Business groups have avoided some tourist sites due to fear of backlash **Erin Kelly** FloridaToday

When it comes to luring convention- and conference-goers this winter, sun-drenched resort towns may be too much fun for their own good.

Tourist officials say business groups have been avoiding popular tourist destinations in Arizona, southern California, Florida, Hawaii and Nevada out of fear it will look like they're having too good a time in the midst of a recession.

As a result, they're making the recession worse for the already-battered travel industry in cities such as Orlando, the Arizona cities of Phoenix, Scottsdale and Tucson, Palm Springs, Calif., and Reno and Las Vegas in Nevada.

"There's no question that the economy has had an enormous impact, but it's more than that," said Brent DeRaad, executive vice president of the Scottsdale Convention and Visitors Bureau, where hotel bookings for business meetings are down about 30 percent.

"What we're hearing from companies is that they'll choose a Midwestern city like Minneapolis or Detroit, even if the rate is the same or more, just because they're worried about perceptions," DeRaad said.

More than 80 business meetings have been canceled in the past year in Phoenix alone, resulting in more than $23 million in lost revenue, said Douglas MacKenzie, spokesman for the Greater Phoenix Convention and Visitors Bureau.

Alarmed by the loss of revenue to their cites, resort-area lawmakers -- including Senate Majority Leader Harry Reid, D-Nev. -- are pushing legislation in Congress that would prohibit federal agencies from discriminating against resort towns when planning meetings and conferences.

Reid and the other backers hope their bipartisan bill, the Protecting Resort Cities from

Discrimination Act, will be approved in early 2010 and will encourage private companies to return to the sun and fun instead of choosing less-glamorous locations for the sake of appearance.

"All we're saying is, don't discriminate just because a place happens to be a nice resort area," said Rep. Harry Mitchell, D-Ariz., one of the bill's original sponsors. "Just get the best value for your dollar."

With the economy still shaky and companies from Wall Street to Detroit living on federal bailouts, business leaders are afraid of the public scrutiny that could come from booking a winter meeting in a warm, sunny place, said Rep. Mary Bono Mack, R-Calif.

"We've built up an image as a great resort town, and, in this case, we may be victims of our own success," said Bono Mack, who represents Palm Springs and is a member of the Congressional Travel and Tourism Caucus.

Lawmakers say the discrimination against resort towns began three years ago and started with the federal government.

A Bush administration policy, revealed in memos dating back to 2006, required federal employees to obtain special approval for travel or meetings to be held in "locations known for gambling" and "resort locations."

In a letter to Reid in July, White House Chief of Staff Rahm Emanuel said the administration does not subscribe to the Bush-era policy. He said government travel should be judged by what it will accomplish and whether the cost is reasonable.

However, some tourism officials believe President Barack Obama inadvertently contributed to the problem when he slammed bailed-out bankers last February for planning a meeting at a Las Vegas resort.

Scores of cancellations followed as companies -- even those that didn't get any federal bailout money -- looked for lower-profile destinations.