

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE,
& TOURISM



Representative Bob Herron, Chair

State Capitol Building, Room 411
Juneau, Alaska 99801-1182
Phone (907) 465-4942
Fax (907) 465-4589
Rep.Bob.Herron@legis.state.ak.us

Rep. Neal Foster, Rep. Berta Gardner, Rep. Reggie Joule, Rep. Wes Keller,
Rep. Cathy Muñoz, Rep. Kurt Olson, Rep. Steve Thompson, Rep. Chris Tuck

Explanation of Changes for HB 160, Tourism Marketing Contracts
For Senate Finance

Changes from original HB 160 to CSHB 160 (EDT)

Deletions:

- The section establishing a visitor industry investment fund
- Language requiring a \$2.7 million industry match

Additions:

- The state contribution to the marketing campaign was capped at \$12 million.
- Date DCED must contract with a qualified trade association (QTA) moved from April 1 to June 1.
- QTA pays 1/3 of the contract and the state pays 2/3.
- QTA "in-kind" contributions allowed as part of QTA match.
- The Alaska Promotion and Marketing Task Force established
- Reverts to 1 to 1 Industry match requirement July 1, 2013

Changes from CSHB 160 (EDT) to CSHB 160 (FIN)

Deletions:

- Language allowing "In-Kind" contributions
- Language establishing the Alaska Promotion and Marketing Task Force
- Language reverting to 1 to 1 Industry match requirement on July 1, 2013

Additions:

- Language reworded from QTA pays 1/3, state pays 2/3 to QTA must pay matching funds equal to 50% of the state money used for the marketing campaign. (Reworded, but materially the same.)
- Mandate that the group within the QTA that is directing the marketing campaign consists of 3 persons appointed by the Governor and 6 selected by the QTA.
- Prohibition of a QTA that enters into a tourism marketing contract with the state from lobbying the legislature regarding the funding of the contract.

Changes from CSHB 160 (FIN) to CSHB 160 (FIN)am

Deletions: None

Additions:

- Section 7 of CSHB 160 (FIN)am was added as a House Floor amendment. The match requirement for the first \$3 million of industry contributions to the tourism marketing campaign remains subject to a 1 to 2 industry to state match, while the next \$1.5 million is subject to only a 1 to 3 industry to state match as illustrated in the table below:

Scenario if Industry can match with \$4.5 million

<u>Industry</u>	<u>State</u>	<u>Match Requirement</u>
\$3 million	\$6 million	1 to 2 (Industry pays 50% of the state money)
\$1.5 million	\$4.5 million	1 to 3 (Industry pays 33% of the state money)
\$4.5 million+ \$10.5 million = \$15 million Total		

Section 7 is repealed July 1, 2012.