

Commerce Committee JOINT FAVORABLE REPORT

Bill No.: HB-6119

Title: AN ACT CONCERNING ARTS, CULTURE AND TOURISM FUNDING.

Vote Date: 3/18/2021

Vote Action: Joint Favorable

PH Date: 2/11/2021

File No.: 235

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SPONSORS OF BILL:

Commerce Committee

REASONS FOR BILL:

HB 6119 renames the Tourism Fund to the Arts, Culture, and Tourism Fund, reflecting the fund's investments more accurately. This bill would increase the percentage of the state's lodging tax set aside for this fund from 10% to 25%. In addition, it codifies the current practice of allocating 40% of the fund to arts and culture and 60% to tourism. Surrounding states all outspend Connecticut when it comes to attracting tourism.

RESPONSE FROM ADMINISTRATION/AGENCY:

1. **David Lehman, Commissioner & Governor's Senior Economic Advisor, Department of Economic and Community Development:** Commissioner Lehman acknowledged that the arts are a critical part of the state's economic infrastructure and play an essential role in communities. He also recognized the vital role that tourism has in creating jobs in the state. However, he noted that the budgetary changes recommended in the bill were not a part of the Governor's budget and would need to be budgeted during the appropriations process.

NATURE AND SOURCES OF SUPPORT:

1. **Amy Wynn, Executive Director, American Mural Project in Winsted, CT:** Submitted written testimony in support of this bill. Ms. Wynn is also a member of the board of the Connecticut Arts Alliance. In her testimony, she provided two stories of individuals who benefited greatly from participating in her organization's programs. Ms. Wynn emphasizes that the arts have a significant impact on people's mental well-

being, which is particularly important in the age of COVID19. She urges support of the bill to ensure that arts, culture, and tourism are appropriately supported.

2. **Julia Wilcox, Manager of Advocacy & Public Policy, The Alliance:** Provided both written and public hearing testimony in support of this bill. The Alliance is the statewide advocacy organization representing the nonprofit sector. They underlined how important the creative economy is to the success of Connecticut's overall economy. They noted the devastating impact COVID19 has had on our state's creative economy, including a 2.4 billion-dollar loss in revenue. In their testimony, they called attention to four particular aspects of the bill that they support, which included the increase from 10% to 25% of the room occupancy tax to the fund, the percentage allocation within the fund, the change of name for the fund, and the change of name on the budget line.
3. **Lew Wallace, Board President, Cultural Alliance of Western Connecticut:** Submitted written testimony in support of this bill. Their organization is based in Danbury and serves several towns in Northern Fairfield and Southern Litchfield County. Their organization receives approximately 40,000\$ in state funding annually. They highlighted the services they provide utilizing that state money. They noted how increasing funding to the Tourism Fund would help grow the regional economy. Additionally, they pointed out that they will never leave the state as an Arts and Humanities organization, unlike for-profit businesses. They expressed that investing in their organization, which supports 200 entities in their region, is a permanent investment in Connecticut.
4. **Scott Dolch, Executive Director, Connecticut Restaurant Association:** Provided both written and public hearing testimony in support of this bill. Their association represents 8,500 restaurants and foodservice locations, which includes 160,000 food service employees. They noted how devastating the impact the past 11 months have had on their industry, with more than 600 restaurants closing. They stressed that Culinary Tourism in Connecticut is real, and our state should put resources behind properly showcasing that fact. They believe that Connecticut has a chance to be a leader in business recovery; however, our state will quickly fall behind our neighboring states without an increase to the Tourism Fund.
5. **David R. Fay, President & CEO, The Bushnell Center for the Performing Arts:** Submitted written testimony in support of this bill. Mr. Fay testified about how the Arts contribute to the state's economy, contributing 9 billion dollars annually. He notes that the arts sector also supports over 57,000 non-profit jobs in the state. Mr. Fay highlighted the impact that COVID19 has had on the arts sector, with \$400 million in lost revenue and over 33,000 jobs lost. He is confident that Connecticut can once again be an attractive, affordable tourist destination if legislative action is taken. He urged the legislature to increase the lodging tax allocation to the Tourism Fund go from %10 to %25. He stressed that ensuring the CT Office of the Arts and CT Humanities getting the appropriate funding was also critical.
6. **Peter Armstrong, President, Mystic Seaport Museum:** Submitted written testimony in support of this bill. Mr. Armstrong noted that Mystic Seaport is one of the largest tourism drivers in the state, with over 250,000 visitors per year. According to Mr.

Armstrong, although Connecticut is not generally thought of as a tourist destination, it should be because of its close proximity to New York City and Massachusetts. However, because of the advertising costs associated with targeting these areas, state investment is critical. He highlights the fact that Connecticut significantly lags behind its neighbors when it comes to supporting marketing for tourism. He believes that if Connecticut fails to course correct, tourist will spend their money in other states. He stresses that increasing the marketing fund is good economics.

7. **Jeff Hamilton, President & General Manager, Mohegan Sun:** Submitted written testimony in support of this bill. Mr. Hamilton praised local leaders' valiant efforts in government and commerce to create a good business climate for Eastern Connecticut. He noted that despite those efforts, additional aid is very much needed and warranted. Mr. Hamilton testified to how COVID19 has affected Mohegan Sun, with full-time employment down 21 percent, representing 1,000 full and part-time jobs and millions in wages. He underlines that this lost economic activity has affected the region, especially the local businesses. He stressed that as life slowly returns to normal, we must prioritize additional investment towards arts, culture, and tourism. Mr. Hamilton emphasized that such investment would boost our state's economy and positively impact our communities.
8. **Andrea Aron:** Provided both written and public hearing testimony in support of this bill. Ms. Aron is a businesswoman who belongs to an artisan cooperative in Essex. She testified about how COVID19 shut down the cooperative for a period of time and affected many small businesses, individual artists, educators, and non-profits. She highlighted all the ways that the arts help individuals. She supports increasing funding for the Arts in Connecticut, which will facilitate growing our economy.
9. **Rebecca Goodheart, Producing Artist Director, The Elm Shakespeare Company:** Submitted written testimony in support of this bill. Their testimony discusses what their non-profit does in the community, which has impacted over half a million Connecticut residents. They stressed how COVID19 has resulted in a dramatic loss of contributed and earned income. They noted that Elm's ability to survive is partly due to the financial support, both past and future, from the state. This support is making it possible for their organization to continue to make a difference. They believe that this bill will play a critical role in sustaining the arts in the state and keeping organizations like them alive.
10. **David Griggs, President & CEO, Metro Hartford Alliance:** Submitted written testimony in support of this bill. They noted that tourism supports 122,000 jobs and generates 14.7 billion dollars each year. Arts and culture represent 5% of our state's economy and generate 9 billion dollars annually. However, this industry has been hard hit by the pandemic, with venues across the state closing, resulting in immense revenue losses and considerable job losses. They testified that even as unique as these businesses and organizations are, what they have in common is the need for support in the wake of COVID19. They believe that the bill will deliver the kind of help these entities need.

The Commerce Committee received over 100 pieces of additional testimony from organizations or individuals expressing similar views in support of HB

6119. They mentioned reasons similar to those listed in the testimonies above. Copies of all the testimonies are available online.

NATURE AND SOURCES OF OPPOSITION:

1. **William Horsey, Meralis Lewis, Rita M. Schmidt, Janet L. Serra:** Submitted joint written testimony in opposition to this bill. They expressed several reasons for opposing tourism funding. Based on their assessment that the current tourism district system is irrevocably broken, they recommended defunding and dismantling these organizations. They also recommended establishing a task force to develop a new tourism policy. They suggest that now is the perfect time to reexamine how the tourism system is structured in the state.
2. **William Horsey, Principal, Terra Firma Northeast:** Submitted written testimony in opposition to this bill. Mr. Horsey suggests that the legislature defunds tourism for a year or two, so a serious conversation can take place about tourism going forward. In his testimony, he questioned the merge of the arts with tourism and expressed his view that the performing arts do not drive tourism into the state. Mr. Horsey was also critical of the state's Office of Tourism and questioned their marketing effectiveness. He views the current lull in tourism as a good time for the legislature and the state to examine tourism programs.

Reported by: Peter B. Andrews

Date: 3-30-21