

ALASKA STATE LEGISLATURE

Session

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House Finance Committee

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Dept. of Administration
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REPRESENTATIVE JASON GRENN

SPONSOR STATEMENT

House Bill 383 ver O

Travel Alaska Act

House Bill 383, the Travel Alaska Act, is a collaboration between the private tourism industry and State of Alaska in support of statewide destination marketing.

Based on a Tourism Improvement District (TID) model found in over 160 jurisdictions across the United States, House Bill 383 would establish a Travel Alaska Board with the authority to manage a new funding mechanism through which the industry may assess themselves to generate revenue. HB 383 would authorize the Department of Revenue to assist the Travel Alaska Board with the assessment process, create an Alaska tourism marketing fund, and manage the capitalization and expenditures of the fund.

A bright spot for Alaska's economy, the tourism industry is currently Alaska's second largest private sector employer, and research suggests that every dollar spent on tourism marketing results in \$58 in visitor spending, \$21 in income for local residents, and \$2.84 in state and local taxes. Adequate funding for effective tourism marketing is critical to the continued health of the industry and keeping Alaska competitive among other domestic or international destinations.

Due to Alaska's recent fiscal challenges, state funding in support of tourism marketing in Alaska has declined significantly, from \$16 million in FY14 to just \$1.5 million in FY17. The Alaska State Legislature included intent language in the FY17 budget calling on the tourism industry to create a self-sustaining program funded by tourism businesses, similar to the Alaska Seafood Marketing Institute structure. In anticipation of this shift, the Division of Legislative Audit has recommended the Alaska Tourism Marketing Board sunset on June 30, 2018.

Now more than ever, the State of Alaska needs an innovative solution to address the lack of funding for tourism marketing. HB 383 bridges the gap between tourism businesses and the State of Alaska, offering enabling legislation to strengthen the long-term sustainability of one of Alaska's most important industries.

I urge your support of House Bill 383.