

(1) recognized tourism as a stimulus to economic development and capital investment, thereby resulting in job creation, income growth and increased tax revenues; and

(2) established the Maryland Tourism Development Board to coordinate and manage the State's tourism efforts, including the development of creative funding strategies to improve our competitive position with neighboring states; and

WHEREAS, This Act is consistent with and responsive to the intent of Chapter 625 of 1993; and

WHEREAS, This Act provides adequate, consistent, and long-term funding for tourism promotion, which is crucial for a successful, competitive marketing program, where a 1% loss in market share is estimated to equal \$50 million in foregone visitor spending and \$6 million in foregone tax revenue; and

WHEREAS, At present, there are several non-neighboring states which are spending an estimated \$25 million yearly on tourism advertising in Maryland's primary market; and

WHEREAS, The tourism budgets in Virginia and Pennsylvania this year alone equal \$10.1 million and \$12 million, respectively, compared to Maryland's \$5 million tourism budget; and

WHEREAS, It is documented that for every \$1 spent on tourism advertising, \$8 is returned to the State through taxes and visitor spending; and

WHEREAS, Funding for tourism ~~advertising~~ marketing in the State during Fiscal Years 1996, 1997, and 1998 under this Act will result from a base appropriation of the fiscal year 1995 appropriation to the Office of Tourism Development within the Department of Economic and Employment Development plus ~~a share of the annual growth associated with sales tax revenues derived from specific tourism related business categories — restaurants, taverns, hotels, amusement places, carnivals/fairs, holiday season vendors, and race tracks~~ additional moneys appropriated for the Maryland Tourism Development Board to supplement the State's tourism development efforts; and

WHEREAS, This level of funding translates into a 3-fold increase in the amount of funds available for tourism marketing purposes and, with such an increase, the General Assembly not only expects the State to significantly gain in market share but also wants to ensure that (1) the intended usage of such moneys is reviewed by the Legislative Policy Committee; and (2) usage of the additional moneys will be determined by the Department of Economic and Employment Development in consultation with the Maryland Tourism Development Board; and

WHEREAS, Leading Maryland economists believe that tourism is and will remain a significant component of Maryland's economy; and

WHEREAS, Investments in the State's infrastructure coupled with its natural and scenic beauties make Maryland ideally suited for increased tourism benefits; now, therefore,