

**MINUTES OF THE
WORKFORCE SERVICES AND COMMUNITY AND
ECONOMIC DEVELOPMENT INTERIM COMMITTEE**

June 20, 2001 – 10:00 a.m. – Room 223 State Capitol

Members Present:

Rep. Richard M. Siddoway,
House Chair
Sen. Scott Jenkins
Rep. Jeff Alexander
Rep. Sheryl L. Allen
Rep. Cindy Beshear
Rep. Carl Duckworth
Rep. Brent Goodfellow
Rep. David Litvack
Rep. Merlynn T. Newbold
Rep. Carl R. Saunders
Rep. Peggy Wallace
Rep. Bradley A. Winn

Members Excused:

Sen. Beverly A. Evans,
Senate Chair
Sen. Paula Julander
Rep. J. Morgan Philpot

Members Absent:

President Al Mansell
Sen. Steve Poulton
Speaker Martin R. Stephens

Staff Present:

Mr. J. Wayne Lewis,
Research Analyst
Mr. James L. Wilson,
Associate General Counsel
Ms. Jennifer Markham,
Legislative Secretary

Note: Names of others present and copies of information distributed at the meeting are on file in the Office of Legislative Research and General Counsel.

1. Call to Order

Chair Siddoway called the meeting to order at 10:02 a.m.

Chair Siddoway announced Mr. J. Wayne Lewis' retirement effective June 30, 2001 and introduced Ms. Jami Momberger, who will replace Mr. Lewis as staff analyst to the committee.

2. Tourism Promotion in Utah - Audit Recommendations Discussion

Rep. Sheryl Allen discussed the tourism audit and those recommendations implemented in H.B. 107 in the 2001 General Session. She believes that Utah differs from many other states because the restaurant tax remains exclusively with each county for its sole use. In order to provide an accountability measure to the counties, Rep. Allen felt that the legislature should receive a financial report of expenditures funded by tourism revenue. In doing so, the legislature may assess whether counties are spending these tax dollars on intended tourism promotion.

Mr. Dean Reeder, Director, Division of Travel Development, discussed county, state, and tourism industry communications. He believed that tourism marketing cooperation is difficult

because of administrative costs, media costs, inconsistent budget cycles, and some inherent communication gaps. He distributed the following materials to the committee: "Mission Statement," "What Makes Utah Unique?" "2000 Utah Tourism at a Glance," "Communication Between the Division of Travel Development and Utah's Counties," "Limiting Factors to State and County Marketing Cooperation," "Travel & Tourism – Economic Impacts, 2000," "Western State Tourism Office Budgets and State Tourism Office Funding Growth" graphs, "Utah Division of Travel Development Budget" and "Total Potential Tourism Promotion Funding in Utah" graphs, "Depreciation of Advertising Dollars," "Utah Division of Travel Development," "Tourism Tax Comparisons," and "State Travel Office Funding Alternatives."

Committee discussion followed.

Mr. Kip Pitou, President of Ski Utah and the Utah Ski Association and representative of the Utah Travel and Tourism Coalition, emphasized the need for the state and counties to work together to market tourism and position Utah as a ski state. Use of performance market funding could enhance this opportunity. Mr. Pitou said the ski industry and hotel association had formed a partnership called 2002 Celebration which is the single largest tourism promotion ever done in Utah. The state is providing vital funding for this promotion and Mr. Pitou felt that additional similar programs are needed. The number of destination skier days has increased in Utah over the past several years. Mr. Pitou identified key funding issues and stressed the need to capitalize on the world wide promotion of the Olympics.

Mr. Des Barker, Park City Chamber of Commerce Convention and Visitors Bureau, described Park City's marketing efforts and the correlation of these methods to increase tourism dollars. He also distributed "Tourism Grows the State General Fund with Quick Clean New Dollars," to committee members.

Mr. Carl Little, Salt Lake Convention and Visitors Bureau, summarized the bureau's expenditures for the year 2000. Discussed the number of average days spent at a convention by attendees and stated that Utah typically exceeds the national average. Extra day's expenditures per traveler are typically \$350.00. He said there were 600,000 room nights in 2000 and income from those rooms put \$380 million into the economy.

Mr. J. Wayne Lewis, Research Analyst, emphasized the need to review performance-based funding in great detail before making any final recommendations. He suggested that taxing programs utilized in other states could serve as a model for Utah's performance funding.

Mr. James Wilson, Associate General Counsel, discussed reporting requirements for tourism and tax revenue in counties and suggested tourism issues the committee may consider in the future, including further refining the definition of tourism marketing and consolidating into single chapter Utah Code sections related to tourism marketing. He suggested the committee might

want to consider a mechanism to measure the effect of tourism promotion expenditures at the state and county levels and require an annual report to the legislature on tourism marketing and promotion.

3. Other Business

No other business was discussed.

4. Adjourn

MOTION: Rep. Saunders made a motion to adjourn. Chair Siddoway adjourned the meeting at 11:35 p.m.

