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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 February 10, 2016  
1:15 P.M.  
State Capitol, Room 414

in consideration of  
**SB 3013**  
**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 SB3013, 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 testimony.