



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEES ON
TOURISM AND INTERNATIONAL AFFAIRS
AND
ECONOMIC DEVELOPMENT, ENVIRONMENT, AND TECHNOLOGY

Wednesday, March 16, 2016
1:17 P.M.
State Capitol, Room 414

in consideration of
HB 2259, HD2
RELATING TO ECONOMIC LEAKAGE

Chair Wakai, Vice Chairs English and Slom, and Members of the Committees.

The Department of Business, Economic Development & Tourism (DBEDT) offers comments on HB2259, HD2, which would require DBEDT to prepare a report that examines the severity of economic leakage in the State's tourism industry. DBEDT supports the overall intent of this bill, but would like to provide the following comments:

- The data does not currently exist and it is expensive to obtain data through business surveys.
- Visitors spend on a wide range of goods and services so that surveys should also cover food services establishments, grocery stores, museums, tour operators, travel agencies, rental car companies, duty free stores, department stores, ABC stores, outlet stores, and hotels.
Developers of hotels and timeshares should also be included.
- We estimate that \$200,000 would be needed to hire a research firm to conduct the required surveys.

Thank you for the opportunity to provide the above comments.