February 6, 1997

BILL ANALYSIS

TO: Members, Committee on Trade and Economic Development

FROM: Kenny Pittman, Research Analyst (786-7392)

.RE: HB 1335 - Creating a task force on tourism promotion and development.

BACKGROUND:

Tourism is one of Washington's major industries. Travel-related spending by out-of-state visitors and Washington residents traveling within the state totaled over \$7.5 billion in 1994, providing employment for over 96,000 people. Tourism and travel-related spending generated \$411.7 million in state tax revenue and \$104.9 million in local tax revenue in 1994. Of the more than 26,000 businesses in Washington that make up the travel industry, 93.8 percent are considered small businesses with fewer than 50 employees.

The Washington Department of Community, Trade, and Economic Development, through the Washington Tourism Office, works with the travel industry to increase tourism in the state. The state's core strategy is to increase off-season travel and travel to under visited, largely rural areas of the state by stimulating demand and helping businesses and communities take advantage of that increased demand.

The tourism and travel-related services provided by the Washington Tourism Office includes an advertising campaign designed to stimulate consumer demand and new spending, a tourism public relations program designed to promote off-season travel opportunities, a travel trade marketing program to help tour operators develop and market Washington, and a product development program to give tourism businesses in targeted rural communities help in marketing their area.

SUMMARY:

The Task Force on Tourism Promotion and Marketing (Task Force) is created. The Task Force is created to study tourism promotion and issues related to the establishment of a private commission to market Washington state and its tourism advantage.

The Task Force consist of 16-members with representation from public and private sector organizations involved in travel and tourism that includes four members of the Legislature and nine private sector representatives of the travel and tourism industry. The ex officio members include the Director of the Washington Tourism Office, the Director of the State Parks and Recreation Commission, and a representative from the Washington Attorney General's Office.

The Governor must appoint the private sector representatives based on recommendations from the private sector organizations. The Speaker of the House must appoint the members from the House of Representatives and the Lieutenant Governor must appoint the members from the Senate. The Task Force may create working groups to focus on specific issues in the tourism industry. The Task Force members will be reimbursed for travel expenses.

The Task Force, or its working group, is authorized to study tourism promotion and related issues. The Task Force's proposal must include: (1) An evaluation of existing state laws, policies, and programs that promote or affect state tourism marketing; (2) An analysis of the level of state interdepartmental cooperation needed for tourism promotion; (3) A clear determination of the economic impact of an aggressive state-wide tourism marketing program; (4) The development of a legislatively established private state-wide tourism commission; (5) A proposal for private sector funding of the state-wide tourism commission; and (6) The commission's procedure to develop a state-wide marketing plan.

The Task Force must report to the Legislature by January 31, 1998 on its findings and recommendations. The Task Force expires June 30, 1998.

The Department of Community, Trade, and Economic Development must provide necessary staff support to the Task Force.

Appropriation: None.

Fiscal Note: Not Requested.

<u>Effective Date:</u> Ninety days after adjournment of session in which bill is passed.