



CONNECTICUT  
ARTS ALLIANCE

CONNECTICUT TOURISM COALITION

Harnessing the Power of Tourism

March 2, 2021

Testimony for SB 146: AN ACT AUTHORIZING SPORTS WAGERING, ONLINE CASINO GAMING, ONLINE LOTTERY AND ONLINE KENO.

Dear Co-Chair Rep. Horn, Co-Chair Senator Bradley, Vice-Chair Senator Osten, Vice-Chair Rep. Dathan, Vice-Chair Rep. Paolillo, and esteemed members of the Public Safety and Security Committee,

We are submitting this joint testimony on behalf of and as a sign of the strategic partnership between the Connecticut Arts Alliance and Connecticut Tourism Coalition for SB 146.

The Connecticut Arts Alliance and the Connecticut Tourism Coalition are relevant to this proposed bill because a small portion of the new revenue through passage of this bill will impact the arts, culture and tourism industries. The Arts Alliance and Tourism Coalition are both statewide organizations and are the leading industry educational and advocacy organizations, respectively.

We support this bill with a modification to invest the portion of this revenue into the Tourism Fund. This will not impact the overarching purpose of the bill - sports wagering, online casino gaming, online lottery and online keno in this state - but will enhance the overall effects.

In its draft form, the bill states:

*(1) Eight per cent of the gross gaming revenue from sports wagering authorized under sections 2, 3, 5 and 6 of this act, provided ten per cent of such payments, or twenty million dollars, whichever is less, shall be transferred from the General Fund each fiscal year to the state-wide tourism marketing account, established pursuant to section 10-395a of the general statutes; and (2) ten per cent of the gross gaming revenue from online casino gaming authorized under sections 2 and 4 of this act.*

The “state-wide tourism marketing account” was created in 2006 in section 10-395a of the general statutes to invest in the state’s tourism marketing campaigns. However, this statute was replaced with 10-395b in 2017 to create the Tourism Fund, which invests more broadly in the arts, culture, and tourism industries - the ecosystem - and serves as Connecticut’s investment mechanism in these assets.

Through the Tourism Fund, CT invests 40% in arts and cultural asset development and 60% in statewide marketing and promotion of those assets and tourism-related activities. Further, funding to the CT Office of the Arts (aka “Arts Commission”) and CT Humanities (aka “Connecticut Humanities Council”) are additionally leveraged and matched by the National Endowment for the Arts and National Endowment for the Humanities. Both organizations provide hundreds of grants through a competitive grant process to organizations and initiatives that reach every municipality.

Strengthening the Tourism Fund is a shared goal of the CT Arts Alliance and CT Tourism Coalition and would increase CT’s competitiveness. The latest improvement is outlined in [HB 6119](#) this legislative session, which renames the fund as the “Arts, Culture and Tourism Fund” and requires that 40% is invested in arts and culture and 60% in tourism. This represents three years of thoughtful and collaborative discussion by these industries through a variety of public and private committees and panels, from the Governor Lamont’s Transition Arts, Culture & Tourism Policy Committee and the Speaker’s Blue Ribbon Panel on Tourism, These changes were much needed and deserved pre-pandemic, but with covid-19 are now essential.

The pandemic has devastated Connecticut’s arts, cultural and tourism economy impacting thousands of jobs, shuttering venues, and halting international and national leisure and business travel. It will take many years to rebuild this important sector of our state’s economy. SB 146 and HB 6119 help do that.

The creative economy has lost an estimated \$2.4B in revenue with unemployment or underemployment reaching 60%. (attached)

Investing in our arts, culture and tourism assets as well as in statewide tourism marketing creates widespread benefits in all of our communities, from fellowships for individual artists, to strengthening our cities, where many of the state’s arts and tourist attractions are established, to grants for historic museums, strategic marketing campaigns, to afterschool programs. Further, according to the [National Assembly of State Arts Agencies](#), six states already have allocated a portion of gaming revenue to arts and culture.

The pandemic has had a devastating and disproportionate impact on the arts, culture, and tourism industries and only these agencies have the reach to strategically provide resources where needed.

Sincerely,

Brett Thompson, Interim Executive Director, Connecticut Arts Alliance  
Frank Burns, Executive Director, Connecticut Tourism Coalition



General Assembly

January Session, 2021

**Proposed Bill No. 6119**

LCO No. 1998



\* 0 1 9 9 8 \*

Referred to Committee on COMMERCE

Introduced by:

REP. PARKER, 101st Dist.

***AN ACT CONCERNING ARTS, CULTURE AND TOURISM FUNDING.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 That the general statutes be amended to (1) increase, from ten per cent
- 2 to twenty-five per cent, the portion of room occupancy tax revenue
- 3 directed to the Tourism Fund each quarter, (2) require that forty per cent
- 4 of money in the tourism fund be allocated to arts and culture and sixty
- 5 per cent of such money be allocated to tourism, (3) change the name of
- 6 the Tourism Fund to the Arts, Culture and Tourism Fund, and (4)
- 7 change the name of the "Statewide Marketing" budget line to "Statewide
- 8 Tourism Marketing".

***Statement of Purpose:***

To strengthen the arts, culture, and tourism sector in Connecticut by directing additional funds into the Tourism Fund, renaming the fund to better represent the full scope of the sector and ensuring equitable funding among arts, culture, and tourism initiatives.



## RED ALERT: COVID-19 AND THE CREATIVE ECONOMY IN CONNECTICUT

Creativity, arts, and culture are big business in Connecticut, but the unique nature of the COVID-19 pandemic and the ongoing economic crisis has made the nonprofit creative sector **the hardest hit sector in the country.**<sup>1</sup> Research shows that investment in the arts directly improves the health of the broader economy.<sup>1</sup> Without investment and incentives from federal and state governments, the creative engine driving our local and national economies will continue to struggle.<sup>2</sup>

### THE CREATIVE ECONOMY IS BIG BUSINESS IN CONNECTICUT

THE U.S.'S CREATIVE ECONOMY		CONNECTICUT'S CREATIVE ECONOMY	
<b>\$878 billion</b>	generated annually in the United States by the creative economy <sup>ii</sup>	<b>\$9.3 billion</b>	generated annually in Connecticut by the creative economy <sup>iii</sup>
<b>4.5%</b>	of GDP generated annually in the United States by the creative economy <sup>ii</sup>	<b>3.5%</b>	of GSP generated annually in Connecticut by the creative economy <sup>iii</sup>
<b>673,656</b>	creative businesses in the United States <sup>iv</sup>	<b>10,403</b>	creative businesses in Connecticut <sup>v</sup>
<b>5.1 million</b>	creative workers in the United States <sup>i</sup>	<b>58,932</b>	creative workers in Connecticut <sup>iii</sup>

### COVID-19 HAS DEVASTATED CONNECTICUT'S CREATIVE ECONOMY

RIGHT NOW, IN THE UNITED STATES...		RIGHT NOW, IN CONNECTICUT...	
<b>\$150 billion</b>	lost revenue for creative economy businesses through July 2020 (est.) <sup>v</sup>	<b>\$2.4 billion</b>	lost revenue for creative economy businesses in 2020 in Connecticut (est.) <sup>v</sup>
<b>67%</b>	creative businesses <b>severely impacted</b> by COVID-19 <sup>vi</sup>	<b>61%</b>	Connecticut creative businesses <b>severely impacted</b> by COVID-19 <sup>vi</sup>
<b>2.7 million</b> (52% unemployed)	creative workers made <b>unemployed</b> by COVID-19 <sup>v</sup>	<b>33,258</b> (56% unemployed)	creative workers made <b>unemployed</b> by COVID-19 in Connecticut <sup>v</sup>
<b>62%</b>	of creative workers have experienced a <b>drastic decrease in work</b> <sup>vii</sup>	<b>57%</b>	of creative workers have experienced a <b>drastic decrease in work</b> <sup>vii</sup>
<b>\$77.2 billion</b>	<b>total loss of revenue</b> for creative workers in 2020 (est.) <sup>v</sup>	<b>\$1.11 billion</b>	<b>total loss of revenue</b> for creative workers in Connecticut in 2020 (est.) <sup>v</sup>
<b>\$15,140</b> (a 43% loss/person)	average <b>loss of creative revenue per creative worker</b> in 2020 <sup>v, vii</sup>	<b>\$18,835</b> (a 29% loss/person)	average <b>loss of creative revenue per creative worker</b> in Connecticut in 2020 <sup>v</sup>
<b>55%</b>	creative workers now have <b>no savings</b> <sup>vii</sup>	<b>49%</b>	creatives in Connecticut now have <b>no savings</b> <sup>vii</sup>



<sup>1</sup> According to [analysis](#) from Johns Hopkins University, the Arts, Culture, and Recreation sector experienced job losses at three times the rate of the next-most-impacted sector from January to August 2020.

<sup>2</sup> **What is the creative economy?** An \$878 billion economic ecosystem of for-profit and nonprofit creative industries, artists, educators, entrepreneurs, vendors, policymakers and funders that produce and distribute creativity- and arts-based goods and services. They use their creativity to create jobs, revenue, community resources, and cultural engagement.