

ALASKA STATE LEGISLATURE

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EXPLANATION OF CHANGES

House Bill 383: Travel Alaska Act version: O to R

Throughout the bill: The term “Department of Revenue” is changed to “department.” The terms “tourism segments” and “business segments” have been abbreviated to “segments” for clarity and consistency. Additional changes were adopted as recommended by Legislative Legal to conform to amendments made to the bill, as well as legislative drafting standards.

Page 1, Line 1: Amends the bill title to include reference to a Vehicle Rental Tax credit.

Page 1, Lines 5-12: Deletes Sections 1-4 and replaces with a new Section 1. Replaces the Vehicle Rental Tax (VRT) mechanism in the original bill with a VRT credit, addressing structural concerns raised by the Department of Revenue and Legislative Legal. Renumbers remaining bill sections accordingly.

Page 2, Lines 25-26: New language permits the Travel Alaska Board to remove ex officio nonvoting members in 44.25.205(d), which previously only allowed them to elect nonvoting members.

Page 2, Lines 28-29: Amends 44.25.205(d) to add electing a chair or vice-chair to the list of actions for which nonvoting members may not be counted.

Page 3, Lines 1-6: New subsection 44.25.205(f) clarifies that if an assessment is terminated, the Travel Alaska Board can remain active through June 30 of the following year to performing its remaining duties. A new assessment may be proposed and voted on during this time.

Page 9, Lines 14-30: Adds new subsection 44.25.270(c) clarifying procedures for board member elections:

(c)(1) requires notice to be provided, either by mail or electronically, to voters in advance of a board member election. This subsection also clarifies that in the case of a board member election in which an assessment is also being voted on, voters will consist of all tourism

businesses who would be subject to the proposed assessment, should it pass. In the case that no assessment is being voted on (only board members), voters will consist of tourism businesses currently subject to an existing assessment.

(c)(2) clarifies that ballots for board member elections will also be mailed by the Director of Elections 45 days before the required postmark date. Outlines required elements to be included on board election ballots, and that the Director of Elections will count ballots.

Renumbers following subsections accordingly.

Page 9, Lines 22-27: Adds new subsection 44.25.270(d) clarifying that assessment election ballots must list proposed and existing assessments for all segments, and be approved or rejected in total, as a single vote. If an existing assessment is up for renewal and the vote fails, the assessment terminates. If an existing assessment is up for amendment and the vote to change the assessment fails, the existing assessment remains. If an assessment is up for termination and the vote passes, the assessment terminates.

Renumbers following subsections accordingly.

Page 10, Line 18: Amends the vote threshold in 44.25.275 from “at least 50 percent” to “more than 50 percent” of the weighted votes received in an election.

Page 10, Line 24: Inserts language in 44.25.275 to ensure the weight of a tourism business’s vote remains confidential.

Page 10, Lines 25-28: Adds new subsection 44.25.275(b) giving the Department of Revenue the authority to establish a method for weighting votes of tourism businesses when gross revenue information is not provided to the Department.

Page 11, Lines 1-3: Adds language to 44.25.280 strengthening the Department of Revenue’s authority to require a tourism business to provide information necessary to weight their vote for an election.

Page 11, Lines 17-21: Amends 44.25.295 to ensure the Legislature is not appropriating both into, and out of, the Alaska tourism marketing fund established in this section, addressing a drafting concern raised by Legislative Legal. This section now clarifies the Department of Revenue will deposit collected assessment revenue and donations into the fund.

Page 11, Lines 22-24: Adds language in 44.25.295 allowing money to be appropriated out of the Alaska tourism marketing fund to cover costs of administering the assessment, as well as executing a marketing plan.

Page 11, Line 30 – Page 12, Line 3: Adds definitions in 44.25.300 for “department,” “fund,” and “gross revenue.” Renumbers following subsections accordingly.

Page 12, Lines 10-27: Amends Section 3(a)-(c) to ensure a Governor-appointed transition board is established before any Travel Alaska Board member/assessment election takes place. Under this structure, the “leading statewide nonprofit tourism marketing association” forwards a list of names to the Governor for the appointment of a 24-member transition board. At the recommendation of

Legislative Legal, this would ensure the entity working with the Department of Revenue to define tourism “segments” and holding an initial assessment election would be a Governor-appointed board, versus an industry association independent of state government. Renumbers following subsections accordingly.

Page 12, Line 28 – Page 13, Line 6: Amends Section 3(d) and (e), and deletes previous Section 3(f), renumbering accordingly. Adds clarifying language that the Director of Elections and Department of Revenue are involved in the first election process, just as they would be in all future elections. Ratification of the first approved assessment by the Travel Alaska Board is no longer required, as payers will have voted on its approval. Finally, this section now also clarifies that the transition board will dissolve upon the appointment of the first Travel Alaska Board.