

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



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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 DCCED 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Section 7 is repealed July 1, 2012.