

2015 -- H 5914

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - TOURISM AND ECONOMIC
DEVELOPMENT

Introduced By: Representatives Carson, and Morin

Date Introduced: March 18, 2015

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-63.1-1 of the General Laws in Chapter 42-63.1 entitled
2 "Tourism and Development" is hereby amended to read as follows:

3 **42-63.1-1. Purpose.** – (a) The purpose of this chapter is to establish an operating
4 program to promote and encourage tourism, to coordinate tourism activities within the state, and
5 to establish a fund to promote and encourage tourism; and to promote and develop conventions
6 and related exhibitions, meetings, banquets and other events customarily incident thereto in
7 facilities established pursuant to chapter 99 of this title.

8 (b) Legislative findings. The general assembly hereby finds and declares that:

9 (1) Rhode Island possesses many strong natural and cultural tourism assets; other states
10 are investing considerably more marketing resources to convince prospective visitors to choose
11 their destinations;

12 (2) Tourism is the fourth largest private sector employer in Rhode Island;

13 (3) Every two hundred twenty (220) visitors creates a new job in Rhode Island;

14 (4) Each Rhode Island visitor generates about four hundred sixty dollars (\$460) in
15 expenditures, sixty-three dollars (\$63) of which goes to Rhode Island businesses that do not
16 directly make contact with that visitor;

17 (5) A recent study estimated that visitors injected \$3.4 billion into the Rhode Island
18 economy in 2009 alone (the last year of complete available data according to commerce RI;)

1 (6) Considering that the tourism industry supported forty-two thousand (42,000) direct
2 and indirect Rhode Island jobs in 2009 (nine percent (9%) of the state's job base in 2009) and
3 generated five hundred thirty-six million dollars (\$536,000,000) in state and local tax revenue,
4 Rhode Island risks restraining an indispensable economic and job growth opportunity by not
5 effectively competing for visitor dollars;

6 (7) Rhode Island has limited resources to develop and build a statewide brand; other
7 regional competitors are increasing their investments to engage prospective visitors. Connecticut
8 reversed its one dollar (\$1.00) state tourism allocation in 2012 by committing twenty-four million
9 dollars (\$24,000,000) to regain momentum. Similarly, Massachusetts increased its FY 2013/2014
10 budget to sixteen million dollars (\$16,000,000) from levels of six million (\$6,000,000) to eight
11 million dollars (\$8,000,000) in the past three (3) years and Maine has maintained a commitment
12 of seven million five hundred thousand dollars (\$7,500,000) to nine million dollars (\$9,000,000);

13 (8) According to the U.S. Bureau of Economic Analysis, the tourism industry is
14 rebounding and many states are looking to improve performance as part of their strategic
15 economic growth plans;

16 (9) For almost two (2) decades Rhode Island has disinvested in a statewide brand. In
17 order to grow its market share, the state must re-invest in a statewide brand, in addition to
18 continued, stable funding regional marketing initiatives;

19 (10) Rhode Island's state tourism marketing budget has been reduced to around five
20 hundred thousand dollars (\$500,000) annually, including staff;

21 (11) This lack of marketing and brand presence is also an influencing factor on the state's
22 declining market share of national tourism expenditures. Its share of national tourism
23 expenditures has declined consistently since 2007. If the state had maintained a market share
24 similar to what it had achieved in 2007, an additional \$1.78 billion of additional visitor spending
25 would have been attracted to the state in 2013 alone;

26 (12) If the state continues with a "status quo" approach to a statewide branding and
27 marketing presence, continuation of the past loss of market share can be expected;

28 (13) In order to reverse these trends, a new commitment to funding at a statewide level
29 needs to be made. A stabilized, annual funding increase is necessary to develop a sustained and
30 resourced brand based on the DNA of Rhode Island is critical for defining the state from others
31 and will have lasting results.

32 SECTION 2. Chapter 42-63.1 of the General Laws entitled "Tourism and Development"
33 is hereby amended by adding thereto the following section:

34 **42-63.1-14. Additional financial support.** – (a) Out of any money in the treasury not

1 otherwise appropriated there shall be appropriated the sum of four million dollars (\$4,000,000) to
2 the Rhode Island tourism division. These new resources will be directed towards three (3)
3 primary objectives:

4 (1) Building a new Rhode Island statewide brand platform and associated marketing
5 campaign;

6 (2) Refining statewide marketing resource deployment, focusing much more on domestic
7 advertising initiatives and aligning more closely with national norms; and

8 (3) Preparing marketing infrastructure to support the more aggressive statewide position.

9 (b) Coordination with the regional tourism councils. The development and
10 implementation of a new Rhode Island statewide marketing campaign shall include participation
11 and coordination with the regional tourism councils.

12 (c) Reports. The Rhode Island tourism division shall report annually to the general
13 assembly upon the goals for the marketing and the effectiveness of the state tourism branding
14 program; a measurement of key performance financial indicators including relevant benchmarks
15 (historical, competitive, marketplace) to include Rhode Island division of tourism itemized
16 expenditures; expense and net income data for tourism industries, including hotels, restaurants,
17 historical sites, cultural activities, family activities, and beach attendance, by municipality; toll
18 activity on the Newport Bridge; website activity; inquiries for tourist information; and visitor
19 data, to include expenditure data, both direct and indirect data. The report is due no later than one
20 month after the start of each legislative year and shall be submitted to the following:

21 (1) The speaker of the house of representatives and the president of the senate;

22 (2) The chairs of the house of representatives and senate finance committees;

23 (3) The fiscal offices of the general assembly.

24 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - TOURISM AND ECONOMIC
DEVELOPMENT

- 1 This act would provide additional four million dollars (\$4,000,000) to promote tourism in
- 2 Rhode Island.
- 3 This act would take effect upon passage.

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