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Bannister
2/28/11

CS FOR HOUSE BILL NO. 160()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY

**Offered:
Referred:**

**Sponsor(s): HOUSE SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE, AND
TOURISM**

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing and relating to the Alaska visitor industry investment fund;**
2 **relating to matching funds for state tourism marketing contracts with qualified trade**
3 **associations; and providing for an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 *** Section 1.** AS 37.05 is amended by adding a new section to article 6 to read:

6 **Sec. 37.05.610. Alaska visitor industry investment fund.** (a) The Alaska
7 visitor industry investment fund is established as a separate fund in the general fund.
8 The fund consists of the amount deposited into the fund by the department under (b) of
9 this section.

10 (b) Except as provided by (c) of this section, each fiscal year the department
11 shall deposit into the fund 30 percent of the money the department collected from the
12 following sources during each of the three fiscal years that preceded the fiscal year of
13 the deposit and for which the department has determined the actual amount that was
14 collected:

(1) the passenger vehicle rental tax levied under AS 43.52.010;
(2) the recreational vehicle tax levied under AS 43.52.030; and
(3) the portion of the corporate income tax collected under AS 43.20 and identified by the department as collected from corporations engaged in the visitor industry.

(c) After the first deposit is made under (b) of this section, if the amount of money calculated for deposit under (b) of this section for a subsequent fiscal year is less than the amount of money in the first deposit, the department shall deposit into the fund an amount of money that is the same amount as the first deposit. In this subsection,

(1) "first deposit" means the first deposit made into the fund after the effective date of this section;

(2) "subsequent fiscal year" means a fiscal year that occurs after the fiscal year in which the first deposit is made.

(d) To market the state as a destination, the annual estimated balance in the fund may be used by the legislature to make appropriations to the Department of Commerce, Community, and Economic Development for the tourism marketing contract awarded under AS 44.33.125.

(e) Nothing in this section creates a dedicated fund.

(f) In this section, "department" means the Department of Revenue.

* **Sec. 2.** AS 44.33.125(a), as amended by sec. 2, ch. 103, SLA 2008, is amended to read:

(a) Subject to appropriations for the purpose, the Department of Commerce, Community, and Economic Development shall, on or before April 1 of each fiscal year, contract with a single qualified trade association for the purpose of planning and executing a destination tourism marketing campaign during the next fiscal year. The contract may be awarded only if the qualified trade association provides matching funds equal to \$2,700,000 [AT LEAST 50 PERCENT OF THE COSTS OF THE MARKETING CAMPAIGN DESCRIBED IN THE CONTRACT]. The marketing campaign may promote distinct segments of tourism, such as highway tourism, seasonal tourism, ecotourism, cultural tourism, regional tourism, and rural tourism. Before the contract is executed, the marketing campaign plan must be approved by the

1 department.

2 * **Sec. 3.** This Act takes effect July 1, 2011.