

HB 2513 | SB 2185

Sponsored by: Representative Rusty Grills | Senator John Stevens

Updating Tennessee's Regional Tourism Endowment Grant to Match Today's Reality



THE ASK

The General Assembly is asked to modernize the Regional Tourism Endowment Grant with an **inflationary adjustment** by increasing the Endowment Grant amount to \$150,000 per region – an additional appropriation of \$1,035,000 statewide – so funding keeps pace with current costs and continues driving statewide economic impact through regional tourism marketing, development, and partner support. This structure establishes a \$75,000 unmatched base for every region, with an additional \$75,000 available through matching funds, just as the program operates today.

WHY THIS MATTERS

Tourism Regionals play a different role than the Tennessee Department of Tourist Development (TDTD). **Tourism Regionals are not funded by TDTD**; their work is supported through the Regional Tourism Endowment Grant created by the General Assembly in 1970 (*Tenn. Code Ann. § 4-3-2207(b)*). This multi-county approach is vital—especially for rural communities—because it strengthens local marketing capacity, supports tourism partners, and drives visitor spending and overnight stays across Tennessee.

THE PROBLEM

Tennessee's Regional Tourism Endowment Grant has remained essentially flat with no adjustments since 1970 while:

- Marketing costs have increased significantly (printing, digital advertising, video, distribution, events, and campaign delivery).
- Regions are expected to deliver more measurable outcomes with the same dollars.
- Rural regions rely on tourism promotion to support small businesses, jobs, and community vitality.

Legal foundation: Planning regions referenced by Executive Order No. 17 (Oct. 14, 1968, as amended June 23, 1970) and state matching authority established in T.C.A. § 4-3-2207(b) (Acts 1970) with a 2:1 match up to \$35,000 annually; program guidance/certification administered through Tenn. Comp. R. & Regs. 1670-05-01-01.

WHAT HB 2513 / SB 2185 DOES

HB 2513 / SB 2185 modernizes the Regional Tourism Endowment Grant through an **inflationary adjustment** by increasing the Endowment Grant amount to \$150,000 per region, helping ensure the program remains effective and aligned with today's costs.

EXPECTED RESULTS FOR TENNESSEE

Modernizing this funding level helps:

- Keep Tennessee competitive in a crowded tourism marketplace.
- Increase visitor spending that supports local small businesses and jobs.
- Strengthen rural communities by increasing visibility and demand for local destinations.
- Improve consistency and accountability in regional tourism outcomes.

STATEWIDE COVERAGE: Tennessee is served by 9 Tourism Regionals collectively serving all 95 counties.

SUPPORT REQUESTED: A YES vote is requested on HB 2513 / SB 2185.