

LEGAL SERVICES

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MEMORANDUM

April 12, 2011

SUBJECT: Sectional summary of CSHB 160(FIN) am, relating to state tourism marketing contracts (Work Order No. 27-LS0509\S.A)

TO: Representative Bob Herron
Attn: Rob Earl

FROM:  Theresa Bannister
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1. Amends AS 44.33.120(d) to remove a reference to AS 44.33.125(d), which is repealed by this bill.

Section 2. Amends AS 44.33.125(a). Changes the date by which a state tourism marketing contract is to be entered into each year. States that the qualified trade association must provide matching funds equal to 50 percent of the state money used for costs of the contract's marketing campaign. Limits the state money used for the costs of the contract's marketing campaign to \$12,000,000.

Section 3. Repeals and reenacts AS 44.33.125(e). Requires that a group within the qualified trade association direct the marketing campaign of a tourism marketing contract awarded under AS 44.33.125(a). Requires the group to have nine individuals and indicates how the individuals are to be selected. Sets the terms of the governor's appointees at three years. Allows the association to determine the terms of their appointees.

Section 4. Prohibits a qualified trade association that contracts with the state under AS 44.33.125(a) from paying a person to lobby the legislature regarding the funding of the contract.

Section 5. Repeals AS 44.33.125(d).

Section 6. Requires that the governor's appointments be made within one month after the Act's effective date and be given staggered terms.

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Section 7. This section establishes a temporary method for increasing the amount of a tourism marketing contract entered into under AS 44.33.125(a). Requires the tourism marketing association to satisfy its payment obligation under the contract, and sets a minimum for this payment, in order to use this section. Allows the contract amount to be amended by up to a certain amount, with the state paying three times the additional amount the association is paying. Limits the use of this section to one time. Prohibits the state money used for the contract from exceeding \$12,000,000.

Section 8. Repeals sec. 7 on July 1, 2012.

Section 9. Makes the Act effective July 1, 2011.

If I may be of further assistance, please advise.

TLB:ljw
11-245.ljw

Below is the language that Section 5 of CSHB 160(FIN)am repeals:

Sec. 44.33.125. Tourism marketing contracts.

“(d) If, during the term of a contract awarded under (a) of this section, funds from any source are appropriated to the department for tourism marketing activities in addition to the funds already committed under the contract, the contract may be amended to include the additional funds and the additional tourism marketing activities. The department may require the qualified trade association to provide matching funds in any amount for the additional funds, or the department may impose no matching requirement for the additional funds. If the qualified trade association refuses the additional funds, the department may use the additional funds to award a contract to another person but only under terms not materially different from those offered to the qualified trade association.”