

# Issue Brief – Tourism

NUMBER EDHR-05-05

## SUMMARY

Estimates indicate that tourists spent \$4.9 billion throughout Utah in 2004. Furthermore the travel and recreation sectors employ approximately 112,000 people.<sup>1</sup> The Division of Travel Development runs several programs designed to help enhance the tourism industry including marketing and advertising; research and planning; publications and media services; and media relations. Their ultimate goal has been to increase Utah’s market share of tourism.

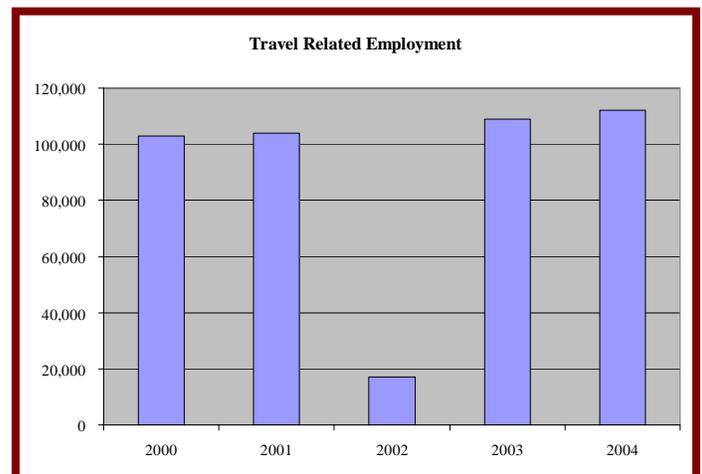
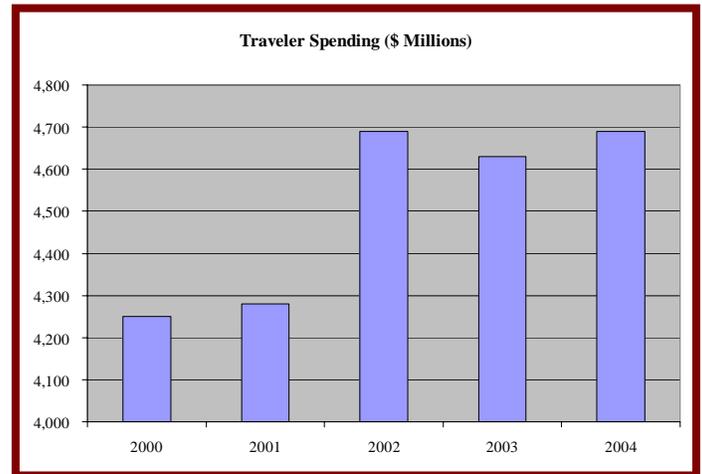
## OBJECTIVE

The purpose of this issue brief is to detail issues related to the Tourism Sector. Particular emphasis is placed on the growth in tourism related sales tax which leads to a required appropriation from the General Fund to the Tourism Marketing Performance Fund.

## DISCUSSION AND ANALYSIS

Utah’s share of U.S. traveler spending has been decreasing since 1996.<sup>2</sup> The Tourism Marketing Performance Fund was initially set up to help the tourism sector recapture a portion of the market share. The statute provides that in years where certain tourism related sales tax codes exceed 4 percent the Legislature will appropriate \$200,000 to be administered by the Tourism Marketing Performance Fund Committee. These funds are used to enhance tourism promotion efforts in Utah. The Committee contains representatives of the tourism sector.

Marketing plans developed by the committee are to contain any of the following elements: enhance the State’s image, promote the State as a year round destination spot, or encourage visitor spending in the state. This year the sectors identified in statute exceeded the required criteria. There is a request therefore that funding be provided.



## LEGISLATIVE ACTION

The Analyst recommends that the Committee consider placing on a priority list \$200,000 General Fund one-time for the Tourism Marketing Performance fund as directed by statute.

<sup>1</sup> 2005 Economic Report to the Governor

<sup>2</sup> Travel Industry of America