

HB

342

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 5/2/94

FURTHER:

DATE TURNED INTO OFFICE: 5-3-94

Finance Committee considered CS FOR HOUSE BILL NO. 342(FIN) am

Alaska Tourism Marketing Council; increasing to at least 25 percent the share of the council's expenses that must be paid through contributions by an association that contracts to jointly manage the council; required disclosures in promotions on board tourism cruise ships; and providing for an effective date.

and recommends:

- replace with 5 CS CS HB 342 (FINANCE)
- or adopt previous _____ CS _____ (_____)
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal
<u>DCKED</u>	<u>1/18/94</u>	<u>0</u>	

Appropriation No Fiscal Note

DO PASS:

Steve King

OTHER RECOMMENDATIONS:

Best King N R
John Kelly

1. Steve King Do Pass
 Co-Chair: Signature/Recommendation

2. John Kelly Do Pass
 Co-Chair: Signature/Recommendation

REF.

FISCAL NOTE

No. 1

Bill Version: HB 342

(H) Publish Date: 1/21/94

STATE OF ALASKA
1994 LEGISLATIVE SESSION

Revision Date: _____

Title: Extending the Alaska Tourism Marketing Council

Sponsor: Rep. Kott

Requestor: House Labor and Commerce

Department Affected: Commerce and Economic Development

BRU: Tourism

Component: _____

COMPONENT SERIAL NO. _____

Expenditures/Revenues:

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES ()	0	0	0	0	0	0
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FUND SOURCE

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF:MHTIA	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

Estimate of current year (FY 94) cost: \$ 0

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

The expenditures are contained in the proposed operating budget and the revenues are reflected in revenue projections.

Prepared by: Tina Lindoren

Division: Alaska Tourism Marketing Council

Phone: 465-2500

Date: January 18, 1994

Approved by Commissioner: Paul Fuhs

Agency: Commerce and Economic Development

Date: 1/21/94

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 342

ANALYSIS: (continued)

The passage of Senate Bill 478 (SLA 1988, Chapter 78) created the Alaska Tourism Marketing Council which became law, effective July 1, 1988. Legislative findings regarding SB 478 stated:

"The Legislature finds that a cooperative effort between the state and private industry to support and expand the visitor industry of the state and to foster expansion of the market for Alaska as a destination throughout the nation and the world is in the public interest and is a valid public purpose. The Legislature further finds that this cooperative effort would inure to the benefit of the visitor industry in the state and that some of the costs of maintaining the effort be borne by the industry. The Legislature further finds that expansion of the economic benefit of tourism is in the public interest and the state should take an active interest in the ensurance of a quality experience for visitors to the state, cooperate with the private sector in improving the amenities available to visitors to the state, and seek to ensure authentic accessible experience for visitors throughout the state."

Back-up

Alaska State Legislature
House of Representatives

COMMITTEES:
HEALTH, EDUCATION
& SOCIAL SERVICES
JUDICIARY
STATE AFFAIRS

SPECIAL COMMITTEES:
MILITARY & VETERANS AFFAIRS
OIL & GAS



INTERIM:
EAGLE CENTER, SUITE 141
EAGLE RIVER, AK 99577
PHONE (907) 694-8944
FAX 694-8945

SESSION:
STATE CAPITOL
JUNEAU, AK 99811
PHONE (907) 465-3777

MEMORANDUM

DATE: April 29, 1994

TO:

FROM: Representative Pete Kott

RE: Request for scheduling in the Senate
CSHB 342 (FIN) am, Alaska Tourism Marketing Council

Please schedule CSHB 342 (FIN) am in the Senate as soon as possible.

CSHB 342 (FIN) am extends the termination date of ATMC to December 1998. In-cash contributions have been changed from 15% to 25%. In addition, production costs for promotional material will be counted towards the association's required contribution.

The following items are attached:

Copy of CSHB 342 (FIN) am
Sponsor Statement
Sectional Analysis
Fiscal Statement
Letters of Support

If you have any questions about this bill, please call me or my Legislative Aide, Jayne Butler, at 465-3777.

Representative Pete Kott



Alaska State Legislature

House of Representatives

COMMITTEES:
HEALTH, EDUCATION
& SOCIAL SERVICES
JUDICIARY
STATE AFFAIRS

SPECIAL COMMITTEES:
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STATE CAPITOL
JUNEAU, AK 99811
PHONE (907) 465-3777

Representative Pete Kott

SPONSOR STATEMENT

It is in the best interest of the State of Alaska to accept HB 342, and extend the life of the Alaska Tourism Marketing Council (ATMC) to December 30, 1998. This legislation conforms to the recommendations of the 1993 Budget and Audit Report.

ATMC falls under the Department of Commerce and Economic Development, Division of Tourism. Ten of ATMC's members are appointed by the Governor, while ten others are appointed by the Alaska Visitor Association. The Director of the Division of Tourism is automatically a member. ATMC works to "promote the state as a destination and promote all forms of travel to the state, including travel by air, highway, and water" (AK Statute 44.33.720 a) 1.)

An example of ATMC activities is the publication of "The Alaska Vacation Planner's Guide," which lists 1,300 Alaskan businesses and is mailed all over the United States and the world. This is a vital vehicle for Alaska in promoting the tourism industry. The Planner has also provided needed advertisement to businesses located in the outer regions of the state, and to those that do not have a large promotional budget. Other ATMC activities include TV and print advertising, research, and providing advice to the Division of Tourism.

ATMC plays a substantial part in bringing over \$52 million each year to the State of Alaska (McDowell Group, 1992.) If we want to continue to compete successfully in the national and international tourism market, we need to support extending the Alaska Tourism Marketing Council's term.



SPONSOR STATEMENT

DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

COPY

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

150 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

January 7, 1994

SUBJECT: Sectional Summary of HB 342 (8-LS1426E)
TO: Representative Pete Kott
FROM: Terri Lauterbach
Legislative Counsel

You have requested a sectional summary of the above bill.

Section 1. Extends the termination date of the Alaska Tourism Marketing Council to December 30, 1998.

TML:pl
94-015.plm

Sectional Summary

HB 342: "An Act extending the termination date of the Alaska Tourism Marketing Council"

The Alaska Tourism Marketing Council (ATMC) is a public-private partnership that combines the resources and expertise of the state and private industry. It is jointly managed by the Department of Commerce and Economic Development and Alaska Visitors Association. The council consists of ten members appointed by the Governor, ten members appointed by the visitor industry, and the Director of the Division of Tourism.

The goal of the ATMC is to stimulate statewide economic growth, diversification, and employment through the promotion of Alaska as a visitor destination. To achieve this goal, the ATMC designs and executes a marketing campaign directed at domestic and Canadian markets with the greatest potential for producing new and repeat visitors. Primary elements of the program include media advertising, public relations, and distribution of the State Vacation Planner. These elements are designed to interest people in Alaska and influence their decision to visit. The program also provides the final link between local businesses and consumers on a scale that is possible only through a cooperative effort.

If the ATMC program did not exist, the economic impact of the visitor industry would be significantly reduced and the larger tour companies would gain an even greater share of the remaining market. By conducting a cooperative marketing program, everyone in the state benefits, including other state agencies who receive revenues from visitor spending.

WM/dglmme041pp.co

December 23, 1993

Tina Lindgren
Alaska Tourism Marketing Council
3601 C Street, Suite 700.
Anchorage, Alaska 99503

STATE OF ALASKA
DEPARTMENT OF COMMERCE
& ECONOMIC DEVELOPMENT

DEC 27 1993

ALASKA TOURISM
MARKETING COUNCIL

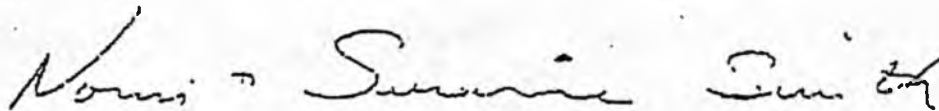
Dear Tina,

Just a quick note to say "thank you" for conducting the recent survey, and by providing us with some informative words on who/what ATMC actually is & does.

My husband and I have run a small business here in Haines for 15 years, and greatly appreciate and depend upon the state's/private sector's co-operative marketing program. Without you we could not exist! Thanks again for all your efforts, and if you're ever in our neighborhood, we'd be happy to put you up!

BEST WISHES FOR THE HOLIDAYS!

Sincerely,



Norm & Suzanne Smith
Owners/Operators, Fort Seward B & B

Downtown Deli And Cafe

P.O. Box 2653, Anchorage, Alaska 99510

Phone (907) 274-0027



January 7, 1994

Brad Phillips
Phillips Cruises and Tours
509 W. 4th Ave.
Anchorage, Alaska 99501

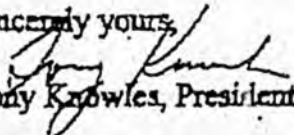
Dear Brad,

I am writing to you in your capacity as the Chair of the Alaska Tourism Marketing Council. I want to express to you my total support of the Council's public/private marketing efforts. My business is the Downtown Deli and Cafe, which has been operating for 18 years in the same location. During this time I have seen the visitor business grow from a negligible portion of my sales to in excess of two thirds of my total receipts. There is no question that the aggressive marketing of Alaska has played an essential part in this growth.

I am deeply disturbed that a severe reduction in the state's part of the program is being proposed by the Governor. It is well known that tourism, currently one of Alaska's top employers, has the greatest potential growth for both employment and Alaskan small business opportunities. It is also well known that this potential is at risk, as there is intense global competition for the tourism and visitor dollar.

At a time when there is an immediate need to develop private sector jobs to compensate for fewer public revenue based jobs, it is not sensible to turn away from the most logical source of future employment - an expanding visitor industry. Indeed, at a time when Alaska is being attacked through the media, a reduction in our marketing efforts may cause long term damage to Alaska tourism. The bottom line is that we should consider a strategic reassessment of our marketing approach and, in light of the current situation, significantly increase both the public and private marketing efforts for this proven Alaskan job development industry.

Thank you, Brad, for all of your efforts to keep the visitor industry strong.

Sincerely yours,

Tony Knowles, President

1-7-94 Phillips Cruises & Tours



6712 KATMAI CIRCLE
ANCHORAGE, ALASKA 99517-1024
(907) 243-1228

cc: Kenneth [unclear]

* KENAI FJORDS NATIONAL PARK *
WILDLIFE AND GLACIER TOUR

* EXCLUSIVE & OVERNIGHT *
CHARTERS

* DROP OFF/ PICK-UP *

* FISHING *

1/12/94

Rick Halford
Alaska State Legislature
Room 111
Juneau, AK 99801-1182

Dear Mr. Halford,

I would like to voice my concern regarding the proposed \$3 million cut to the Cooperative Marketing Budget. As a small businessman directly dependent on tourism dollars during a short summer season, being able to participate in a highly visible cooperative marketing program as has been put together by ATMC has been very productive for us. The Vacation Planner is the single most productive vehicle we have to market ourselves nationally and internationally at a price we can afford. However, even the cost of a small narrative ad has doubled for the 1995 Planner. This is in response to past and proposed cuts to the Cooperative Marketing Budget.

We all realize times are getting leaner and subsidies are being cut because of decreased oil revenues and other factors. One bright, consistent light in the gloom however, has been the inflow of tourism dollars to the state. A definite renewable resource that shows positive growth every year and benefits virtually everyone in the state at one level or another! As strong as tourism is becoming, it definitely needs nurturing and attention and not taken for granted. Cutting the ATMC budget will be felt right down to my level and this is a most important level to me and many other companies, and our employees, and their families! It gets right down to the basics.

Please consider increasing funding for the Cooperative Marketing Budget, not decreasing. We are trying to pull our weight on this small business level, but we do need some assistance before the load gets prohibitive.

Thank you for your consideration.

Sincerely,

John Sheedy
John Sheedy
Owner/operator

KLEF FM 98

Your Radio Concert Hall

January 9, 1994

Hon. Cynthia Toohey
Alaska State House of Representatives
State Capitol Building MS 3100
Juneau, Alaska 99802

Dear Cynthia,


I understand there's some question as to whether the state should continue helping fund the marketing of Alaska as a tourist destination.

My answer is a resounding, "Yes!"

The growth of the visitor industry is one of the best things that's ever happened to Alaska, and the state's financial participation is critical to this continued success.

The millions of dollars which tourists leave in Alaska make a difference to us all. Even in a business such as mine, which is hardly at the center of the visitor industry, their importance is very real. In my opinion, if Anchorage had no visitor industry, KLEF could not continue as a viable enterprise.

Sincerely,


Rick Goodfellow
President and General Manager

/jrg

3601 C Street, Suite 290

Anchorage, Alaska 99503

(907) 361-5556

1-9-94 Cynthia Toohey Letter

Gray Line of Alaska

GRAY LINE

March 31, 1994

Al Vezey
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Al:

I am writing to ask your support of the industry that has shaped my life and my career - Tourism.

Working my way up from a coach driver in Skagway 12 years ago, I know how this industry has shaped the lives of hundreds of friends, acquaintances and associates.

Tourism is vital to the livelihood of thousands of Alaskans and demands your support.

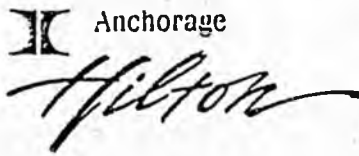
Please use the influence vested in your position to support this vital and growing industry by re-instating funding for ATMC and voting for HB342.

Sincerely,



Carl Cox
Regional Manager
Anchorage/Fairbanks

CC/kg



February 2, 1994

FEB 07 1994

Mr. Al Vezey
Chairman-State Affairs
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Mr. Vezey:

As one of the many thousand employees who is directly employed in the tourism industry, I would like to state to you that the tourism industry as a whole is a very important asset to our community and the people it represents. The Anchorage Hilton, in which I work for, depends on the cooperative marketing program to promote our product and service. Not only would many organizations be out of business but myself and others would be without a job.

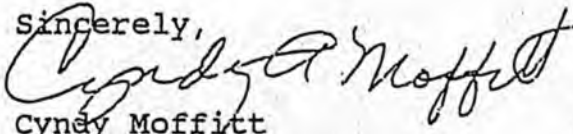
As we all know, oil prices keep plummeting lower and lower and I feel that this is not an appropriate time to cut the Alaska Tourism Marketing Council's budget. This organization has been very successful in the development of our tourism industry. The ATMC reaches the entire traveling market nationwide and has proven its capability in producing monies through the years.

Please do not put an end to the funding of this organization. History has repeated itself. ATMC and all of Alaska's tourism industry partners are a success story among economic development programs.

If you cut off the funds to this organization, you will be cutting off an "education system". Many outside tourist are inquisitive and undecided about that special vacation spot they want to go to. Demographics have proven that visual advertising is one of the best means of selling a product. Other than word of mouth, scenic photographs and an enticing narrative are the keys to TV and magazine advertising. That 30 second TV spot featuring Prince William Sound or Denali National Park could be the "final straw" in a decision made by many people desiring to explore our wonderful state. Do not cut our special visitor short of an opportunity of a lifetime by reducing the funding to this wonderful organization!!

With shrinking oil and fish revenues, our number three state revenue maker is swiftly becoming our number one money maker. The past 3-4 years has proven that we are in the beginning stages of a wonderful uphill growth pattern. Please do not stifle tourism's growth pattern and progress now!

Sincerely,


Cyndy Moffitt

cc: Karen Cowart, AVA

FEB 10 1994

February 8, 1994

Representative Al Vezey
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Representative,

I am writing to ask you to support continued funding for the Alaska Tourism Marketing Council.

I work in the tourism industry for Denali Park Hotels at Denali National Park, a company which employs approximately 700 people each year. We provide hotel rooms, tours and many other guest services to visitors to our state who spend millions of dollars each season in the Denali Park area. A majority of our business is generated, directly or indirectly, from the exposure we receive in the State Travel Planner and other cooperative marketing programs of the Alaska Tourism Marketing Council. I am told that every dollar we spend on cooperative marketing comes back one hundredfold to the Alaskan economy in the form of visitor, business and employee dollars spent. Tourism is Alaska's great renewable natural resource and an industry we would be wise to encourage.

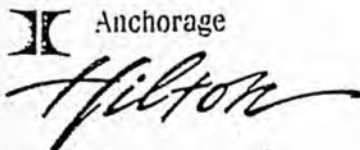
Again, I urge you to support the Alaska Tourism Marketing Council and to maintain their current funding level. Thank you.

Sincerely,



Tracy Alexander
3637 Thompson Avenue #4
Anchorage, AK 99508

FEB 07 1994



February 2, 1993

Al Vezey
Alaska State Legislature
Chair - State Affairs
State Capitol
Juneau, AK 99801-1182

Dear Mr. Vezey:

Thank you for your consideration of this letter and the action you will take!

I work for the Anchorage Hilton Hotel and the jobs we have in the Alaskan Tourism Industry are extremely important to us all.

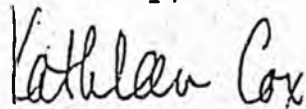
As you are probably aware, the Alaska Tourism Marketing Council's budget has been cut. The ATMC had a dream of assisting in the development of Alaska's tourism. Without tourists and visitors to Alaska our hotel would not exist or most certainly be in dire straights. The ATMC and its industry partners have worked together and been successful over the years to promote summer tourism.

Our hotels are now at capacity in the summer. However, Fall, Winter and Spring are greatly lacking. The Anchorage Hilton Hotel as with other hotels in the city lay off a lot of individuals each winter.

My recommendation is that alternate action be taken to reinstate funds through the ATMC to promote Fall, Winter, and Spring (October through April). Our economy would be healthier, people would be employed and the visitors from the outside could appreciate the true Alaska.


Please support this alternative action plan. It will make a tremendous difference to the hospitality industry.

Sincerely,


Kathleen Cox
Sales Manager

CC: Karen Cowart, Alaska Visitors Association

FEB 07 1994

 Anchorage

Hilton

FEB 07 1994

FEB 07 1994

February 2, 1994

Al Vezey
Alaska State Legislature
State Affairs Chair
State Capitol
Juneau, AK 99801-1182

Dear Mr. Vezey:

The astronomical budget cut being considered for Alaska's Tourism Industry must not happen. With oil monies projected to get leaner, this is no time to cut the Alaska Tourism Marketing Council's budget.

ATMC is important in promoting Alaska as a travel destination and has been a major factor in the successful development and growth of the tourism industry.

With the support of ATMC's marketing, I will continued to be employed in the tourism industry. My job is very important to me and to the many visitors the Anchorage Hilton Hotel serves each year. Furthermore, the entire industry is important to this community and to the people you represent.

Thank you for your consideration and understanding in the importance the tourism industry impacts Anchorage and the State of Alaska.

Sincerely,

Toni Walker

Toni Walker
Tour and Travel Sales Manager

CC: Karen Cowart, AVA Statewide

FEB 07 1994

H Anchorage

Hilton

February 2, 1994

Representative Al Vezey
Chairman - State Affairs
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Rep. Vezey:

I am writing to you to encourage you to make the Alaskan tourism industry a priority when you vote on the State budget this legislative session.

In Alaska, tourism industry ranks as either the second or third strongest and largest industry in the economy. Tourism is a renewable resource that when managed well, fostered to grow, and protected from budgetary cut backs, will strengthen the states economic profile.

With oil revenues continuing to be an unreliable source of monies for a capital budget, the legislature must recognize tourism as a viable source of revenue for the state, and support that recognition through careful budgetary allocation efforts. If the adverstising dollars set aside for marketing this very important resource are taken away, the legislature will have been responsible for setting the Alaskan economy back even further.

Thank you for your support. We are all trying to make Alaska a good place to live. Make sure you help us do so by voting to support the tourism industry through budgetary support!

Sincerely,

THE ANCHORAGE HILTON

Keri Gatke

Keri A. Gatke
Sales Manager

cc: Karen Cowart, AVA



February 7, 1994

Representative Al Vezey
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear Rep. Vezey,

I am writing on behalf of myself and all of the members of the visitor industry who are counting on your support to retain and properly fund The Alaska Tourism Marketing Council.

This body over the last 10 years has added fuel to the flames of Alaska tourism and has helped grow the industry to the second largest private employer in the State. The partnership that has flourished between the private sector and the Government has had positive effects on this industry and all the others which directly or indirectly contact it on a daily basis.

The obvious effect of this program especially for the smaller businesses which are unable to support large marketing programs will take a dramatic toll if the ATMC is allowed to dwindle or die.

I have been in Tourism for the past 15 years starting as a housekeeper at a National Park lodge. I have seen the dramatic growth of this industry and the positive effects it has had on me, my family and the state in general. I urge you to continue support of this vital program. If anything, funding must be increased to insure that Alaska continues to be a premiere destination for visitors into the next century.

Thank you for your support. Alaska is counting on you!

Sincerely,



Steve Halloran
Tour & Marketing General Manager
Denali Park Resorts

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101


130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

May 3, 1994

SUBJECT: Title Change in SCS CSHB 342(FIN)

TO: Senator Drue Pearce, Co-chair
Senate Finance Committee

FROM: David R. Dierdorff 
Revisor of Statutes

Enclosed in the final SCS requested for you by Marie. Please note that we made a technical change in the title, which should have been made by the House when the bill was engrossed after the House floor amendment. We deleted "required" and inserted "requiring" on page 1, line 4. This technical change does not require a suspension of the rules.

DRD:gc
94-310.glc

Enclosure