

"An Act making a special appropriation to the Department of Commerce and Economic Development for a study of the economic impact of tourism and the establishment of a data collection system; effective date."

COMMITTEE REPORT

3/8/76

HOUSE

Mr. Speaker:

Date March 14 1976

The Committee on FINANCE has had HB 731

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature] Chairman

Introduced: 2/11/76
Referred: Commerce and Finance

1 IN THE HOUSE

BY DUNCAN

2 HOUSE BILL NO. 731

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Commerce and Economic Development for a study
8 of the economic impact of tourism and the establishment
9 of a data collection system; and providing for an effec-
10 tive date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 * Section 1. The sum of \$125,000 is appropriated from the general fund
13 to the Department of Commerce and Economic Development to conduct a study of
14 the economic impact of tourism on the state and for the establishment of a
15 visitor data collection system.

16 * Sec. 2. The unexpended and unobligated portion of this appropriation
17 lapses into the general fund June 30, 1977.

18 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
19 070(c).

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THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. HB 731
 Title: Economic Impact of Tourism, Establish Tourist Data Collection System
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: Commerce & Economic Development Program: Economic Enterprise - Economic Planning Section

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES		18	14			
200 TRAVEL		4	3			
300 CONTRACTUAL		110	80			
400 COMMODITIES		3	3			
500 EQUIPMENT		-0-	-0-			
600 LAND & STRUCTURES		-0-	-0-			
700 GRANTS, CLAIMS, ETC.		-0-	-0-			
TOTAL		135	100			

B. FUNDING: (Thousands of dollars)

GENERAL FUND		125	91			
FEDERAL FUNDS		10	9			
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	1/	1/	/	/	/
MAN MONTHS (P./T.)	/	9/	7/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Program summary on attached page.

The federal funding of 11 B will be drawn from an existing program of long-range economic research which is 75 percent funded by a federal grant.

The positions shown in item C are not new positions, people filling existing positions will be utilized.

IV. ATTACHMENTS

V. DATE: February 23, 1976 PREPARED BY: James R. Deagen

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Issue Statement

Generally, tourism has been considered a substantial contributor to the Alaskan economy, and a potential source of perpetual economic activity that might be more fully developed. At least two studies have been made to assess the potential for increasing the economic activity in the tourist industry: 1) Cresap, McCormick, Paget Alaska Tourism Study of 1968, 2) More recently, the Alaska tourism industry has been criticized for being a "drain" on the economy, 3) Another study made for the states of Idaho, Oregon and Washington criticized the tourist industry for its seasonality and lack of potential upward mobility for its employees. None of the studies addressed all the questions of considerable significance:

1. Revenues generated at a specific time in the tourist industry.
2. Employment, both permanent and seasonal, in the industry.
3. Secondary income and employment created in other Alaskan industries as a result of that in the tourist industry.
4. Revenues to local and State Government generated from activity in the tourist industry.
5. State costs associated with providing special services to the tourist industry - advertising, ferry system, parks, campground, etc.
6. The number of tourist that visit Alaska and the regions they tour.
7. The method of travel to Alaska.

Objectives

The objectives of this study are to assess the present day contributions of the tourist industry to Alaska and its regional economies and the costs and revenues to the respective governments. Hopefully, the study will provide an indication as to whether the industry should be promoted with public funds and to what extent, which is an even more difficult problem. As a result of the study the Division of Tourism may want to modify its promotional efforts to achieve a greater gain to the citizens of Alaska.

Methodology

The proposal is addressed to the problem of collecting detailed data on tourist expenditures through direct contact of firms in the tourist industry, state and local revenues obtained from the industry, state costs associated with encouraging tourism, and the general characteristics of tourists to Alaska. To obtain answers to these questions, two surveys will have to be conducted, as well as an analysis of public data:

1. A systematic survey will be made of firms considered to be included in the tourist industry which is defined to include segments of transportation and transportation services, gasoline service stations, eating and drinking establishments, lodging places, and amusement and recreation services. The survey will be directed toward such questions as: (a) 1975 gross revenues, (b) number and type of employees, (c) the areas from which the firms purchase their goods and services, and (d) the taxes paid by type to State and local governments.
2. Stratified random sample will be conducted of persons entering Alaska by mode of travel. The questionnaire will ask such questions as: (a) the purpose of their trip, (b) their origin and destination, (c) points in Alaska to be visited, (d) number in the party, and (e) expected expenditures in Alaska.

A comprehensive perusal of data publicly available and on file with State agencies should provide: (a) additional information to test individual hypothesis and, (b) a method by which to determine the reliability of the results obtained from the questionnaires.

The study will attempt to measure the contribution of the tourist industry to the Alaskan economy. Likewise, the costs and potential and benefits from the State's promotional activities will be measured at one point in time. No attempt will be made to determine the long-run growth potential of tourism in Alaska.

COMMITTEE REPORT

~~XXXX~~ 5/5/76

SENATE

Mr. President:

Date _____

The Committee on Finance has had HB 731 spec. appro. to the Dept. of Commerce & Economic Development for tourism under consideration. A Majority of the members of the Committee study

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR _____ AND THAT
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COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman