

Date of Hearing: May 3, 2022

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

Tasha Boerner Horvath, Chair

ACR 174 (Boerner Horvath) – As Introduced April 6, 2022

**SUBJECT:** California Tourism Month

**SUMMARY:** This measure proclaims May 2022 as California Tourism Month and urges Californians to support tourism and local businesses by traveling in state as an act of civic pride.

Specifically, **this resolution** makes the following findings and declarations:

1. Tourism has been a consistent driver of California's economy and workforce.
2. A robust travel industry provides significant economic benefits for California, generating more than \$144 billion dollars in visitor spending in 2019.
3. Travel has been the foundation of a healthy workforce, serving as one of the largest private-sector employers in California, supporting 1.2 million jobs in 2019.
4. Spending by travelers benefits all Californians, generating \$12.2 billion dollars in state and local tax revenue in 2019 to support essential public services and programs.
5. Travel and tourism-dependent businesses and organizations, 83 percent of which are small businesses, are responsible for welcoming visitors from all around the world to explore California and all our state has to offer.
6. The COVID-19 pandemic devastated every sector of the travel industry with staggering economic impacts, affecting every community in California.
7. California lost \$79.8 billion dollars in visitor spending in 2020, a 55-percent decline from the previous year, and \$6.1 billion dollars in tax revenues, a 50-percent drop.
8. Nearly one million Californians working in travel and hospitality lost their jobs in the first month of the pandemic, and the employment sector remains by far the hardest hit in California.
9. The tourism sector began its recovery in 2021 but remains well short of 2019 levels in employment, visitor spending, and taxes generated.
10. California's iconic tourism gateway cities—Los Angeles, San Diego, San Francisco, and cities within the County of Orange—have been particularly hard hit with the downturn in international visitors and convention business.

11. The travel industry cannot fully recover without the full return of leisure and business travel, as well as meetings and events, by both domestic and international visitors.
12. The rebound of travel will drive the rebuilding of California's economy and workforce.
13. Californians can help put their fellow Californians back to work and support the recovery of local businesses by traveling in California.
14. Proclaims May, 2022 as California Tourism Month, and urges the state's citizens to support tourism and local businesses by traveling in state as an act of civic pride.

**FISCAL EFFECT:** This bill has been keyed non-fiscal by the Legislative Counsel

**COMMENTS:**

*History of California Travel and Tourism Month:* Back in 2016, when tourism had been especially robust in California, former Assemblymember Kansen Chu authored ACR 166 creating an ongoing California Travel and Tourism Month starting May 2016 and continuing every May thereafter. In 2020, the COVID-19 pandemic hit and the public was asked to stay at home throughout the nation and the world. In 2021, Senator Umberg re-started the tradition by authoring SCR 46, which declared May 2021 Tourism and Travel Month.

*California Travel Was Down Nearly 60% in 2020:* As the [Visit California blog details](#), the coronavirus pandemic ravaged California's travel and hospitality economy in 2020 even worse than projected, erasing \$85.9 billion in visitor spending and \$6.1 billion in travel-related tax collections.

Both measurements, reported as part of the annual tourism economic impact report prepared by Dean Runyan Associates, represent significant declines from 2019, when visitors spent \$144.9 billion and state and local governments collected \$12.2 billion in tax revenue.

- Nearly half of the 1.2 million tourism employees at hotels, theme parks, rental car and bus companies, restaurants and retail shops lost their jobs.
- The job losses include tens of thousands of entry- and mid-level employees just starting their careers and beginning to move up the ladder.
- More than one-third of the jobs lost in California in 2020 were in the travel and hospitality sector.
- Tourism losses – particularly job losses – have affected California's urban centers more than outdoor destinations.
- With vaccines increasing and caseloads dropping, California's travel industry is hopeful recovery comes quickly. But visitor spending may not return to 2019 levels until 2024 or 2025.

The pandemic-related decline came after a record 10 years of growth, culminating in 2019, when:

- Visitors spent \$144.9 billion in 2019, a 3.2% increase over 2018.
- The number of travel and tourism jobs increased to 1.2 million, adding 20,000 jobs. Tourism job growth in California averaged 3.2% a year for the past decade.
- Travel-generated tax revenue also grew for the 10th straight year, providing \$12.2 billion to state and local governments, a 3.4% increase over 2018. Revenue from tourism saved each California household \$920 a year.

*2021 Brought a Partial Rebound. In 2021, California saw:*

- \$100.2 billion in visitor spending, 69% of the pre-pandemic high of 2019.
- \$5.4 billion in international spending, down from \$28 billion in 2019.
- 928,000 travel, tourism and hospitality jobs, a 21.2% decrease in employment from 2019.
- \$9.8 billion generated in state and local tax revenue, down from \$12.2 billion in 2019.

*Historically, Travel and Tourism Bounce Back Quicker than Other Segments of the Economy:*

It took two years less time for the travel industry to recover from the Great Recession of 2008 compared to the rest of the economy:

- From 2010 to 2016, travel employment grew by 17%, versus 13% for the rest of the private sector. As a result, the travel industry generated 9% of all new jobs in the United States during this period.
- During the Great Recession, overall California employment fell 8.6% between 2008 and 2010, while tourism jobs dipped only 5.6%.

*Author's statement and support:*

Travel and tourism are two of California's most vital engines for economic growth. Every day before the pandemic of 2020, travelers injected hundreds of millions of dollars into communities statewide, infusing \$144.9 billion in to the state's economy in 2019. This spending generated \$12.2 billion in local and state tax revenue and supported 1.2 million jobs for Californians.

Travel industry employment decreased by 26.8 percent in 2020, a loss of approximately 316,000 jobs. The Leisure and Hospitality industry lost 282,000 representing 89 percent of the jobs lost.

The travel industry cannot recover without the full return of leisure and business travel, as well as meetings and events, by both domestic and international visitors. The rebound of travel will drive the rebuilding of California's economy and workforce.

Aligning with U.S. Travel's National Travel and Tourism Week, Visit California and its in-state tourism partners will leverage California Tourism Month to recognize the future of travel hinges on our collective resiliency and resolve to create a more efficient, innovative and sustainable industry.

*Prior Legislation:*

- 1) ACR 166 (Chu), Resolution Chapter 58, 2016, proclaimed the month of May 2016, and every May thereafter, as California Travel and Tourism Month.
- 2) SCR 46 (Umberg), Resolution Chapter 91, 2021, proclaimed May 2022 California Travel and Tourism Month.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

California Travel Association (Sponsor)

**Opposition**

None on file

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