

February 16, 2011

The Honorable Rick Perry
Governor of Texas
P.O. Box 12428
Austin, Texas 78711-2428

Dear Governor Perry:

On behalf of the Waxahachie Chamber of Commerce & Convention and Visitors Bureau, I am writing to express my strong concern over the proposed 84 percent cut in the State budget for promoting Texas as a tourism destination. Tourism is the third largest industry in Texas, directly supporting more than 526 thousand jobs at a time when employment has never been more important to Texans. These cuts in tourism funding will be a jobs killer.

Tourism directly generates more than \$2.6 billion annually in state tax receipts. **This level of return will happen only if the State continues to market Texas as a tourism destination.** Tourism promotion is an unparalleled generator of state tax revenues that the State of Texas cannot afford to do without. A two-to-one return in state tax revenues generated by a \$30 million tourism promotion budget would yield a \$30 million net gain in state tax revenues. Independent studies on the Texas state tourism marketing program indicate that **for every dollar the State spends advertising Texas as a tourist destination, much more than double that amount is returned in state tax revenues.** Cutting tourism promotion funding makes no sense, as it will cost the State of Texas many times more than the amount cut in lost state tax revenues. Texas will have to find other revenue sources to fill the void.

State tourism promotion is a self-funded program with a dedicated funding source. By statute, funding for tourism promotion comes from only 1/12th of the state's six percent hotel occupancy tax. The remaining 11/12th helps fund all other state programs. The small portion that is expended for tourism promotion produces huge results in jobs and tax revenues for the State.

Other states learned more tax revenue is lost than is gained when state tourism promotion funding is drastically cut. For example, when Colorado eliminated its state tourism promotion funding, it lost \$2.4 billion in tourism revenues, 30% in market share, and fell from being the top summer resort destination to number 17. In one year alone, this cost Colorado about \$139 million in tax revenues, eleven times the amount of tourism promotion funding they cut. Texas cannot afford to make this mistake, especially when states we compete with for tourists, such as Florida and Michigan, are actually increasing their state tourism marketing funds in order to generate the state tax revenues they need to help address deficits within their state budgets.

I ask for your leadership to return the \$30 million in tourism funding to the State budget (Line item A.1.9 of the Trusteed Programs of the Governor). A failure to restore the tourism promotion funding will cost tourism jobs and have a significant net-negative impact on state tax revenues.

Sincerely,

February 16, 2011

The Honorable David Dewhurst
Lieutenant Governor
Capitol Station, P.O. Box 12068
Austin, Texas 78711

Dear Lieutenant Governor Dewhurst:

On behalf of the Waxahachie Chamber of Commerce & Convention and Visitors Bureau, I am writing to express my strong concern over the proposed 84 percent cut in the State budget for promoting Texas as a tourism destination. Tourism is the third largest industry in Texas, directly supporting more than 526 thousand jobs at a time when employment has never been more important to Texans. These cuts in tourism funding will be a jobs killer.

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Sincerely,

February 16, 2011

The Honorable Joe Straus
Texas House of Representatives
Room CAP 2W.13, Capitol
P.O. Box 2910
Austin, TX 78768

Dear Speaker Straus:

On behalf of the Waxahachie Chamber of Commerce & Convention and Visitors Bureau, I am writing to express my strong concern over the proposed 84 percent cut in the State budget for promoting Texas as a tourism destination. Tourism is the third largest industry in Texas, directly supporting more than 526 thousand jobs at a time when employment has never been more important to Texans. These cuts in tourism funding will be a jobs killer.

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Sincerely,

February 16, 2011

The Honorable Susan Combs
Texas Comptroller of Public Accounts
Post Office Box 13528, Capitol Station
Austin, Texas 78711-3528

Dear Comptroller Combs:

On behalf of the Waxahachie Chamber of Commerce & Convention and Visitors Bureau, I am writing to express my strong concern over the proposed 84 percent cut in the State budget for promoting Texas as a tourism destination. Tourism is the third largest industry in Texas, directly supporting more than 526 thousand jobs at a time when employment has never been more important to Texans. These cuts in tourism funding will be a jobs killer.

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