

**CS FOR HOUSE BILL NO. 160(FIN) am**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

**BY THE HOUSE FINANCE COMMITTEE**

**Amended: 4/11/11**

**Offered: 4/9/11**

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

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to state tourism marketing contracts with qualified trade associations**  
2 **and to tourism marketing campaigns; and providing for an effective date."**

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

4 **\* Section 1.** AS 44.33.120(d) is amended to read:

5 (d) During the term of a contract with a qualified trade association under  
6 AS 44.33.125(a), the Department of Commerce, Community, and Economic  
7 Development may not execute another tourism marketing campaign except as  
8 provided under **AS 44.33.125(b) or (c)** [AS 44.33.125(b), (c), OR (d)].

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

10 (a) Subject to appropriations for the purpose, the Department of Commerce,  
11 Community, and Economic Development shall, on or before **June 1** [APRIL 1] of  
12 each fiscal year, contract with a single qualified trade association for the purpose of  
13 planning and executing a destination tourism marketing campaign during the next  
14 fiscal year. The contract may be awarded only if the qualified trade association

1 provides matching funds equal to at least 50 percent of the state money used for costs  
 2 of the marketing campaign described in the contract. The state money used for the  
 3 costs of the marketing campaign described in the contract may not exceed  
 4 \$12,000,000. The marketing campaign may promote distinct segments of tourism,  
 5 such as highway tourism, seasonal tourism, ecotourism, cultural tourism, regional  
 6 tourism, and rural tourism. Before the contract is executed, the marketing campaign  
 7 plan must be approved by the department.

8 \* **Sec. 3.** AS 44.33.125(e) is repealed and reenacted to read:

9 (e) The marketing campaign conducted under a tourism marketing contract  
 10 awarded under (a) of this section shall be directed by a group within the qualified trade  
 11 association. The group shall consist of nine individuals, and the nine members of the  
 12 group shall be selected as follows:

13 (1) the governor shall select three members who are from the cruise  
 14 lines for three-year terms; and

15 (2) the qualified trade association shall select one member from each  
 16 of the four judicial districts and two members from the public; at least two of those  
 17 members shall be from tourism entities that employ fewer than 50 employees, at least  
 18 one of those members shall be from a tourism entity that employs more than 50 but  
 19 not more than 250 employees, and at least one of those members shall be from a  
 20 tourism entity that employs more than 250 employees; the qualified trade association  
 21 shall select the members and determine the length of the members' terms according to  
 22 the qualified trade association's bylaws or, if the qualified trade association is not an  
 23 entity that has bylaws, the rules for the internal governance of the qualified  
 24 association.

25 \* **Sec. 4.** AS 44.33.125(h) is amended to read:

26 (h) A qualified trade association

27 (1) may not use money from a contract awarded under (a) or (c) of this  
 28 section

29 (A) [(1)] to lobby a municipality or an agency of a municipality  
 30 or to lobby the state or an agency of the state, as those terms are defined in  
 31 AS 44.99.030(b);

1                    **(B)** [(2)] to raise funds that will be used to lobby a municipality  
 2                    or an agency of a municipality or to lobby the state or an agency of the state, as  
 3                    those terms are defined in AS 44.99.030(b); or

4                    **(C)** [(3)] for administrative or overhead costs that directly  
 5                    support any effort to lobby a municipality or an agency of a municipality or to  
 6                    lobby the state or an agency of the state, as those terms are defined in  
 7                    AS 44.99.030(b); **or**

8                    **(2) that has contracted with the state under (a) of this section may**  
 9                    **not pay a person to lobby the legislature regarding the funding of the contract.**

10                    \* **Sec. 5.** AS 44.33.125(d) is repealed.

11                    \* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to  
 12                    read:

13                    TRANSITION: APPOINTMENTS BY GOVERNOR. The governor shall appoint the  
 14                    three members under AS 44.33.125(e), as repealed and reenacted by sec. 3 of this Act, within  
 15                    one month following the effective date of this section to staggered terms as follows:

16                    (1) one member shall serve a one-year term;

17                    (2) one member shall serve a two-year term; and

18                    (3) one member shall serve a three-year term.

19                    \* **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to  
 20                    read:

21                    ADDITIONAL PAYMENTS. Notwithstanding AS 44.33.125(a), as amended by sec.  
 22                    2 of this Act, if a qualified trade association satisfies its obligation to pay 50 percent of the  
 23                    state money used for costs of the marketing campaign described in a tourism marketing  
 24                    contract entered into under AS 44.33.125(a), as amended by sec. 2 of this Act, if the 50  
 25                    percent is equal to or greater than \$3,000,000, and if the qualified trade association offers to  
 26                    amend the contract for a larger amount and to pay an amount in addition to the 50 percent it  
 27                    has already paid, the state may amend the contract to increase the amount of the contract by  
 28                    an amount that is equal to four times the additional amount offered by the qualified trade  
 29                    association. If the contract is amended under this section, the state shall pay three times the  
 30                    additional amount paid by the qualified trade association, except that the additional amount  
 31                    paid by the qualified trade association may not exceed \$1,500,000, and the amount by which

1 the contract is amended under this section may not exceed \$6,000,000. However, even with  
2 the additional payment by the state under this section, the state money used for the contract  
3 may not exceed \$12,000,000. The provisions of this section may be used only one time. In  
4 this section, "qualified trade association" has the meaning given in AS 44.33.125(j).

5 \* **Sec. 8.** Section 7 of this Act is repealed July 1, 2012.

6 \* **Sec. 9.** This Act takes effect July 1, 2011.