From: [redacted]
To: House Community and Regional Affairs; House Labor and Commerce
Subject: Public Testimony HB 50
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Public Testimony: Financial Sustainability and Revenue Generation for the State via HB 50 – Snow Classic Event

To: The Honorable Members of the Committee
From: Susan Allmeroth
Date: March 13

Subject: Legal, Financial, and State Revenue Generation Considerations of HB 50 – Snow Classic Event

I submit this testimony in support of HB 50, an act relating to snow classics, with additional recommendations to maximize its potential for both local community engagement and state revenue generation. This bill presents a unique opportunity not only to benefit local communities but also to create a sustainable revenue stream for the state of Alaska, while enhancing the state's tourism, winter sports economy, and local businesses.

While the proposed bill is well-structured in terms of providing clarity on snow classic events, I believe there are substantial opportunities to make this event financially beneficial for Alaska as a whole. Below are both legal considerations and specific financial strategies to ensure that the snow classic event can be a money-maker for the state, with both state involvement and an alternative "Plan B" option for sustainability in the absence of state funding.

Legal Considerations

Clarity and Scope of the Event
The proposed amendment to AS 05.15.690(47) is crucial as it defines the "snow classic" event and clarifies the scope of its administration, ensuring that this game of chance remains accessible to local communities and state residents. This bill, while acknowledging the event's local roots, does not restrict its growth and offers flexibility for statewide participation, ensuring it can expand beyond a single locality.

Compliance with State Gaming and Gambling Laws
The proposed event complies with state regulations surrounding games of chance, as it is designed to be conducted in a controlled and transparent manner. The game aligns with Alaska's legal framework for chance-based contests, making it legally feasible while promoting safe and regulated participation.

Financial Feasibility and Revenue Generation for the State

The snow classic event has the potential to be a revenue-generating initiative for both local communities and the state of Alaska. Below are strategies that can ensure the event contributes to state revenue while remaining financially sustainable.

1. Statewide Licensing and Participation Fees (State Involvement)

To generate revenue for the state, the snow classic event can require a statewide licensing fee for event organizers, with a portion of the revenue from entry fees going directly to the state. The state's involvement could ensure that:
State Licensing Fees: Event organizers across Alaska would pay a licensing fee to the state in order to hold snow classic events. A small portion of the fees collected from participants could also be allocated to the state's general fund or dedicated to winter sports and tourism development.

Online Participation: By extending the event's reach through an online platform, individuals from outside Alaska (including tourists) can participate, providing a wider pool of entrants and additional revenue streams.

2. Statewide Sponsorships and Partnerships (State Involvement)

The state can facilitate partnerships with both local and national businesses, leveraging the state's reputation as a winter tourism destination. These sponsorships would not only support the event financially but also elevate Alaska's brand as a winter sports hub:

State-Sponsored Partnerships: By partnering with key stakeholders in the tourism, sports, and outdoor industries, the state can create opportunities for companies to sponsor the snow classic. This will bring significant revenue to the state treasury through corporate sponsorship deals, with businesses benefiting from the exposure.

Tourism Board Collaboration: The Alaska Tourism Board could promote the event as a key part of the state's winter tourism campaign. Sponsored marketing materials, billboards, and promotional content could be developed, benefiting both the snow classic event and the state's tourism industry.

3. Event-Related Tax Revenue (State Involvement)

With the snow classic event attracting a larger number of participants and spectators from outside the state, it can lead to an increase in state sales tax revenue from:

Tourism-Related Spending: Tourists visiting Alaska for the snow classic would spend money on accommodations, meals, transportation, and other services, which could significantly boost the state's sales tax revenue.

Event-Specific Merchandise: The state can sell snow classic-themed merchandise, such as T-shirts, winter gear, and commemorative items. These sales can be taxed at the state's sales tax rate, contributing to the state's overall revenue.

4. Revenue from Hotel and Lodging Taxes (State Involvement)

Incentivizing tourists to visit Alaska during the winter months, specifically for the snow classic event, can directly impact hotel and lodging revenue:

Winter Tourism Packages: The event could be marketed as part of an all-inclusive winter tourism package that includes lodging, event tickets, transportation, and winter activities. The increased demand for lodging during the snow classic period would generate additional revenue for the state's hospitality industry, while also increasing tax revenue.

Hotel Occupancy Tax: Increased tourism due to the snow classic would lead to more visitors staying in state hotels, generating additional revenue through hotel occupancy taxes.

Plan B: Financial Feasibility Without State Involvement

In the event that state funding or involvement is not feasible, HB 50 can still be a successful event through local, private, and community-driven efforts. Here are some strategies to make the snow classic financially sustainable without direct state involvement:

1. Local Sponsorships and Corporate Partnerships (Without State Involvement)

Local businesses can be encouraged to sponsor the event, offering their products or services in exchange for branding opportunities at the event. Additionally, national brands could be approached to sponsor the event, similar to how sports events secure sponsorship deals. This would allow the event to remain financially viable while supporting local enterprises.

2. Crowdfunding and Community Involvement (Without State Involvement)

Utilizing crowdfunding platforms and community involvement can also generate additional funds for the event, with contributions helping to cover prizes, marketing, and logistics costs:

Crowdfunding for Event: A crowdfunding campaign could be launched to raise funds for the snow classic, offering rewards like exclusive tickets, VIP access to the event, or acknowledgment on promotional materials. This would ensure local support and encourage individuals to invest in the event's success.

Community Sponsorships: Local businesses, schools, and residents could offer donations or sponsorships, ensuring that the event is sustainable and rooted in the community. This grassroots funding model can minimize the need for external funding and encourage ownership of the event by Alaskans.

3. Entry Fees and Ticket Sales (Without State Involvement)

A portion of the proceeds from entry fees and ticket sales for the snow classic can be allocated to event expenses, such as prizes, marketing, and logistics. The event organizers could explore:

Ticketed Events: Alongside the primary snow classic, ticketed events such as winter-themed festivals, concerts, and community gatherings could be organized. This would generate additional revenue while offering entertainment to participants and visitors.

Entry Fees for Participants: A small entry fee for participants to guess the snow accumulation would help cover the costs of the event, with any surplus funding directed toward future community events or prizes.

4. Merchandise Sales (Without State Involvement)

Selling snow classic-themed merchandise could help cover event costs. This could include items like T-shirts, hats, scarves, and mugs. Sales from these items would generate funds for future events while promoting the snow classic to a wider audience.

5. Expanding the Event Beyond Alaska (Without State Involvement)

The snow classic event could expand beyond Alaska and be conducted in other snow-covered regions, turning it into a multi-state or even international event. This would increase the potential for sponsorship deals, entry fees, and tourism-related revenue without needing direct state involvement:

Regional or Global Snow Classic: By partnering with other snow-heavy regions or countries, Alaska could take the lead in organizing a global snow classic competition, making it an international event that raises money for local communities and promotes Alaska as a leader in winter tourism.

HB 50 presents an exciting opportunity to engage local communities and generate substantial revenue for the state of Alaska through the snow classic event. By leveraging state involvement through sponsorships, participation fees, and tourism-related taxes, the event can provide long-term financial sustainability. However, even without state involvement, the event can still thrive by utilizing local sponsorships, crowdfunding, entry fees, and merchandise sales.

This flexible approach allows HB 50 to be a success regardless of the level of state funding or support, while also positioning the snow classic event as a potential long-term financial contributor to both the local and state economy.

It's an option. Either way I absolutely love this bill and support it whole heartedly. Thank you for suggesting it.

Thank you for your time and consideration
Susan Allmeroth
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Myself