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Hospitality & Tourism Industry Committee ISSUE PAPER

San Antonio Chamber of Commerce
San Antonio Hispanic Chamber of Commerce
North San Antonio Chamber of Commerce
South San Antonio Chamber of Commerce
San Antonio Mobility Coalition
West San Antonio Chamber of Commerce
San Antonio Mobility Coalition Inc.

Economic Recovery, Growth and Sustainability

LEGISLATIVE PRIORITY:

Economic Recovery, Growth and Sustainability

BACKGROUND:

Economic recovery, growth and sustainability are critical issues for the travel and tourism industry. That industry is one of Texas' leading economic drivers, generating an estimated \$80.2 billion in direct spending in 2018 and resulting in a \$164 billion economic impact. Prior to the COVID-19 pandemic, state officials noted the number of jobs supported by travel increased for an eighth consecutive year, surpassing 1 million. Those gains were realized in several sectors, including hospitality, transportation, retail trade, services, finance, real estate, construction and insurance. The Hospitality & Tourism Industry supports the state's efforts to create a favorable business environment and key investments in the travel and tourism industry.

The Texas Economic Development and Tourism Office (EDT), located within the Office of the Governor, coordinates economic development and tourism programs and strategies for the state by working with the Legislature, other state agencies, local government and related organizations. Generally, the EDT works to expand Texas' economy through a variety of programs and services to establish and maintain a high quality of life for all Texans.

Travel Texas, located within the EDT, is responsible for promoting Texas as a premier travel destination. This office works in concert with its partners across the state in convention and visitors' bureaus, local chambers of commerce, private travel-related organizations and travel-related associations to promote travel to non-Texans in both the domestic and international tourism marketing arenas. The advertising, research, public relations and marketing provided by Travel Texas is valuable in bringing positive attention to all that Texas has to offer travelers and ultimately securing new businesses and jobs. In FY2018, with a budget of \$19.7 million, Travel Texas generated an estimated \$145.3 million in state taxes from state funding for tourism. As this significant return on investment demonstrates, travel is good business for Texas. Visit San Antonio supports Texas Travel's mission.

The Events Trust Fund program is comprised of separate funds: Events Trust Fund, Major Events Reimbursement Program and Motor Sports Racing Trust Fund. Each program can assist Texas communities with paying costs related to preparing for or conducting an event by depositing

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projected gains in various local and state taxes generated from the event in a dedicated event-specific trust fund to cover allowable expenses. This is driven by a municipality, county or non-profit local organizing committee endorsed by a Texas municipality or county that has been selected to host a qualified event. The event location in that Texas municipality or county must be selected through a highly competitive process by an independent site selection committee that considered other out-of-state locations. This funding program has been key to bringing high-visibility amateur and professional sporting events to Texas, such as the NFL Super Bowl, NBA All-Star Game, various men's and women's NCAA playoff games and auto races.

Together, each of these funding programs within the EDT, provide significant support for the travel and tourism industry and positive economic impacts for all Texans.

RECOMMENDATIONS:

The Hospitality & Tourism Industry supports the continued mission and full funding for the Texas Economic Development & Tourism Office, Travel Texas, and the Events Trust Fund.

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