

# Heart of Wisconsin Chamber of Commerce

On behalf of the Heart of Wisconsin Chamber of Commerce, I am writing in support of Assembly Bill 234 Relating to: Tourism Industry Grant. We strongly support efforts to assist Tourism within the State of Wisconsin.

As the Chamber for the South Wood County Area and Economic Development agent it is imperative to further aid the tourism industry now. Tourism brings a large economic impact that communities, businesses, and people thrive on. Dollars used from the Bill 234 will further give support for those impacted by COVID-19. Now more than ever, we as a state, need to support our tourism partners.

Through this letter, we acknowledge the Bill and support its efforts.



Sincerely,  
Angel Whitehead  
President



---

# ALEX A. DALLMAN

---

STATE REPRESENTATIVE • 41<sup>ST</sup> ASSEMBLY DISTRICT

## **Testimony in favor of Assembly Bill 234**

*Assembly Committee on Jobs and the Economy*

April 6, 2021

Thank you, Chairman Wittke and committee members, for allowing me to testify before you today concerning Assembly Bill 234 which relates to tourism industry grants. I would also like to thank Representative Kurtz for his leadership in working with me on this important piece of legislation which will provide much needed assistance to our tourism industry and small businesses which have been devastated by the COVID-19 pandemic.

This bill requires the Department of Tourism to award grants to nonprofit organizations whose primary purpose is the promotion and development of tourism in Wisconsin and to assist those organizations who remain operational in the wake of the COVID-19 pandemic. Furthermore, AB 234 requires the availability of amusement industry grants which will provide relief for organizations that own or operate amusement or theme parks in Wisconsin.

In previous rounds of federal funding, Governor Evers allocated money to restaurants, movie theaters, and other small businesses that have been adversely affected by the pandemic. However, small tourism businesses have not been provided any such relief. With AB 234, we are asking the Governor to provide assistance to those who have not yet received any such assistance from our state's portion of federal relief money.

Investment into our tourism industry is a sure-fire way to boost our State's economy. As our state and country make their way out of the pandemic we must ensure that Wisconsin stays ahead of the curve and remains a top tourist attraction in the coming months and year. This bill provides a light at the end of the tunnel for an industry that has been struggling throughout one of the most difficult times in our State's history.

To the members of the committee, thank you again for the opportunity to testify before you today and I would be happy to answer any questions you may have.



---

# TONY KURTZ

---

STATE REPRESENTATIVE • 50<sup>th</sup> ASSEMBLY DISTRICT

## 2021 Assembly Bill 234

*Relating to: tourism industry grants*

April 6, 2021

Assembly Committee on Jobs and the Economy

Thank you, Chairman Wittke for holding a public hearing on Assembly Bill 234 (AB 234) today and thank you to members of the committee for taking my testimony.

We all know that 2020 was truly a historic year and that year, just like the year before, and the year before that, was shaping up to be a record year for our friends in the tourism industry. But then, COVID-19 hit and tourism came to a halt because we all needed to do our part to flatten the curve and to slow the spread of the virus, which meant stay at home. This further meant for the tourism industry everything stopped and the record busting hopes turned into the worst-case scenario nightmare. A year has already passed since the shutdowns and we are looking for a way to move forward in the new normal, this post-COVID-19 world.

AB 234 sets forth a plan for assistance for those in the tourism industry, as well as, in tourism promotion. The bill requires the Governor to allocate some of Wisconsin's most recent American Rescue Plan Act (ARPA) money to create grants to assist tourism entities that remained operational, despite the challenges of the COVID-19 pandemic during 2020.

Furthermore, AB 234 requires grants to organizations that own or operate amusement or theme parks in Wisconsin. Such an entity would be one primarily engaged in the operation of a variety of mechanical rides, water rides, games, shows, theme exhibits, refreshment stands, and picnic grounds. These establishments may also lease space to others on a concession basis.

These grants are meant to assist some of our small businesses who have been hit hard during the pandemic, but have not yet received any financial assistance from the State of Wisconsin to aid in their recovery.

Thank you again for the opportunity to present my testimony on AB 234, tourism industry grants.



1025 South Moorland Road, Suite 200  
Brookfield, WI 53005

March 6, 2021

To: Members of the Assembly Committee on Jobs and the Economy  
Representative Robert Wittke, Chair

From: Kathi Kilgore, WH&LA Contract Lobbyist

Re: AB 233 (Small Business Grants) and AB 234 (Tourism Industry Grants) - The Needs of the Lodging Industry

The Wisconsin Hotel & Lodging Association (WH&LA) represents hotels, motels, resorts, inns, bed & breakfasts, and lodging executives throughout the state, many of whom are still on the brink of disaster due to the devastation of the tourism industry caused by the COVID-19 pandemic. The lodging properties that WH&LA represent are made up of businesses of all sizes, ranging from single cabins to the large convention hotels. In a non-pandemic world, the lodging industry directly employs about 35,000 people and brings in more than \$117 million in sales tax alone for the state.

2020 was a year like no other for lodging properties all over Wisconsin. Our occupancy rate has averaged about 36%, which is not sustainable for a hotel's survival and is well below the national occupancy rate of 44%. In addition to the plummeting occupancy, we have also seen a significant reduction in room rates. As any business person can tell you, the combination of fewer customers and cheaper prices is a recipe for disaster. An analysis of Wisconsin sales tax collections from March 2020 through December 2020 indicates that revenue for those **reporting under the "Accommodations" code fell by more than \$1 Billion during that period alone.** As the pandemic drags on, these losses continue to mount and are simply not sustainable for hotel and lodging facilities throughout the state.

Knowing that lodging is one of the most dramatically affected industries by the pandemic, we were disappointed that none of the legislation introduced to spend the state's funds from the American Rescue Plan Act of 2021 focused directly on aiding our industry. AB 233 could benefit some lodging properties that had less than \$7 million in 2019 total sales as they could qualify to receive funds to help them stay in business. AB 234 could potentially help some hotels with attached amusement parks and water parks market their properties, and the bill would help destination marketing organizations promote their areas of the state, which also would benefit some hotels. **However, the hotel and lodging industry of Wisconsin as a whole needs significant, targeted financial assistance to survive, perhaps more than any other industry in Wisconsin.**

WH&LA's internal survey from earlier this year showed that more than 60% of properties report that they still have laid off or furloughed employees. **More than 1 out of 3 hotels say that if they**

**no longer received loans and grant assistance, they couldn't survive for another six months.** Many owners/operators of lodging properties have exhausted their life savings and their personal retirement accounts. The same WH&LA survey shows well over half of our member properties anticipated **group business to be down by more than 75%** in the first quarter this year compared to the same quarter in 2019.

The American Hotel & Lodging Association recently released a report showing that **business travel is anticipated to be down 85% this year.** When you consider that business travel is one of the largest sources of hotel revenue, this forecast is incredibly disturbing. We are seeing this trend play out in a particularly depressing manner in the state's metro areas like Madison, Milwaukee and Green Bay, where large conferences and events have been postponed and cancelled. And while it's easy to focus on these areas, don't forget about the many hotels in smaller communities that also cater to the business traveler.

Sports and youth activities are also a vital part of our business, as we house the players and their families as they travel the state. The loss of these events in 2020 was devastating to many lodging facilities because either the leagues determined that they would not travel or where local restrictions prohibited teams from gathering together.

There has been some good news for the industry. WH&LA is thankful for PPP, Employee Retention Tax Credits, and the \$20 million state lodging grant program late last year that was specifically targeted to our industry. We thank the Legislature for passing the COVID-19 liability reform measures to protect our industry from frivolous lawsuits. We also are thankful to the Legislature for passing legislation to make state grant monies and PPP funds exempt from the state income and franchise taxes, and to allow the expenses paid with these funds to be tax deductible.

But while the PPP funds and the lodging grant monies are long gone, they helped keep employees on payroll and allowed our members to pay some of their bills. The problem with all of these programs is that they just temporarily plugged one of many holes. In the lodging industry, they cannot make up the sales after the fact. A hotel room is a bit like a newspaper. You cannot sell yesterday's newspaper. Once the day is over the opportunity for the sale is gone. In the lodging industry, every lost day is a sale we have lost permanently. There is no way to make it up. **There needs to be a significant financial investment in Wisconsin's lodging industry if we want to keep the doors open as we begin the long climb out of the COVID-19 crisis.**

Attached to this memo, you will find the executive summary from the American Hotel & Lodging Association's State of the Hotel Industry 2021 report, which further highlights the plight of our industry.

On behalf of the Wisconsin Hotel & Lodging Association members from across our state, we ask for your support and assistance as we all work to rise out of the COVID-19 pandemic. Thank you for your consideration.



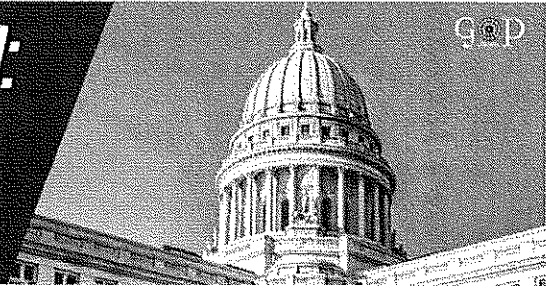
---

# HOWARD MARKLEIN

STATE SENATOR • 17<sup>TH</sup> SENATE DISTRICT

## ***RESPONSIBLE STIMULUS PLAN:***

**INVEST IN PEOPLE.  
IMPROVE INFRASTRUCTURE.  
BOOST OUR ECONOMY.**



**April 6, 2021**

### **Assembly Committee on Jobs and the Economy Testimony on Assembly Bill 233 and Assembly Bill 234**

Thank you Chair Wittke and members of the committee for the opportunity to testify in favor of Assembly Bill (AB) 233 and AB 234. These bills are part of our Responsible Stimulus Plan and I appreciate the opportunity to support our efforts on behalf of the people of Wisconsin.

**The Responsible Stimulus Plan reflects the legislature's priorities to invest in people, improve infrastructure and boost our economy as we recover from the COVID-19 pandemic. It is a thoughtful, thorough plan to work with the Governor to dedicate massive Federal investments into the things that matter most to the people we serve.**

Both houses of the legislature have spent considerable time and effort to develop a real plan after listening and understanding the needs of our people, communities and industries. This plan provides relief and investment to all communities, of all sizes, statewide. Our plan puts money back into the hands of the people.

AB 233 directs the Governor to allocate \$200 million from American Rescue Plan Act (ARPA) of 2021 funding to make grants to small businesses who suffered economic damage as a result of the pandemic. The Department of Revenue (DOR) would administer this program similar to their distribution of grants from the Coronavirus Aid, Relief and Economic Security (CARES) Act funding.

AB 234 requires the Governor to allocate \$50 million from ARPA funding for Tourism Promotion and Development Organization grants and \$25 million from ARPA funding for amusement park and theme park businesses in Wisconsin. These industries were negatively impacted by the COVID-19 pandemic.

Again, please accept this testimony in support of legislation that will support the people of our state who are working to recover and move forward after the last unprecedented year in our history. I believe these bills will make a real difference.

I apologize that I was not able to attend in person due to a meeting of the Joint Committee on Finance (JFC). However, I appreciate the opportunity to testify in support of these bills.