

ALASKA STATE LEGISLATURE

SESSION

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SENATOR MIA COSTELLO SENATE DISTRICT K

Jewel Lake, Kincaid, Turnagain, Lake Hood, Sand Lake, Spenard, Dimond, Campbell Lake

Sponsor Statement CS Senate Bill 110 (L&C)

“An Act establishing the Travel Alaska Board; relating to a tourism marketing assessment; and establishing a tourism marketing fund.”

Senate Bill 110, the Travel Alaska Act, will establish a mechanism for the State of Alaska to partner with the private tourism industry in support of Alaskan tourism destination marketing. Tourism marketing program funding produces a substantial return on investment for the State of Alaska and many Alaskan citizens given that tourism is currently Alaska's second largest private sector employer. Research shows that every \$1 spent on tourism marketing leads to \$58 in visitor spending, \$21 in income for state residents, and \$2.84 in state and local revenue.

Alaska's tourism marketing funding has been falling in recent years while competitors' budgets have been rising, resulting in a loss of market share compared to national trends. To address this, the Alaska State Legislature included intent language in the FY'17 operating budget asking the tourism industry to create a self-sustaining program funded by tourism businesses. SB 110 would allow the Department of Revenue to assist the Travel Alaska Board, create an Alaska tourism marketing fund, and manage the capitalization and expenditures of the fund.

Funding for Alaska-specific tourism marketing is essential for a robust and thriving industry that can stay competitive with national growth trends. Tourism marketing program funding would generate significant economic impacts, amounting to billions in spending over time.

SB 110 is an innovative way for private industry to partner with the public sector to address the current lack of funding for Alaska tourism marketing and keep Alaska forefront in this fast-paced competitive market. This private-public partnership will strengthen Alaskan tourism and provide a long-term solution for sustaining this crucial Alaskan industry.

I urge your support for SB 110.

Contact: Natasha McClanahan, Staff to Senator Mia Costello at (907)-465-4968