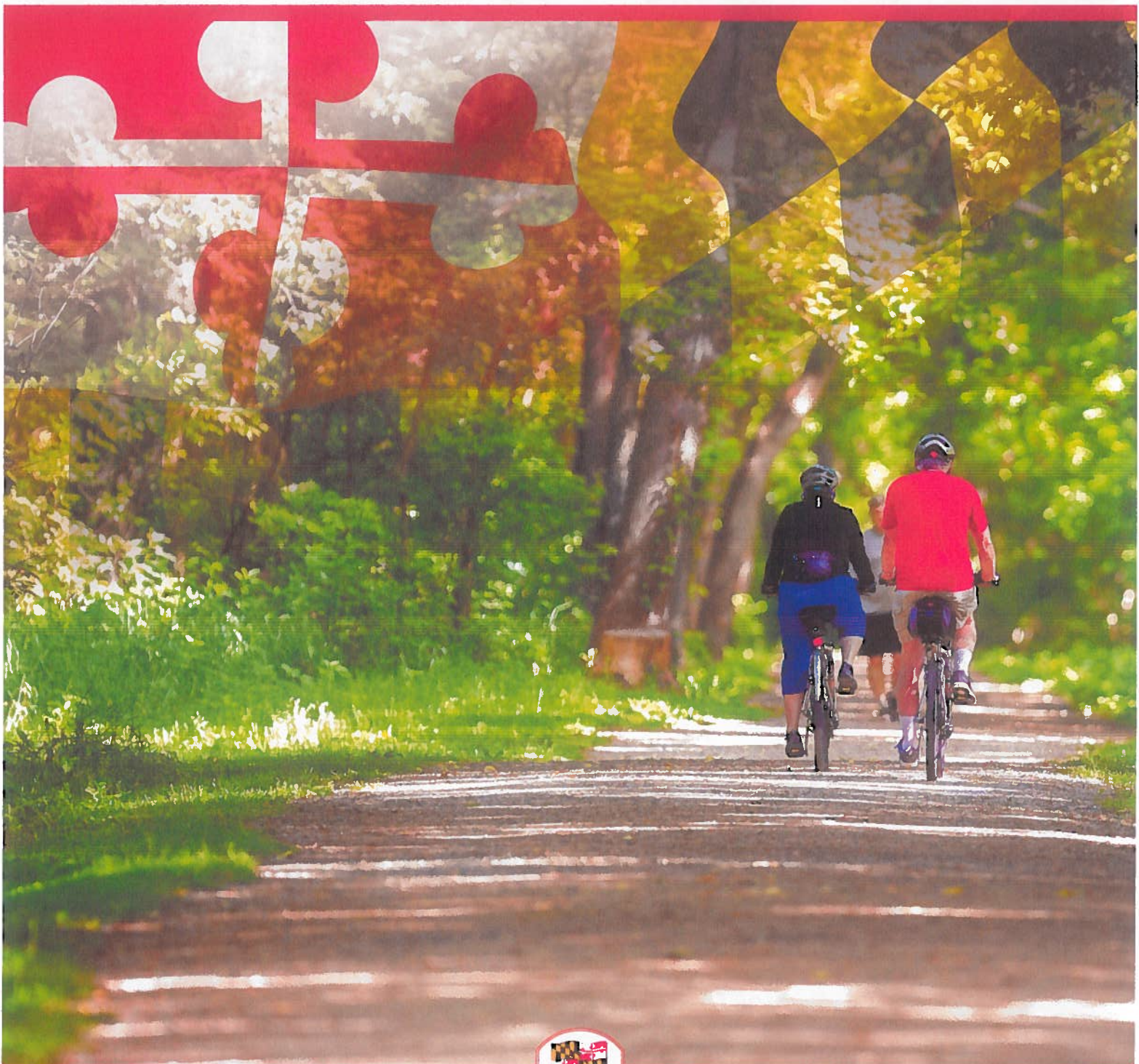
Fiscal Year 2017 Direct Tourism Consumption Taxes

Across the State, county to county, no matter the region, visitor spending makes a significant impact. The following chart details how tourism supported the tax base in Maryland's 23 counties plus Baltimore City and Ocean City, broken out by geographic region.

COUNTIES	ADMISSION AND AMUSEMENT TAXES	ROOM TAXES COLLECTED BY THE COUNTY	TOURISM PROMOTION ACT SALES TAXES*	TOTAL DIRECT CONSUMER TAX IMPACT	COUNTY TOURISM BUDGET	TOURISM DEVELOPMENT BOARD GRANT AWARDED
ALLEGANY	\$249,881	\$1,131,077	\$4,446,665	\$5,827,624	\$547,000	\$36,778
GARRETT	\$954,776	\$2,640,377	\$3,732,860	\$7,328,012	\$1,300,000	\$90,298
WASHINGTON	\$760,541	\$2,019,543	\$7,171,272	\$9,951,356	\$1,167,974	\$96,315
WESTERN REGION	\$1,965,198	\$5,790,997	\$15,350,797	\$23,106,993	\$3,014,974	\$223,391
FREDERICK	\$553,081	\$2,088,629	\$13,591,595	\$16,233,304	\$1,706,828	\$116,708
MONTGOMERY	\$6,323,494	\$21,218,511	\$76,783,748	\$104,325,752	\$1,748,115	\$135,341
PRINCE GEORGE'S	\$18,057,360	\$31,581,078	\$61,428,217	\$111,066,655	\$823,200	\$83,879
CAPITAL REGION	\$24,933,935	\$54,888,217	\$151,803,559	\$231,625,712	\$4,278,143	\$335,928
ANNE ARUNDEL	\$9,609,457	\$17,426,882	\$68,089,199	\$95,125,538	\$3,965,063	\$190,570
BALTIMORE CITY	\$9,345,301	\$34,580,331	\$52,182,848	\$96,108,480	\$15,133,500	\$434,319
BALTIMORE COUNTY	\$6,788,575	\$10,242,652	\$49,223,431	\$66,254,658	\$189,975	\$74,040
CARROLL	\$652,454	\$304,144	\$6,251,508	\$7,208,106	\$295,900	\$39,332
HARFORD	\$748,936	\$3,104,993	\$11,357,486	\$15,211,415	\$500,000	\$64,331
HOWARD	\$3,013,357	\$5,286,161	\$18,623,016	\$26,922,534	\$1,105,038	\$73,621
CENTRAL REGION	\$30,158,080	\$70,945,163	\$205,727,488	\$306,830,730	\$21,189,476	\$876,213
CALVERT	\$999,588	\$790,439	\$3,843,522	\$5,633,548	\$364,299	\$27,465
CHARLES	\$931,175	\$1,338,979	\$8,042,663	\$10,312,817	\$1,031,820	\$44,842
ST. MARY'S	\$154,845	\$1,140,951	\$5,313,917	\$6,609,713	\$476,645	\$45,447
SOUTHERN REGION	\$2,085,608	\$3,270,368	\$17,200,102	\$22,556,078	\$1,872,764	\$117,754
CAROLINE	\$71,919	\$46,472	\$634,902	\$753,293	\$143,342	\$24,743
CECIL	\$155,761	\$453,805	\$4,646,546	\$5,256,111	\$140,000	\$35,521
DORCHESTER	\$102,820	\$1,076,408	\$2,840,465	\$4,019,693	\$283,754	\$71,750
KENT	\$58,982	\$309,371	\$965,523	\$1,333,876	\$403,505	\$59,434
QUEEN ANNE'S	\$163,729	\$593,243	\$3,012,193	\$3,769,165	\$232,436	\$41,670
SOMERSET	\$21,556	\$59,215	\$434,661	\$515,432	\$289,021	\$21,043
TALBOT	\$99,067	\$1,298,895	\$4,048,792	\$5,446,754	\$554,445	\$89,817
WICOMICO	\$621,339	\$1,032,297	\$6,374,072	\$8,027,708	\$1,256,975	\$82,730
WORCESTER	\$2,103,617	\$914,172	\$27,952,740	\$30,970,529	\$1,001,353	\$109,443
OCEAN CITY		\$15,542,060			\$6,503,089	\$410,560
EASTERN SHORE	\$3,398,790	\$21,325,938	\$50,909,894	\$60,092,562	\$10,807,920	\$946,711
STADIUM AUTHORITY	\$13,102,678					
TOTAL DIRECT CONSUMER TAXES	\$75,644,289	\$156,220,684	\$440,991,840	\$644,212,075	\$41,163,278	\$2,499,997

* Comptroller designated tourism taxes





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Published by the Maryland Department of Commerce

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BOYD K. RUTHERFORD ♦ Lt. Governor

MIKE GILL ♦ Secretary

LIZ FITZSIMMONS ♦ Managing Director

Maryland Office of Tourism

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