

COMMITTEE REPORT

3/30/76!

SENATE

\*\*Finance\*\*

Mr. President:

Date 5-5-76

The Committee on Commerce has had HB 731 spec. approp. to Dept. of Commerce & Economic Development for tourism study 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 ~~WITH~~ <sup>instructed</sup> RECOMMENDATION
- "other"

Members signing the Majority report:

<u>J. Kutza</u>	<u>Do-pass</u>	_____
<u>Ed Willis</u>	<u>Do-pass</u>	_____
<u>Collitta</u>	<u>Do pass most needed</u>	_____
<u>Brad Bradley</u>	<u>No pass</u>	_____

Members NOT concurring in the Majority report:

3ugh recommends: no rec.

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

J. Kutza Chairman

2122  
Hall

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).

20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
# COMMITTEE COPY

ALASKA STATE LEGISLATURE

NINETY Legislature SECOND Session

HOUSE BILL NO. 731

By: ...

"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; and providing for an effective date."

Study/tourism - data collection

Introduced in the House ...2/11... 1976.

HISTORY IN THE HOUSE

1976	Feb 11	Read first time and referred to Committee on Commerce and Finance
	Mar 8	Reported back with recommendation that committee do again to Finance
	Mar 19	Referred to Rules
	Mar 26	Read second time and Referred from Calendar to Rules
	Mar 29	0 20
	Mar 29	Read third time and
	Mar 29	PASS 44 Effective Date Yeas 33 Nays Absent Excused 6
		Reconsideration PASS Effective Date Yeas Nays Absent Excused
	Mar 29	Reported correctly engrossed
	" 29	Signed by Speaker
	" 29	Sent to Senate
		<i>Gene Rasken</i> CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

1976	3 20	Read first time and referred to Committee on Commerce and Finance
	5 5	Reported back with recommendation that committee do again to Finance
		Read second time and
		Read third time and
		PASS Effective Date Yeas Nays Absent Excused
		Reconsideration PASS Effective Date Yeas Nays Absent Excused
		Reported correctly engrossed
		Signed by President
		Returned to House
		SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19		Received from Senate
		Reported correctly enrolled
		Sent to Governor
		..... By Governor
		Filed with Lt. Governor
		Chapter No. ....

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 75	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/	/	/	/
M.N 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.