

HB

359

HFIN

FILE

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Letter of Intent

The Legislature acknowledges that tourism bookings in Alaska are well below the forecasts prior to the terrorist attack on America September 11, 2001. Surveys show that actual bookings are 30 % to 40% below normal. It is the intent of the Legislature that the appropriation made by House Bill 359 be focused at increasing tourism in Alaska in 2002.

The Legislature expects that the Alaska Tourism Industry Association will report back to the Legislature during the FY 2001 and FY 2004 budget deliberations. That report should include measures that indicate the results of the advertising supported by this legislation.

Handwritten signature of Rep. Bill Williams.

Rep. Bill Williams
Co-Chair

Handwritten signature of Rep. Eldon Mulder.

Rep. Eldon Mulder
Co-Chair

January 30, 2002

Failed
3-8

Amendment

OFFERED IN HOUSE FINANCE COMMITTEE
TO: HB 359

BY: REP. ERIC CROFT

Page 1, line 10

1) Add a new section to read:

Section 2. The sum of \$6,000,000 is appropriated from the general fund to the Department of Community and Economic Development, Alaska Seafood Marketing Institute, for the fiscal year ending June 30, 2003, for generic salmon marketing

2) Renumber sections accordingly.

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HOUSE BILL 359

**Appropriation to Tourism
Marketing Efforts**

House Bill 359 appropriates \$6,000,000, in emergency funding, to the Alaska Travel Industry Association for additional tourism marketing efforts. The focus of the new and expanded tourism advertising will be to mitigate the effects on the Alaska tourism from the September 11, 2002, terrorist attacks on the United States.

Reduced numbers of visitors to Alaska in the 2002 season will have a significant effect on Alaska's economy, specifically the likely reduction in employment and revenues. Tourism is a major part of our economy, employing thousands of Alaskans. The seasonal nature particularly assists our young people earn money toward their college educations. This is only a part of the benefit. Tourism also provides a substantial number of year-around jobs.

The terrorist attack in September has caused many Americans to believe that they will be at risk with any travel. This measure will provide funds necessary to advertise that Alaska is a safe, affordable and welcoming tourist destination.

HB 359 is an investment in an industry that contributes heavily to Alaska's economy. It will assist many small businesses that are being harmed by an action well beyond their control.

HOUSE BILL NO. 359

IN THE LEGISLATURE OF THE STATE OF ALASKA
 TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Introduced: 1/25/02

Referred: Finance

Funding Information:	General Fund	\$ 6,000,000
	Other Funds	-0-
	Total	\$ 6,000,000

A BILL

FOR AN ACT ENTITLED

1 "An Act making a supplemental appropriation for tourism marketing efforts; and
 2 providing for an effective date."

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

4 * Section 1. TOURISM MARKETING. The sum of \$6,000,000 is appropriated from the
 5 general fund to the Department of Community and Economic Development for the fiscal
 6 years ending June 30, 2002, and June 30, 2003, for payment as a grant under AS 37.05.316 to
 7 the Alaska Travel Industry Association for additional tourism marketing efforts to mitigate
 8 the economic effects on the Alaska tourism industry from the September 11, 2001, terrorist
 9 attacks.

10 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).



Alaska State Legislature

Please enter into the record my testimony to the **House Finance Committee** on
HB 359 Supplemental Appropriation: Tourism Marketing, dated **January 30, 2002**

I am appalled the Governor has proposed legislation that would give our rapidly declining oil taxes and royalty income to tourism or any other private business. This type of legislation is irresponsible when we face continued deficit spending with no real solution coming from the leadership.

The major players currently promoting this legislation, and past spending bills for tourism, are based in England, Holland, or somewhere in the lower 48. These multi-national corporations have representatives, public relations firms, ad agencies, and paid lobbyist to convince us they are Alaskans, and purely have our interest at heart. If these companies were really Alaskan, they would know we are facing a massive deficit budget situation. Since Alaska is merely considered a "colony" by them, any tax burden put on the ordinary citizens to pay for this kind of special interest legislation, is of no real consequence to them.

Because these major corporations are from outside the State of Alaska, or even the country, the bulk of all profits from this industry go south with them each fall. They leave in their wake water and air pollution, roads and bridges crushed under the weight of sightseeing coaches, piles of garbage and sewage for us to deal with, and burdens on our limited fish and game resources. If oil companies had received the same terms for doing business in Alaska there wouldn't be ANY money in the state coffers and certainly no permanent fund to raid.

Signed: Mike McBride

Testifier

Self

Representing (optional)

P. O. Box 6 Kenai, Alaska 99611-0006

Address

(907) 776-5444

Phone number

McBride testimony to HFIN on HB 359 dated 1-30-02 (continued)

The tourism industry has historically gone out of its way to avoid paying taxes, user fees, or royalties of any kind. In the past, individual communities have tried imposing user fees to cover expenses, and found themselves "blackballed". Make no mistake about it; these people wield a tremendous amount of power when it comes to who gets patronized, and who does not. Corporations with that much power should pay for their own marketing campaign, and leave our limited resources for more important ALASKAN issues.

Do not come to me asking for new taxes until this industry is sent a large and EQUITABLE bill for the privilege of selling the grandeur of Alaska. Tourists pay taxes and user fees everywhere BUT Alaska. Anyone who has traveled knows this is true. Arguments that taxes will hurt business are nothing more than scare tactics to avoid paying their fair share.

There are a lot of us out here who see what is really going on. We are long past due putting the brakes on government spending. Our legislature must cut giveaway programs to special interests groups and private industry. If there are any excess funds available, they should be set aside to ensure we have strong public schools systems, good road maintenance, and top of the line public health and safety programs.

My neighbors and I urge you to vote NO on the proposed funding of tourism marketing. Shame on the Governor for even suggesting it!