

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version: SB 110
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB110-DCCED-DED-02-23-18
Title: TOURISM
MARKETING:BOARD;ASSESSMENT;FUND
Sponsor: LABOR & COMMERCE
Requester: (S) Labor & Commerce

Department: Department of Commerce, Community and
Economic Development
Appropriation: Economic Development
Allocation: Economic Development
OMB Component Number: 2743

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Personal Services							
Travel							
Services	2.5						
Commodities	1.1						
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	3.6	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1005 GF/Prgm (DGF)	3.6						
Total	3.6	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

1005 GF/Prgm (DGF)	3.6						
Total	3.6	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/19

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: Britteny Cioni-Haywood, Director
Division: Division of Economic Development
Approved By: Catherine Reardon, Director
Agency: Division of Administrative Services, DCCED

Phone: (907)465-2625
Date: 02/23/2018
Date: 2/23/2018

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

BILL NO. SB 110

Analysis

SB 110 establishes the Travel Alaska Board responsible for designing assessments on tourism-related businesses in order to raise revenue to market travel and tourism to and within the state.

This bill delineates the board's powers, duties, requirements, and expenditures and the assessment process. The Department of Revenue will be responsible for the collection of assessments and disposition of proceeds.

The purpose of SB 110 is to create what is known as a tourism improvement district (TID) structure within the state. The proposed model allows an industry-approved assessment to provide revenue from private sector businesses to fund tourism marketing expenditures for the state.

The Travel Alaska Board within the Department of Commerce, Community and Economic Development (DCCED) will determine the assessments. The board will be comprised of representatives from assessed tourism businesses. The elections of board members will use weighted votes to select candidates. The weighted votes will be based on the estimated amount of assessment to be paid by each assessed business in the subsequent calendar year. This weighted structure will give greater voting strength to larger and established businesses.

The bill provides that the board will receive administrative support from the leading statewide nonprofit tourism marketing association rather than DCCED. No salary, travel, or per diem will be granted to board members. The department will be responsible to propagate initial regulations needed for the board. Costs associated with the research and drafting of the regulations can be absorbed by current staff.

If this bill passes the following expenses will be incurred:

Services: \$2.5 (legal services)

Commodities: \$1.1 (supplies, postage, and advertising of public notice of proposed regulations)