

## Office of Tourism

	FY 2015 ACTUAL	FY 2016 ESTIMATE	FY 2017 APPROVED
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	28.0	28.0	28.0
Personal Services	1,362,200	1,776,300	1,776,300
Employee Related Expenditures	509,500	701,300	701,300
Professional and Outside Services	3,706,300	2,539,100	2,539,100
Travel - In State	8,600	12,500	12,500
Travel - Out of State	82,300	100,000	100,000
Other Operating Expenditures	1,409,600	1,979,800	1,981,400
Equipment	25,200	1,400	1,400
<b>OPERATING SUBTOTAL</b>	<b>7,103,700</b>	<b>7,110,400</b>	<b>7,112,000</b>
<b>SPECIAL LINE ITEMS</b>			
Arizona Promotion	2,000,000	0	0
<b>AGENCY TOTAL</b>	<b>9,103,700</b>	<b>7,110,400</b>	<b>7,112,000<sup>1/</sup></b>
<b>FUND SOURCES</b>			
General Fund	9,103,700	7,110,400	7,112,000
<b>SUBTOTAL - Appropriated Funds</b>	<b>9,103,700</b>	<b>7,110,400</b>	<b>7,112,000</b>
Other Non-Appropriated Funds	15,606,600	13,779,000	13,779,000
<b>TOTAL - ALL SOURCES</b>	<b>24,710,300</b>	<b>20,889,400</b>	<b>20,891,000</b>

**AGENCY DESCRIPTION** — The office is responsible for promoting tourism within the state, which includes planning and developing an information campaign, advertising, exhibitions, and operating a visitors' center. The agency receives a transfer from the Arizona Sports and Tourism Authority (AZSTA), a portion of tribal gaming contributions, and General Fund appropriations to the Tourism Fund.

### Operating Budget

The budget includes \$7,112,000 and 28 FTE Positions from the General Fund in FY 2017 for the operating budget. These amounts fund the following adjustments:

#### Statewide Adjustments

The budget includes an increase of \$1,600 from the General Fund in FY 2017 for statewide adjustments. (Please see the Agency Detail and Allocations section.)

#### Other Issues

### Funding Sources

The Office of Tourism receives funding from 3 primary sources: 1) a General Fund appropriation to fund the agency's operating budget; 2) a transfer from AZSTA, generated from partial allocations of a bed tax and car rental tax in Maricopa County (A.R.S. § 5-835), to fund

Maricopa County tourism promotion; and 3) a portion of tribal gaming contributions (A.R.S. § 5-601.02) to fund statewide tourism promotion. (For further details on agency revenues, please see Table 1.)

### Additional Legislation

#### Special Sporting Event Promotion

Laws 2016, Chapter 366 provides an annual General Fund appropriation of \$1,500,000 from FY 2022 through FY 2051 to the State Treasurer for distribution to the Office of Tourism if certain conditions are met. The funds are to be used to promote an auto racing sporting event. Prior to the release of any monies, between December 31, 2016 and December 31, 2020, the eligible auto racing sporting event must spend at least \$100,000,000 on land acquisitions, construction, improvements, or renovations of their facilities. Once these investments are made, the bill requires the eligible auto racing sporting event to receive JLBC certification of their expenditures. After certification is received, the Treasurer is then

<sup>1/</sup> General Appropriation Act funds are appropriated as a Lump Sum in the form of a deposit to the Tourism Fund.

appropriated \$1,500,000 in General Fund monies annually for distribution to the Office of Tourism from FY 2022 through FY 2051, or a total General Fund cost of \$45,000,000.

Additionally, the bill requires the Office of Tourism to provide an annual report on or before October 1 to the JLBC that includes the amounts and purposes of all expenditures made from these monies in the previous fiscal year. *(Please see the State Treasurer narrative for more information.)*

<b>Office of Tourism Revenues <sup>1/</sup></b>					
<u>Sources of Funding</u>	<u>Fund</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	
<u>General Fund Appropriation</u>					
• General Fund appropriation to be used administering the Office of Tourism and promoting tourism	General Fund	\$9,103,700	\$7,110,400	\$7,112,000	
<u>Sports and Tourism Authority</u>					
• Partial allocation of 1% of bed tax and 3.25% car rental tax (Prop. 302 - 2000)	Tourism Fund	7,553,100	7,479,000	8,350,400	
<u>Tribal Gaming</u>					
• 8% of state's share of gaming proceeds, after distribution to Department of Gaming (Prop. 202 - 2002)	Tourism Fund	<u>6,292,500</u>	<u>6,501,400</u> <sup>2/</sup>	<u>6,631,400</u> <sup>2/</sup>	
<b>Total</b>		<b>\$22,949,300</b>	<b>\$21,090,800</b>	<b>\$22,093,800</b>	
<p><sup>1/</sup> The numbers displayed represent revenues to the agency and may not correspond directly with the agencies' actual expenditure or appropriation amounts.</p> <p><sup>2/</sup> The Tribal Gaming amounts for FY 2016 and FY 2017 are JLBC estimates.</p>					