

SB

66

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 2/3/95

FURTHER:

Date of 5-Day Notice: 2-9-95
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2/14/95

Finance Committee considered SB 66

Relating to sled dog race classics.

and recommends:

- be replaced with _____ CS SB 66 (FIN)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

Senate Bill:
 same title
 new title
 House Bill:
 technical change
 new: SCR# _____

SIGNING WITH RECOMMENDATIONS:		DP	DNP	NR	AM
<i>Steve Roper</i>		✓			
<i>Reed E. Hill</i>			✓	✓	
<i>John J. Hupp</i>				✓	
<i>Don</i>		✓			
<i>Tom M. Hays</i>				✓	
Co-Chair:	<i>Rich Halford</i>	✓			
Co-Chair:					

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
<i>DOR</i>	<i>2/4/95</i>	✓	

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SB 66

Revision Date: _____ Dept. Affected: Revenue
Title: Sled Dog Race Classics BRU: Revenue Operations
Component: Charitable Gaming Division

Sponsor: Senator Green
Requester: Finance COMPONENT SERIAL NO. 1883

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY95) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This bill will not fiscally impact the Department of Revenue.

Prepared by: Jeff Prather, Acting Director Phone: 465-2279
Division: Charitable Gaming Division Date: 2/8/95
Approved by: _____
Commissioner: Wilson L. Condon Date: 2/8/95
Agency: Department of Revenue

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

2-14-95
Adopted
SFC

9-LS0628F-
Luckhaupt
2/13/95

Legal Services
called for
final 9:25am

CS FOR SENATE BILL NO. 66(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATORS GREEN, Halford

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to an Iditarod Sweepstakes sled dog race classic."

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

3 * Section 1. AS 05.15.100(a) is amended to read:

4 (a) The department may issue a permit to a municipality or qualified
5 organization. The permit gives the municipality or qualified organization the privilege
6 of conducting bingo, raffles and lotteries, pull-tab games, ice classics, rain classics, goose
7 classics, mercury classics, ~~sled dog race classics~~, canned salmon classics, salmon
8 classics, king salmon classics, dog mushers' contests, fish derbies, and contests of skill.

9 * Sec. 2. AS 05.15.115(c) is amended to read:

10 (c) A permittee may not contract with more than one operator at a time to
11 conduct the same type of activity. For the purposes of this subsection, bingo games,
12 raffles, lotteries, pull-tab games, ice classics, rain classics, goose classics, mercury
13 classics, ~~sled dog race classics~~, canned salmon classics, salmon classics, king salmon
14 classics, dog mushers' contests, fish derbies, contests of skill, and all activities permitted

1 under AS 05.15.100(b) are each a different type of activity.

2 * Sec. 3. AS 05.15.180(b) is amended to read:

3 (b) With the exception of raffles, lotteries, bingo games, pull-tab games, rain
4 classics, goose classics, mercury classics, ~~sled dog race classics~~, canned salmon classics,
5 salmon classics, king salmon classics, and other activities authorized under
6 AS 05.15.100(b), an activity may not be licensed under this chapter unless it existed in
7 the state in substantially the same form and was conducted in substantially the same
8 manner before January 1, 1959.

9 * Sec. 4. AS 05.15.690 is amended by adding a new paragraph to read:

10 (42) "sled dog race classic" means a game of chance where a prize of
11 money is awarded to the closest guess to the winning finish time of a sled dog race or the
12 lead time at individual checkpoints along the race and is limited to the Iditarod
13 Sweepstakes operated and administered by the Iditarod Trail Committee.

SENATE FINANCE
COMMITTEE

9-LS0628A.1
Luckhaupt
2/13/95

Amendment Number: _____
Bill Number: _____
Sponsor: _____ Date: _____
Logged In By: _____

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR PHILLIPS

TO: SB 60

1 Page 1, line 1, following "relating to":

2 Insert "winter sports; relating to the Arctic Winter Games; and authorizing"

3 Page 1, following line 2:

4 Insert new bill sections to read:

5 ** Section 1. AS 05.12.010(a) is amended to read:

6 (a) A person may not use, display, or publish the symbol of the Arctic Winter
7 Games, consisting of the triple circle symbol and ulu combination, for commercial
8 purposes or private gain without the written authorization of the Arctic Winter Games
9 International Committee [INCORPORATED].

10 * Sec. 2. AS 05.12.010(b) is amended to read:

11 (b) A person may not use, display, or publish any name, title, or device that
12 tends to indicate that the person is affiliated with or supported by the

13 (1) Arctic Winter Games without the written authorization of the Arctic
14 Winter Games International Committee;

15 (2) Arctic Winter Games Team Alaska without the written
16 authorization of the Arctic Winter Games Team Alaska [INCORPORATED].

17 * Sec. 3. AS 05.12.010 is amended by adding a new subsection to read:

18 (d) A person may not use, display, or publish the symbol of the Arctic Winter
19 Games Team Alaska for commercial purposes or private gain without the written authorization
20 of the Arctic Winter Games Team Alaska."

21 Page 1, line 3:

22 Delete "Section 1"

23 Insert "Sec. 4"

Renumber the following bill sections accordingly.

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SB 66

Revision Date: _____ Dept. Affected: Revenue
 Title: Sled Dog Race Classics BRU: Revenue Operations
 Component: Charitable Gaming Division
 Sponsor: Senator Green
 Requester: Finance COMPONENT SERIAL NO. 1883

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY95) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This bill will not fiscally impact the Department of Revenue.

Prepared by: Jeff Prather, Acting Director Phone: 465-2279
 Division: Charitable Gaming Division Date: 2/8/95
 Approved by: _____
 Commissioner: Wilson L. Condon Date: 2/8/95
 Agency: Department of Revenue

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

ALASKA STATE LEGISLATURE

Interim:

165 East Parks Highway Suite 106
Wasilla, Alaska 99654-7635
(907) 376-3370



Session:

State Capitol
Juneau, Alaska 99801-1182
(907) 465-6600
Fax 465-3805

SENATOR LYDA GREEN SENATE DISTRICT N

Memorandum

To: Senator Rick Halford
Chair, Senate Finance Committee

From: Senator Lyda Green *Lyda Green*

Re: Senate Bill 66, relating to sled dog classics

Date: February 8, 1995

=====
I respectfully request that you schedule Senate Bill 66 for a hearing in your committee.

This measure would allow for the Iditarod Trail Committee to conduct the Iditarod Sweepstakes. This new source of funding for the race is particularly important in light of the recent loss of several major sponsors.

I have requested a fiscal note from the Department of Revenue that should be available by week's end.

Thank you for your consideration.

ALASKA STATE LEGISLATURE

Interim:

665 East Parks Highway, Suite 106
Wasilla, Alaska 99654-7035
(907) 376-3370



Session:

State Capitol
Juneau, Alaska 99801-1182
(907) 465-6600
Fax 465-3805

SENATOR LYDA GREEN

SENATE DISTRICT N

Sponsor Statement

SB 66 ; "An Act relating to dog sled classics"

SB 66 would add dog sled classics to the list of games of chance now allowed under statute, with a specific provision limiting this activity to the Iditarod Sweepstakes operated and administered by The Iditarod Trail Committee.

The Iditarod Sweepstakes would be operated quite similarly to the Nenana Ice Classic, in that participants would guess the exact winning finish time of the race or the lead time at individual checkpoints along the race.

The Iditarod, Alaska's last great race is an uniquely Alaskan event that serves to highlight our vast land, our history and our enduring Alaskan spirit. The recent loss of several major sponsors has seriously impacted the financial stability of the race. The continued success of this event would be helped by involving to a greater extent the grass-root financial participation of the public.

In addition to the fun and excitement of the contest, the Iditarod Sweepstakes would bring economic and social benefits to the people of Alaska. The far reaching media coverage the Iditarod receives serves to enhance the visibility of our State and aids in our ability to attract increased tourism.

The passage of SB 66 will help to put the Iditarod, Alaska's Last Great Race on firm financial footing. I respectfully request favorable consideration of this legislation by the committee.



Iditarod Trail Sled Dog Race

P.O. Box 870800 • Wasilla, AK 99687-0800 • (907) 376-5155 • Fax (907) 373-6998

VIA FACSIMILE 907.465.3805

February 7, 1995

The Honorable Lyda Green
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

My dear Senator Green:

Thank you for your sponsorship of SB 66!

As you know Alaska's Iditarod has evolved very rapidly from its inception in 1973. Today the Race is closely followed by Alaskan's young and old. The Race has also captured the attention and curiosity of millions of people around the world, which as we all know, translates into a significant economic benefit to the State of Alaska.

Unfortunately, the Race and its large national sponsors have been, and continue to be, the target of an ever-increasing amount of negative and harmful publicity by various radical animal rights groups. As a way to diversify its funding base, and as a way to insulate itself from the most measurable effect of the animal rights groups (the erosion of financial support from large national advertisers outside the State of Alaska), this past spring the Iditarod Trail Committee, Inc. (ITC), asked the legislature to consider a permanent fund check-off which would allow Alaskan's to support their Race. This effort ultimately failed... not because of a lack of support for the Iditarod, but because of the many sensitivities surrounding the permanent fund itself.

As was predicted this past spring the two remaining outside sponsors announced this fall that they would not be renewing their sponsorship of the Race. \$390,000 disappeared from the Race budget this year and an additional \$175,000 will disappear this next year.

For the past six months the ITC has worked very hard to replace the lost revenues. Revenues which made it possible for the ITC to stage the caliber of Race which Alaskan's have come to expect, and the caliber of Race which, through national and international television coverage, helped to 'export Alaska' and benefit the visitor industry.

While corporate Alaska as well as individual Alaskans have responded quite admirably, the ITC believes it is vitally important to put a mechanism in place which will help to ensure the long-

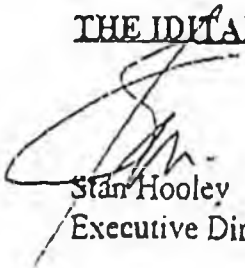
The Honorable Lyda Green
February 7, 1995
Page 2

term financial stability of the Race. The ITC believes that the passage of SB 66, which would allow the ITC to conduct 'The Iditarod Sweepstakes,' a game of chance where a prize of money would be awarded to the closest guess to the winning time of the Iditarod, represents a significant fundraising opportunity for Alaska's Iditarod and would provide the ITC with an ongoing and stable funding base.

Please know that your support for this legislation is greatly appreciated!

Sincerely yours for,

THE IDITAROD TRAIL COMMITTEE, INC.



Stan Hooley
Executive Director

cc: ITC Board of Directors




Stan Hooley . Executive Director . Iditarod Trail Sled Dog Race . 907.352.2204

FAX MEMORANDUM

DATE: Mon Feb 13, 1995 7:29AM

TO: Senator Lyda Green
Brett Huffer

FROM: 
Stan Hooley
Executive Director

RE: Support Materials for SB 66

Following is a copy of an economic impact report which was released in December of 1992. The report quantifies, as best any report can, the economic impact generated by the Iditarod Trail Sled Dog Race. Obviously, beyond the desire of any Senate member to help ensure that an Alaskan tradition of some note lives on, the economic aspects of the race speak clearly.

cc: Wendy Mulder - via facsimile



ECONOMIC IMPACT REPORT
THE 1992 IDITAROD SLED DOG RACE

Prepared for:

The Iditarod Trail Committee

Prepared by:

Gilmore Research Group

December, 1992

TABLE OF CONTENTS

Background & Purpose..... 1

Findings..... 2

 1. Total Impact..... 2

 Figure 1: 1992 Direct Expenditures 2

 Figure 2: 1992 Expenditures by Retail Category 4

 2 Local Impact: Anchorage, Wasilla and Nome..... 5

 Figure 3: 1992 Direct Expenditures by City 5

 Figure 4: Expenditure Distribution by City 6

 Figure 5: Economic Impact By City 7

 3. Television Coverage 13

Appendix 1 – Detailed Tables 9

 Table 1: Total Economic Impact..... 10

 Table 2: City of Anchorage 11

 Table 3: City of Wasilla..... 12

 Table 4: City of Nome 13

Appendix 2 – Methods 14

 Model Development..... 15

 Distribution of Expenditures..... 16

 The Multiplier Effect..... 16

 Income Streams..... 18

 Income Distribution..... 13

 Assumptions 20

BACKGROUND AND PURPOSE

The annual Iditarod Sled Dog Race is one of Alaska's premier historical events. This attraction draws an estimated 16 percent of the state's out-of-state visitors during the Fall, Winter and Spring season.¹ The race itself also draws thousands of visitors from within the state. These persons attend numerous events, stay at local hotels, eat at local restaurants, rent cars, buy gifts and participate in local cultural and entertainment activities. They are an important source of revenue. Their expenditures contribute to the local economy in the form of jobs, sales, and taxes. The purpose of this study is to estimate the impact of these expenditures upon the total economy in general and the tourism industry in particular.

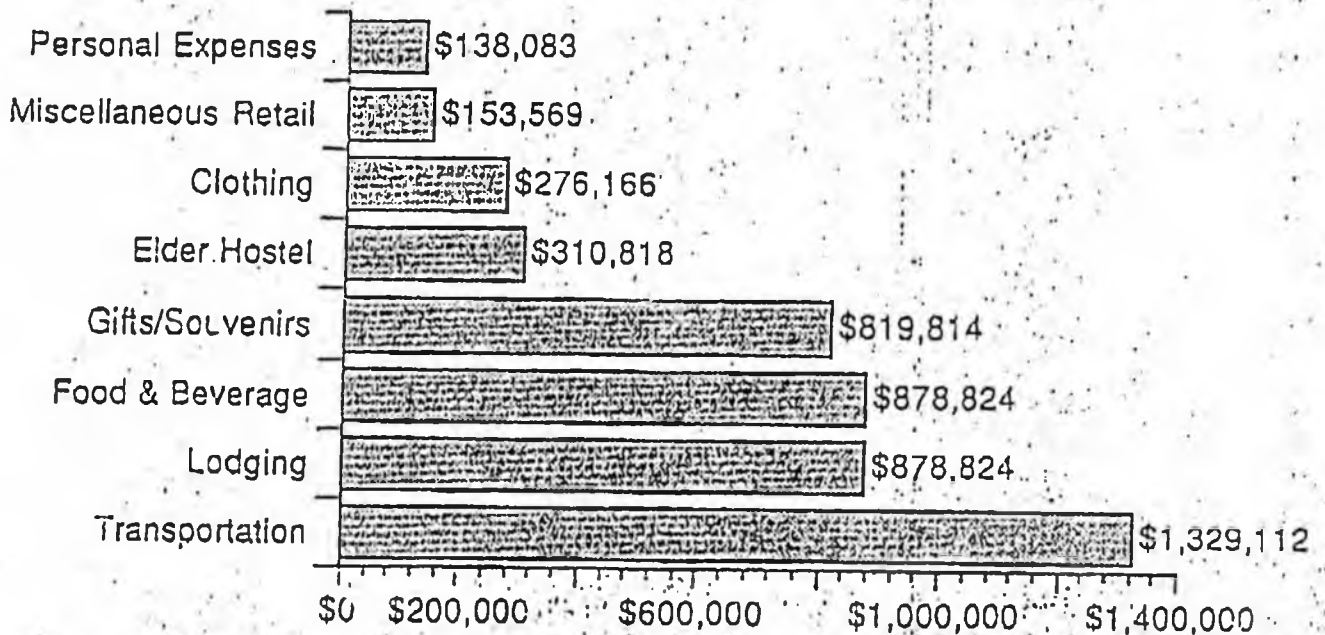
This is the second Iditarod Economic Impact study. A previous study was conducted in 1985. Improved estimates of state tourism patterns and expenditures have become available since 1985. The availability of the data provided in the Alaska Visitor Statistics Program (AVSP)² enabled estimates of impact in the communities directly affected by the Iditarod Sled Dog Races: Anchorage, Wasilla and Nome. The improved data and a different methodological approach have resulted in somewhat lower estimates of economic impact than 1985. However, the new findings reinforce earlier observations that the races are an important economic contributor to the state and local economy and to the Fall-Winter-Spring tourism program.

¹Alaska Visitor Statistics Program, Department of Commerce & Economic Development, Alaska Division of Tourism, State of Alaska, 1991

²Ibid.

Transportation captured the largest percentage of expenditures, 28%. This category includes ground transportation, in-state air travel, car rentals, personal vehicle expenses and in-state ferries.⁴ Food-and-beverage and lodging each captured an estimated 18% of total expenditures, followed by gifts and souvenirs with 17%.

Figure 2
1992 Expenditures by Retail Category



Total Retail Expenditures = \$4,785,210

⁴All-retail-classifications with the exception of miscellaneous retail were adopted from the Alaska Visitor Statistics Program. Miscellaneous retail is called undistributed expenses in the AVSP.

2. Local Impact: Anchorage, Wasilla and Nome

The City of Anchorage captured approximately 40% of the 1992 expenditures related to the Iditarod Race. The Anchorage percentage is attributable to the concentration of stores, entertainment facilities, hotels and eating and drinking places in that city. Although the Iditarod Sled Dog Race and the related events took place over a large geographical area, participants relied upon Anchorage to provide most of their lodging, entertainment and dining needs. Wasilla captured 58% of the direct expenditures and Nome captured two percent. There are no available reliable measures of expenditures in the other small communities along the race trail. These expenditures were, however, thought to be less than one percent of the total and therefore not considered for the purpose of this study. A breakdown of expenditures by city is shown in Figure 3.

The Wasilla ratio is distorted by the inclusion of Trail Committee Expenditures and Musher Investments which actually occur throughout the area. Removing these two institutional expenditures changes the distribution of direct expenditures dramatically, as shown in Figure 4. The Anchorage capture rate increases to 81 percent. The Wasilla portion declines to 15 percent and the Nome ratio increases to 4 percent.

Figure 3
1992 Direct Expenditures by City

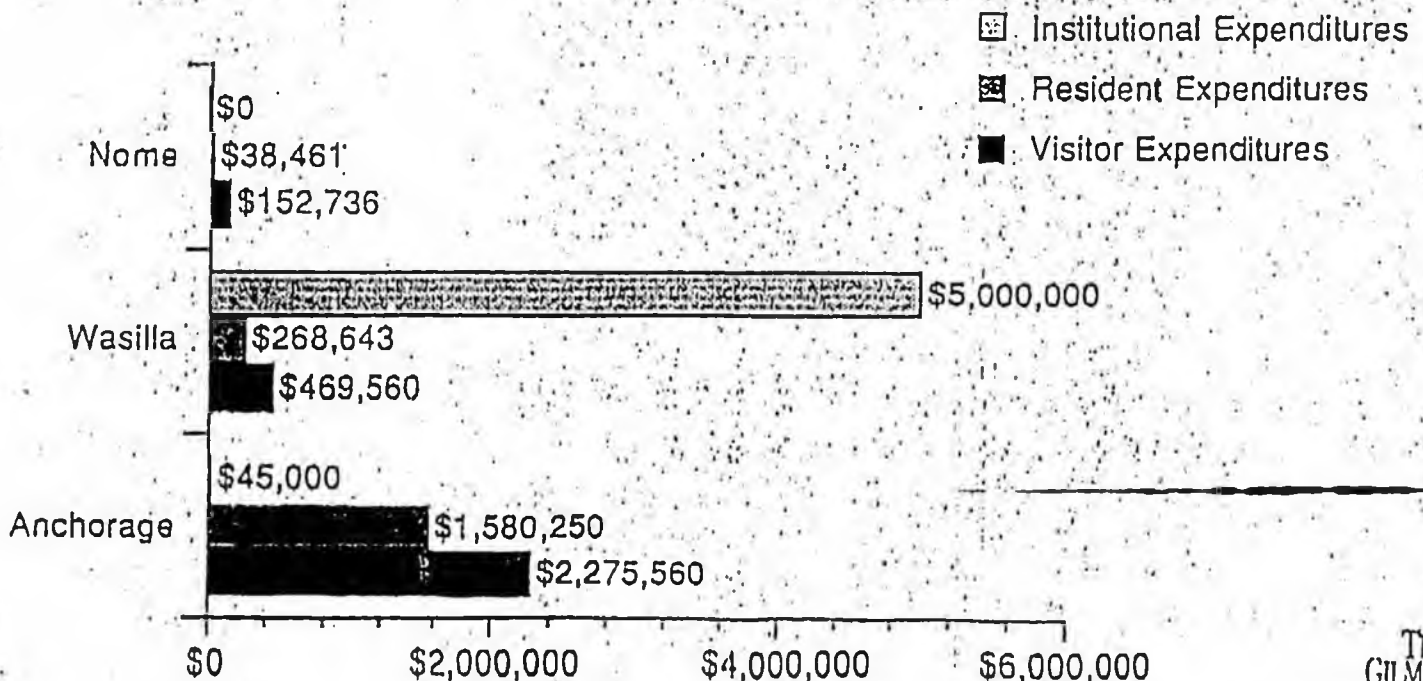
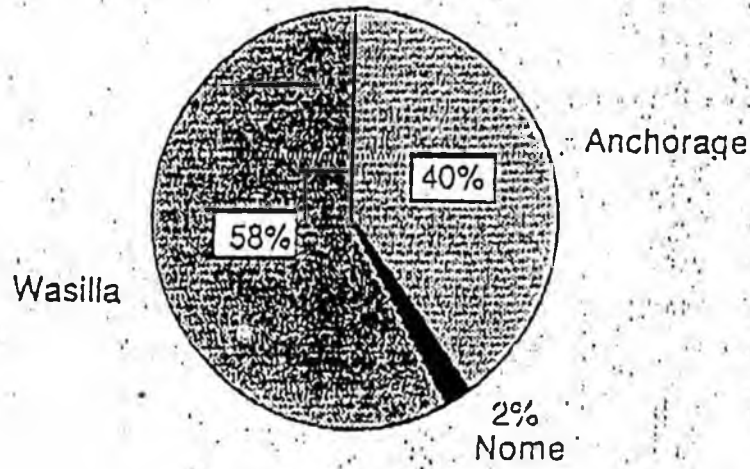
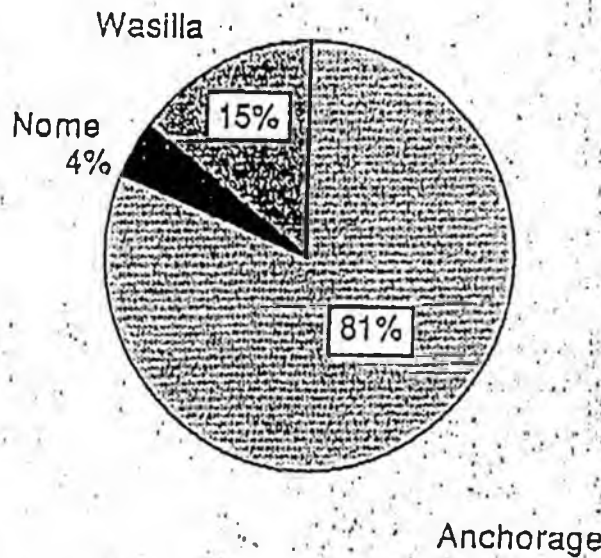


Figure 4
Expenditure Distribution by City



Including Institutional Expenditures*



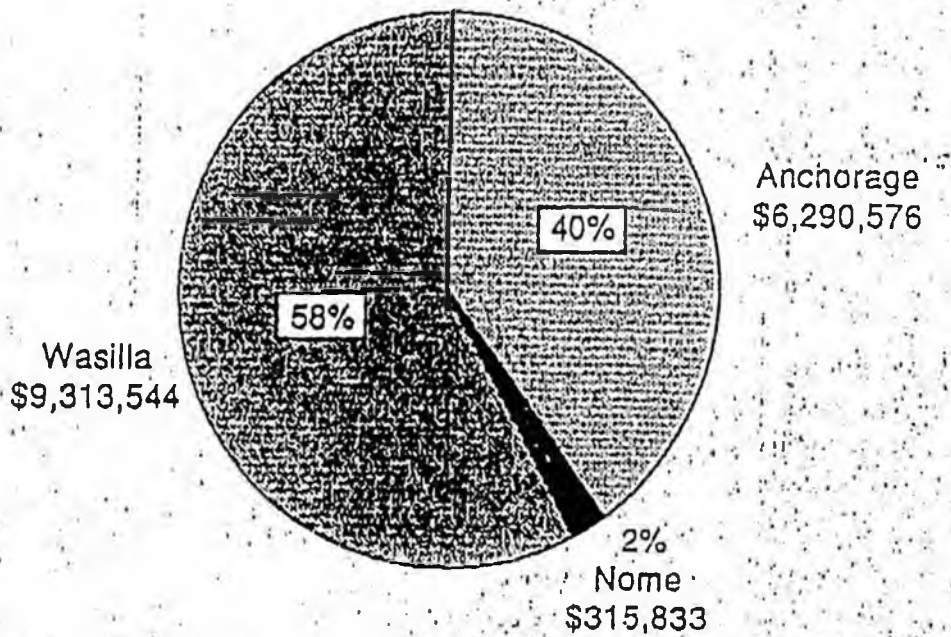
Without Institutional Expenditures*

*Institutional Expenditures = Trail Committee and Musher Expenditures

Figure 5 presents the total economic impact of the Iditarod Sled Dog Race on the three cities. Estimated total impact in Anchorage was about \$6.3 million. The impact in Wasilla was over \$9.3 million and in Nome it was about \$316,000.

Payroll and jobs in those cities was estimated to be about \$1.2 million in Anchorage with 68.6 FTE's, \$1.8 million in Wasilla with 65.9 FTE's and about \$65,500 in Nome with 3.6 FTE's. Detailed breakdown by city is shown in Tables 2 to 4 in Appendix I.

Figure 5
Economic Impact by City



3. Television Coverage

There was extraordinary television coverage of the Iditarod Sled Dog Race in 1992. ABC's Wide World of Sports carried three consecutive weeks of stories about the history, people and outcome of the race. On February 29 approximately nine minutes was devoted to the story, on March 7 about 18 minutes, and on March 14 about 24 minutes. This amounts to approximately 51 minutes of coverage, excluding commercial breaks. These broadcasts reached at least 3.8 to 4.7 million households across the U.S. (ABC reported ratings on the three Saturday broadcasts at 5.3, 4.3 and 4.8 respectively.)

To be conservative, we estimate that about half of that time – 25 minutes – dealt with issues that support Alaska tourism. These issues include the scenery, the history, the frontier image, the romance of the wilderness and wildlife, as well as the "rugged individualist nature" of the people who live in Alaska.

If the state purchased tourism advertising to reach this number and type of households for 25 minutes of exposure, the estimated cost would be \$1,750,000.

APPENDIX I
DETAILED TABLES

Table 1: Total Economic Impact

Alaska	Total Direct Impact				
	Income	Wages	Jobs	Industry	Profit
All Industries	\$5,045,000	\$1,516,114	53.75	\$822,335	\$302,700
Transportation	\$1,329,112	\$425,767	14.16	\$215,245	\$79,747
Lodging	\$678,824	\$98,624	7.83	\$143,248	\$52,729
Food/Beverage	\$678,824	\$101,793	8.20	\$152,558	\$52,729
Gifts/Souvenirs	\$619,814	\$390,283	22.68	\$123,849	\$49,189
Personal Expenses	\$138,083	\$65,736	3.95	\$47,626	\$8,285
Clothing	\$276,166	\$131,472	7.71	\$51,284	\$16,570
Miscellaneous Retail	\$153,569	\$73,108	4.29	\$55,762	\$9,214
Eldar Hostel	\$310,818	\$204,631	13.66	\$68,201	\$18,649
Total Direct Impact	\$9,830,211	\$3,282,920	152.50	\$1,577,922	\$713,435
Total Indirect Impact	\$4,243,724	\$1,357,992	448.14	\$691,727	\$303,031
Total Induced Impact	\$1,846,020	\$590,726	194.94	\$300,901	\$126,965
Total Impact	\$15,922,955	\$5,231,638	795.58	\$2,570,539	\$1,143,431
Estimated Multiplier Effect	1.62				

Table 2: City of Anchorage

Anchorage	Direct Impact				
	Income	Wages	Jobs	Industry	Profit
Stream 1: Institutional Expenditures (City of Anchorage Estimated Expenses)					
All Industries	\$45,000	\$14,415	0.48	\$7,335	\$2,700
Stream 2: Out-of-State Visitor Expenditures					
Transportation	\$638,717	\$204,807	6.80	\$104,111	\$38,323
Lodging	\$422,084	\$47,367	3.66	\$68,800	\$25,325
Food/Beverage	\$422,084	\$48,889	3.94	\$68,800	\$25,325
Gifts/Souvenirs	\$365,130	\$173,825	10.19	\$59,516	\$21,908
Personal Expenses	\$68,397	\$32,561	1.91	\$11,149	\$4,104
Clothing	\$136,794	\$65,122	3.82	\$22,297	\$8,208
Miscellaneous Retail	\$66,397	\$32,551	1.91	\$11,149	\$4,104
Elder Hostel	\$153,958	\$101,360	6.77	\$25,095	\$9,237
Total Stream 2	\$2,275,560	\$706,292	39.00	\$370,918	\$136,534
Stream 3: Local Resident Expenditures					
Transportation	\$443,554	\$142,088	4.73	\$72,293	\$26,613
Lodging	\$293,114	\$32,894	2.54	\$47,778	\$17,587
Food/Beverage	\$293,114	\$33,951	2.73	\$47,778	\$17,587
Gifts/Souvenirs	\$253,562	\$120,711	7.08	\$41,331	\$15,214
Personal Expenses	\$47,468	\$22,512	1.33	\$7,742	\$2,850
Clothing	\$94,966	\$45,224	2.55	\$15,484	\$5,700
Miscellaneous Retail	\$47,468	\$22,612	1.33	\$7,742	\$2,850
Elder Hostel	\$106,915	\$70,389	4.70	\$25,581	\$9,415
Total Stream 3	\$1,580,250	\$490,481	27.08	\$257,581	\$94,815
Total Direct	\$3,900,817	\$1,211,189	68.66	\$635,332	\$234,049
Indirect Impact	\$1,665,342	\$532,910	175.88	\$271,451	\$101,010
Induced Impact	\$724,424	\$231,816	76.50	\$118,081	\$42,322
Induced Impact	\$6,250,576	\$1,975,914	318.92	\$1,025,364	\$377,381

Table 3: City of Wasilla

Wasilla	Direct Impact				
	Income	Wages	Jobs	Industry	Profit
Stream 1: Institutional Expenditures (\$2,000,000 Trail Committee, \$3,000,000 Musher's Investment)					
All Industries	\$5,000,000	\$1,801,599	53.27	\$815,000	\$300,000
Stream 2: Out-of-State Visitor Expenditures					
Transportation	\$131,759	\$42,220	1.40	\$21,483	\$7,908
Lodging	\$87,097	\$9,774	0.76	\$14,197	\$5,228
Food/Beverage	\$87,097	\$10,088	0.81	\$14,197	\$5,228
Gifts/Souvenirs	\$75,344	\$35,869	2.10	\$12,281	\$4,521
Personal Expenses	\$14,114	\$6,719	0.39	\$2,301	\$847
Clothing	\$28,227	\$13,438	0.79	\$4,601	\$1,694
Miscellaneous Retail	\$14,114	\$6,719	0.39	\$2,301	\$847
Elder Hostel	\$31,769	\$20,916	1.40	\$5,178	\$1,906
Total Stream 2	\$469,560	\$145,743	8.05	\$78,538	\$28,174
Stream 3: Local Resident Expenditures					
Transportation	\$75,404	\$24,155	0.80	\$12,291	\$4,524
Lodging	\$49,829	\$5,592	0.43	\$8,122	\$2,990
Food/Beverage	\$49,829	\$5,772	0.46	\$8,122	\$2,990
Gifts/Souvenirs	\$43,106	\$20,521	1.20	\$7,026	\$2,586
Personal Expenses	\$9,075	\$3,844	0.23	\$1,318	\$484
Clothing	\$16,149	\$7,888	0.45	\$2,532	\$969
Miscellaneous Retail	\$8,075	\$3,844	0.23	\$1,316	\$484
Elder Hostel	\$18,176	\$11,956	0.80	\$2,963	\$1,091
Total Stream 3	\$268,643	\$83,382	4.60	\$43,789	\$16,119
Total Direct	\$5,738,203	\$1,830,824	68.92	\$936,327	\$344,292
Indirect Impact	\$2,491,527	\$797,289	263.11	\$406,119	\$101,010
Induced Impact	\$1,083,814	\$346,821	114.45	\$176,662	\$42,322
Total Impact	\$9,319,544	\$2,974,933	443.43	\$1,518,108	\$487,624

Table 4: City of Nome

Nome	Direct Impact				
	Income	Wages	Jobs	Industry	Profit
Stream 1: Institutional Expenditures					
All Industries	\$0	\$0	0.00	\$0	\$0
Stream 2: Out-of-State Visitor Expenditures					
Transportation	\$26,820	\$8,591	0.29	\$4,372	\$1,509
Lodging	\$18,220	\$2,046	0.16	\$2,971	\$1,094
Food/Beverage	\$18,220	\$2,112	0.17	\$2,971	\$1,094
Gifts/Souvenirs	\$75,324	\$35,869	2.10	\$12,281	\$4,521
Miscellaneous Retail	\$14,114	\$6,719	0.39	\$2,201	\$847
Total Stream 2	\$152,736	\$55,336	3.11	\$24,896	\$9,164
Stream 3: Local Resident Expenditures					
Transportation	\$12,819	\$4,106	0.14	\$2,089	\$769
Lodging	\$8,471	\$951	0.07	\$1,381	\$508
Food/Beverage	\$8,471	\$981	0.08	\$1,381	\$508
Gifts/Souvenirs	\$7,328	\$3,489	0.20	\$1,194	\$440
Miscellaneous Retail	\$1,373	\$653	0.04	\$224	\$82
Total Stream 3	\$38,461	\$10,180	0.53	\$6,269	\$2,308
Total Direct	\$191,198	\$65,516	3.54	\$31,165	\$11,472
Indirect Impact	\$86,854	\$27,793	9.17	\$14,157	\$4,922
Induced Impact	\$37,782	\$12,090	3.99	\$6,158	\$2,077
Total Impact	\$315,833	\$105,400	16.60	\$51,481	\$18,471

APPENDIX 2
METHODS

METHODS

MODEL DEVELOPMENT

The economic impact model used in this study is an adaptation of the Ad Hoc Model developed by Archer.⁵ The Ad Hoc Model concentrates on income generated in an area by initial travel expenditures. The model and its components are stated below.

$$I = f(j_i, Q_i, K_i) \times Y_i$$

I = total direct input

j = types of visitors

i = types of business outlets serving visitors

Q = proportion of total each type of visitors spends

K = proportion visitors spend in each type of outlet

Y = direct income generated per dollar by type of outlet

⁵"Tourism Multipliers, the State of the Art", Archer, B., University of Wales Press, Bangor, Wales, 1977

DISTRIBUTION OF EXPENDITURES

Multipliers were developed for each type of retail outlet included in the model. These ratio computations involved dividing sales, employment and payroll by retail sector in a borough. These ratios were used to estimate the induced and indirect effects of travel expenditures.⁶

Direct travel expenditure ratios were derived from the expenditure by retail outlet data provided in Alaska Visitor Statistics Program.⁷

THE MULTIPLIER EFFECT

The multiplier effect is a method of measurement that attempts to track subsequent expenditures resulting from an initial expenditure. If a person purchases a gift item in a local store for ten dollars, part of the purchase distributes to wages, taxes, profit and inventory replacement. The employee receiving the wage takes the money received minus taxes and makes a purchase at another store or stores. The owner buys new inventory, and the chain of events continues. Traditionally, this sequence of transactions is traced through three stages:

- Direct Impact estimates the effect of the initial inflow of money on the portion of the economy being studied. In travel and tourism related activities, direct expenditures normally aggregate to specific retail classifications such as hotels and motels, bars and restaurants, gift shops and clothing, taxi and bus services, tours and antique shops.

⁶All income, expenditure wages and employment data for Alaska and Anchorage were obtained from the MAX Evaluation System of National Planning Data Services.

⁷Alaska Visitor Statistics Program II, Department of Commerce & Economic Development, Alaska Division of Tourism, 1991

- Indirect Impact measures the effect of subsequent expenditures on the portion of the economy being studied. Indirect expenditures tend to reflect the buying patterns of the resident population and the business community.
- Induced Impact measures the effect of later or "third round" expenditures on the portion of the economy being studied. Induced expenditures tend to reflect the buying patterns of the resident population and the business community.

INCOME STREAMS

Three income streams were identified during the study. Each of these classifications constituted a distinct source of income as related to the revenues generated by the Iditarod Sled Dog Race. The three streams identified were:

- **Institutional Expenditures** are expenditures by the Trail Committee, the Musher Investments and the City of Anchorage in promoting and providing public safety for the event.
- **Local Resident Expenditures** are expenditures by Alaska residents.
- **Out-of-State Visitor Expenditures** are expenditures by persons from the lower United States and abroad.

INCOME DISTRIBUTION

Local resident and visitor expenditures were distributed to the major retail categories directly affected by travel expenditures, transportation, lodging, food and beverage, gifts, personal expenses, clothing, elder hostel and miscellaneous retail.⁸

Institutional Expenditures were distributed against the total economy or all industries because of the non-travel related nature of these expenditures. Due to the large number of classifications in this category and the relatively small sums of money involved, no breakdown to individual classifications was attempted.

The expenditures were distributed against the following major categories.

⁸ Distribution ratios were adapted from the Alaska Visitor Statistics Program.

- **Income:** The total dollar amounts expended in each of the three revenue streams.
- **Wages:** The estimated salaries and wages paid to workers as result of the direct, indirect and induced impacts.
- **Jobs:** The estimated full time equivalent jobs supported by the levels of direct indirect and induced impacts.
- **Industry:** The estimated levels of expenditures between businesses as result of the direct, indirect and induced impacts.
- **Profits:** The estimated percentage of revenues retained by owners of the establishments affected.

ASSUMPTIONS

Attendance: Data taken from the AVSP indicated that 16% of the fall, winter, spring visitors to the South Central Region came to attend dog sled race activities. The report estimated this number as 6,880 persons. The report also indicated that there has been no noticeable increase in travel during this season since 1985. The estimated number of out-of-state visitors was held constant therefore at 6,880. Officials in the city of Anchorage estimated total attendance at 10,000-15,000 persons, approximately 60% of whom were local residents.⁹ Assuming 6,880 out-of-state visitors constituted 40% of the total number of attendees, the estimated total attendance is 17,200 persons.

Expenditures: Expenditure estimates were based upon average expenditure data provided in the Alaska Visitors Statistics Program. Lodging, clothing, personal expenses and elder hostel classifications were deleted in computing local resident expenditures.

Profit: Profit estimates are held constant at six percent.

State Revenues: The average corporate tax is estimated to be 8% of profit. The beverage tax is estimated at 3%.

⁹Telephone interviews conducted by Gilmore Research Group with city officials of Anchorage, Nome and Wasilla, October 1992.

AURORA INTERNATIONAL
SLED DOG DEBRY INCORPORATED

P. O. Box 620681

Big Lake, Alaska 99662

Phone (907) 992-6251

Fax (907) 992-6446

February 10, 1995

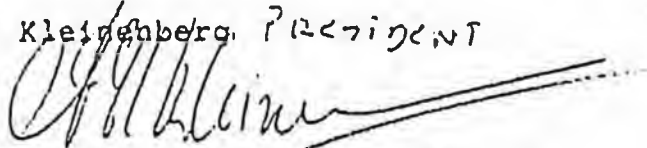
Senator Lyda Green
Juneau
Alaska

Dear Senator Green,

This letter is in support of Senate Bill number 66, providing for Sled Dog Race Classics.

Sincerely,

Burt Kleinberg, President



cc; Representative Beverly Masek
Representative Richard Foster

000t00

TEL No.



BIG LAKE
CHAMBER OF COMMERCE

February 9, 1995

Senator Lyda Green
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear Senator Green,

This is a letter of support for SB 66 from the Chamber of Commerce of Big Lake, Alaska.

The bill advocating the use of a permit to allow a qualified organization to hold sled-dog race classics has merit in providing an avenue for the Alaska State Sport of Sled Dog Racing to be more self-supporting and less dependent upon sponsorships. This provision for sled dog race classics would also promote public participation on a state wide scale.

By this letter, be it known, the Chamber of Commerce of Big Lake, Alaska supports SB 66.

Sincerely,

James B. Leach, President



February 10, 1995

Senator Lyda Green
Juneau
Alaska

Dear Senator Green,

This letter is in support of Senate Bill number 66, providing for Sled Dog Race Classics.

Sincerely,

Nancy J. Wright
Secretary
Alaska-Chukotka Great Race, Inc.
(Hope Friendship Run)

cc; Representative Beverly Masek
Representative Richard Foster

The International-Intercontinental Sled Dog Race
3400 Wolverine Drive
Wasilla, Alaska 99654
Phone/Fax (907) 376-0301



HOUSTON CHAMBER of COMMERCE

February 7, 1995

Lyda Green
Senator
State Capitol
Juneau, Alaska 99801-1182

Dear Senator Green;

The Houston Chamber of Commerce supports Senate Bill 66 "An Act relating to sled dog classics. The Iditarod is truly an event that benefits all Alaskans by bringing a positive economic impact through tourism and increased general business.

We believe that allowing the Iditarod Trail Committee to conduct an Iditarod Sweepstakes would return control of Alaska's last great race to Alaskans.

Sincerely,

Elsie O'Bryan
President

CITY OF PALMER



231 W EVERGREEN AVE
PALMER, ALASKA 99645

Phone (907) 745-3271

A HOME RULE CITY

February 9, 1995

Senator Lyda Green
Alaska State Senate
Juneau, Alaska

ATTN: Brett Huber

Dear Brett,

Per our discussion today this letter is to advise you that the Palmer City Council has on its 2/14/95 agenda a Resolution in support of Senate Bill #66 a bill relating to "sled dog classics." Thank you for your ongoing assistance in State related matters.

Sincerely,

Thomas C. Smith
City Manager
City of Palmer

TCS/cac



GREATER PALMER CHAMBER OF COMMERCE

RESOLUTION #95-01

A RESOLUTION OF THE GREATER PALMER CHAMBER OF COMMERCE IN SUPPORT OF
SB 66 "AN ACT RELATING TO DOG SLED CLASSICS"

WHEREAS, The Iditarod Trail is a national historic trail, and

WHEREAS, The Iditarod Trail Sled Dog Race, "The Last Great Race", is held annually to
commemorate the historic importance of the Iditarod Trail, and

WHEREAS, The Iditarod Trail Sled Dog Race provides awareness of the use of dog teams
as a standard mode of transportation in historic Alaska, and

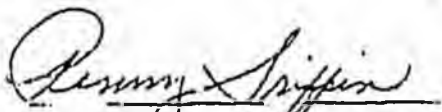
WHEREAS, The Iditarod Trail Sled Dog Race is an uniquely Alaskan event that serves to
highlight our vast land, our history, and our enduring Alaskan spirit, and

WHEREAS, The Iditarod Trail Sled Dog Race attracts far-reaching media coverage which
serves to enhance the visibility of our State and aids in our ability to attract increased tourism, and

WHEREAS, The Iditarod Sweepstakes would help to provide financial stability for the race
by allowing the grass-roots participation of the public,

NOW THEREFORE, BE IT RESOLVED that the Greater Palmer Chamber of Commerce urges
passage of SB 66 "An Act Relating to Dog Sled Classics"

ADOPTED by the membership of the Greater Palmer Chamber of Commerce on February 8, 1995.


Penny Griffin
President



Greater
Wasilla
Chamber of Commerce

Wasilla . . . "Home of the Iditarod"

1201 Parks Highway • Suite C 13 • Cottonwood Creek Trail • Wasilla, Alaska 99654 • Telephone (907) 376-1299 • Fax (907) 373-2560

February 10, 1995

Senator Lyda Green
Alaska State Legislature
State Capitol
Juneau, Alaska 99801

Dear Senator Green:

Thank you for your letter of February 9 concerning SB-66 relating to sled dog race classics.


Your aide Bret Huber called advising us of the extremely short time to comment. I can only reply with a letter, rather than a resolution, as such a document would require more time than available and a meeting of our Board.

Alternately, I am pleased to offer my support of your bill. It will enable sled dog racing a broader means of support rather than dependence on "outside" sources of support to the extent now required. Additionally, this broadened base of in-state support will mean decisions about the race will better reflect the needs of the race rather than the sensitivities of organizations in the lower 48.

I commend you for your assistance to the Iditarod Trail Committee as well as an Alaskan tradition.

Sincerely,

GREATER WASILLA CHAMBER OF


M. James Messick, President

HJM/jr

Presented by:
Mayor Handeland
Action Taken:
Yes o No o

CITY OF NOME, ALASKA
RESOLUTION NO. R-95-2-6

**A RESOLUTION SUPPORTING STATE LEGISLATION TO
ESTABLISH "SLED DOG RACE CLASSICS"
TO ALLOW FOR THE "IDITAROD SWEEPSTAKES"**

WHEREAS, the official sport of the State of Alaska is dog mushing; and,

WHEREAS, the Iditarod Trail Sled Dog Race is the premier sled dog race in the state; and,

WHEREAS, campaigns by animal rights organizations protesting sled dog racing has resulted in national sponsors withdrawing their support for the Iditarod; and,

WHEREAS, in order for the Iditarod to continue as a world-class event drawing tourists to Alaska on a year-round basis, a source of funding isolated from the influence of "outside" special interest groups must be developed; and,

WHEREAS, Alaskan corporations, municipalities, and individuals have come forward in the interim to ensure the continued viability of the Iditarod as the Iditarod works to secure other methods of financing the annual Race and year-round tourism promotional activities; and,

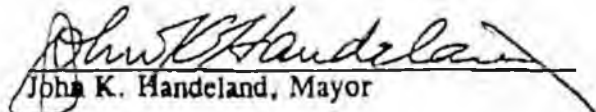
WHEREAS, State law provides for the operation of various classics as a method of funding for commendable community activities, including ice classics, rain classics, goose classics, mercury classics, canned salmon classics, salmon classics, and king salmon classics; and,

WHEREAS, the Iditarod Trail Committee Board of Directors has determined that the establishment of a "sled dog classic" to be known as the "Iditarod Sweepstakes" would provide a method of funding for the future; and,

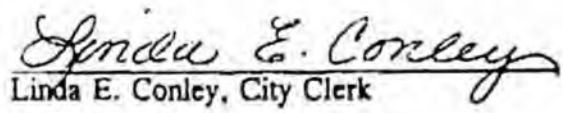
WHEREAS, action by the Legislature is required to authorize "sled dog race classics";

NOW, THEREFORE, BE IT RESOLVED by the Nome Common Council that we request the Legislature to pass enabling legislation to authorize operation of the Iditarod Sweepstakes as a game of chance under a provision for "sled dog race classics".

APPROVED and SIGNED this 8th day of February, 1995.


John K. Handeland, Mayor

ATTEST


Linda E. Conley, City Clerk