

Date of Hearing: May 3, 2016

ASSEMBLY COMMITTEE ON ARTS, ENTERTAINMENT, SPORTS, TOURISM, AND
INTERNET MEDIA

Kansen Chu, Chair

ACR 166 (Chu) – As Introduced April 12, 2016

SUBJECT: California Travel and Tourism Month.

SUMMARY: This measure would proclaim the month of May 2016, and every May thereafter, as California Travel and Tourism Month to celebrate the leadership of California's tourism industry in growing California's economy and improving the quality of life for all Californians. Specifically, **this Resolution** makes the following findings and declarations:

- 1) Travel and tourism is an impressive engine for economic growth and well-being in California as the state welcomes millions of travelers each year to fulfill their California dream, offering diverse experiences, including legendary natural wonders, world-class attractions, and unparalleled opportunities for recreation and learning.
- 2) Travel is a significant pillar of California's economy and is its second largest export industry; injecting \$121.2 billion in direct annual spending that generates critical tax revenue that the state and local economies need to thrive.
- 3) California's travel and tourism industry created Visit California as a public-private partnership in 1998 as a global platform to market the California dream and attract visitors from across the United States and international markets.
- 4) Tourism, which supports over one million California jobs, is one of the few industries that is significant in all parts of California, from urban to rural, and is an important hedge against economic downturn and labor market changes because jobs in the industry are largely hands-on and cannot be moved overseas or replaced by technology.
- 5) Californians benefit from quality tourism job and career pathways, as the industry is a leading provider of employment for individuals looking to work while attending school or raising a family and also provides a diverse array of opportunities at entry, intermediate, and executive level positions.
- 6) The industry continues to show leadership by implementing innovative strategies to encourage environmental conservation and sustainability by reducing water use, investing in energy efficient equipment, training staff on best sustainability practices, and educating visitors on the need to protect the California environment during their stay.
- 7) Recognizes that tourism serves an important cultural purpose by bringing individuals from around the world together to foster an important exchange of customs, traditions, and ideas and promote acceptance and understanding.
- 8) Proclaims the month of May 2016, and every May thereafter, as California Travel and Tourism Month to celebrate the leadership of California's tourism industry in growing California's economy and improving the quality of life for all Californians.

FISCAL EFFECT: None. The Legislative Counsel has keyed this Resolution non-fiscal.

COMMENTS:

Author's statement and support. According to the author, "The multi-billion dollar travel industry in California is a vital part of the state and local economies. The industry is represented primarily by retail and service firms, including lodging establishments, restaurants, retail stores, gasoline service stations, and other types of businesses that sell their products and services to travelers. The money that visitors spend on various goods and services while in California produces business receipts at these firms, which in turn employ California residents and pay their wages and salaries. State and local government units benefit from travel as well. The state government collects taxes on the gross receipts of businesses operating in the state, as well as sales and use taxes levied on the sale of goods and services to travelers. Local governments also collect sales and use taxes generated from traveler purchases."

This resolution is sponsored by Visit California, which provides the following information on their webpage (visitcalifornia.com), "Visit California (also known as the California Travel & Tourism Commission) is a non-profit organization with a mission to develop and maintain marketing programs – in partnership with the state's travel industry – that keep California top-of-mind as a premier travel destination. According to a recent Visit California study, travel and tourism expenditures totaled \$121.2 billion in 2015 in California, supporting jobs for 1,058,000 Californians and generating \$9.7 billion in state and local tax revenues..."

"California is a place like no other, a land of abundance and opportunity—where residents and visitors alike can experience life to the fullest. This is what distinguishes California from other destinations... The best and the brightest industry leaders provided invaluable assistance in creating a marketing plan that will fortify the California brand and capitalize on emerging opportunities. California's travel and tourism industry is operating in a new landscape—driven by sustained economic challenges, evolving demographics, emerging technology and shifts in consumer travel patterns. We see this as an opportunity to strategically market California in a way that is responsive, creative and forward-thinking. The 2011–2016 Strategic Marketing Plan is our roadmap for getting there.

"With the time and creativity invested by the Commission's Strategic Planning Task Force in this plan, California's travel and tourism industry is well positioned to ensure that the Golden State remains the premier travel destination—generating revenues that will continue to contribute to the vitality of California."

Background: Visit California. The Tourism Act grew out of efforts to reverse a multi-year decline in California's tourism industry. During the 1970s, Governor Brown closed the Office of Tourism and withdrew funding from many tourism promotion efforts. During Governor Deukmejian's tenure, the Office of Tourism was reactivated. In February 1993, Governor Wilson created the Governor's Task Force on Tourism Funding (Executive Order W-41-93) for the purpose of "investigating various tourism funding methods and making policy recommendations regarding a new, "non-tax" method of providing stable financing for statewide tourism promotion." The Task Force, which was composed of representatives from various California businesses, developed the concept that was ultimately enacted by SB 256 (Johnston, Chapter 871, Statutes of 1995) as the California Tourism Marketing Act.

The Tourism Act authorized the establishment of a non-profit, public benefit corporation, Visit California, to oversee the promotion of California as a premier travel destination. The statute became operative upon industrywide approval in 1997 and the assessment program was initiated in 1998. In 2001, the program was renewed by industry referendum with an 84% margin, while in 2007 it was renewed by a 91% margin. The first full year of assessment funding occurred during Fiscal Year 1998-1999 and between 1998 to 2002, the marketing budget was fully funded by the Commission and the state at approximately \$14 million annually.

Visit California is comprised of 37 Commission members, representing each industry segment (Accommodations, Restaurants and Retail, Attractions and Recreation, Transportation and Travel Services, and Passenger Car Rental). The Commission meets three times a year and directs and approves the marketing plan, expenditures and the overall strategic course for California tourism. The assessment program is administered by the Office of Tourism, Tourism Assessment Program which is housed in GO-Biz.

REGISTERED SUPPORT / OPPOSITION:**Support**

California Chamber of Commerce
California Travel Association
Visit California (Sponsor)

Opposition

There is no opposition on file.

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