

**HOUSE BILL NO. 222**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES AUSTERMAN, Chenault, Johnson, Stoltze, Thomas, Peggy Wilson, Herron

Introduced: 4/1/11

Referred: House Special Committee on Economic Development, Trade, and Tourism, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act establishing and relating to the Alaska Promotion and Marketing Board and**  
2 **the Alaska promotion and marketing fund; relating to marketing tourism contracts and**  
3 **campaigns; and providing for an effective date."**

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

5 \* **Section 1.** AS 39.50.200(b) is amended by adding a new paragraph to read:

6 (64) the Alaska Promotion and Marketing Board.

7 \* **Sec. 2.** AS 44.33 is amended by adding new sections to read:

8 **Article 15. Alaska Promotion and Marketing.**

9 **Sec. 44.33.950. Alaska promotion and marketing fund.** The Alaska  
10 promotion and marketing fund is created. The department, in consultation with the  
11 board, shall administer the fund.

12 **Sec. 44.33.955. Contents of fund.** (a) The fund consists of

13 (1) money appropriated to the fund by the legislature for grants for the  
14 fund's purpose;

1 (2) gifts, bequests, contributions from other sources, and federal  
2 money appropriated to the fund for grants for the fund's purpose; and

3 (3) interest from investments of the money in the fund that is  
4 appropriated to the fund by the legislature for grants for the fund's purpose.

5 (b) The fund is not a dedicated fund.

6 **Sec. 44.33.960. Purpose of fund.** The purpose of the fund is to promote and  
7 market industries that broaden the economic base of the state and that provide jobs and  
8 business opportunities for the residents of the state.

9 **Sec. 44.33.965. Use of fund.** Subject to appropriation, the department shall use  
10 the money in the fund to

11 (1) make grants to private entities for projects that promote the fund's  
12 purpose; and

13 (2) pay the costs of administering AS 44.33.950 - 44.33.990.

14 **Sec. 44.33.970. Grant requirements.** (a) A grant recipient shall be an entity  
15 that operates in or represents an industry that brings money into the state.

16 (b) A grant made to an entity that operates in an emerging industry must  
17 require that the grant recipient provide matching funds of 30 percent of the grant  
18 amount for the grant project.

19 (c) A grant made to an entity that operates in an established industry must  
20 require that the grant recipient provide matching funds of 50 percent of the grant  
21 amount for the grant project.

22 (d) Subject to appropriation, the total of the grants made in one fiscal year to  
23 entities that operate in established industries may not exceed 75 percent of the  
24 appropriations made to the fund for that fiscal year.

25 **Sec. 44.33.975. Alaska Promotion and Marketing Board established.** (a)  
26 The Alaska Promotion and Marketing Board is established in the department.

27 (b) The board is composed of three members appointed by the governor. The  
28 members of the board shall be appointed for terms of three years.

29 (c) Members of the board shall be selected without regard to political  
30 affiliation or geographical location of residence.

31 (d) Members of the board shall be residents of the state. Each member shall

1 have expertise in private sector business or industry, or both, and possess  
2 demonstrated leadership skills. However, a member may not, immediately before  
3 being appointed or while acting as a board member, hold an executive position in a  
4 business or industry entity.

5 (e) The board shall elect one member of the board to serve as chair of the  
6 board.

7 (f) A vacancy on the board shall be filled by the governor. A member selected  
8 to fill a vacancy shall hold office for the balance of the term for which the member's  
9 predecessor on the board was appointed.

10 (g) A vacancy on the board does not impair the authority of a quorum of the  
11 members to exercise the powers and perform the duties of the board.

12 (h) Members of the board do not receive compensation but are entitled to the  
13 per diem and travel expenses authorized for boards and commissions under  
14 AS 39.20.180.

15 (i) The board shall meet at least once each fiscal year.

16 **Sec. 44.33.980. Board duties.** The board shall

17 (1) develop a methodology for determining the priority for proposed  
18 projects to receive grants;

19 (2) identify the criteria for evaluating the degree to which proposed  
20 projects achieve the fund's purpose; the board shall give more value to

21 (A) projects that add to the state's primary sector economy or  
22 reduce reliance on imported goods or services; and

23 (B) grant applicants who have established a self-assessment to  
24 support their projects;

25 (3) determine the eligibility criteria for grant applicants;

26 (4) develop a methodology for the department to use in determining  
27 which industries are emerging industries and which are established industries;

28 (5) make recommendations to the department on the selection of  
29 projects for grants;

30 (6) describe how self-assessments by grant applicants will be evaluated  
31 when the projects are being reviewed;

1 (7) define "emerging industry," "established industry," and "industry  
2 that brings money into the state"; and

3 (8) provide a report to the legislature not later than 10 days after the  
4 first day of each regular legislative session; the report must provide the  
5 recommendations that the board

6 (A) has made to the department for making grants from the  
7 money already appropriated to the fund, including a description, an evaluation,  
8 and the priority of the proposed projects for grants; and

9 (B) is making to the legislature regarding appropriations to the  
10 fund, including a description, an evaluation, and the priority of the proposed  
11 projects for grants.

12 **Sec. 44.33.985. Regulations.** The board shall adopt regulations under  
13 AS 44.62 (Administrative Procedure Act) to carry out its duties under AS 44.33.950 -  
14 44.33.990. The department shall adopt regulations under AS 44.62 (Administrative  
15 Procedure Act) to carry out its duties under AS 44.33.950 - 44.33.990.

16 **Sec. 44.33.990. Definitions.** In AS 44.33.950 - 44.33.990,

17 (1) "board" means the Alaska Promotion and Marketing Board;

18 (2) "department" means the Department of Commerce, Community,  
19 and Economic Development;

20 (3) "fund" means the Alaska promotion and marketing fund;

21 (4) "fund's purpose" means the purpose of the fund identified in  
22 AS 44.33.960;

23 (5) "grant" means a grant made from the fund.

24 \* **Sec. 3.** AS 36.30.850(b)(41); AS 44.33.120(b)(4), 44.33.120(b)(7), 44.33.120(d), and  
25 44.33.125 are repealed.

26 \* **Sec. 4.** AS 39.50.200(b)(64); AS 44.33.950, 44.33.955, 44.33.960, 44.33.965, 44.33.970,  
27 44.33.975, 44.33.980, 44.33.985, and 44.33.990 are repealed July 1, 2019.

28 \* **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to  
29 read:

30 TRANSITION: INITIAL BOARD. (a) The governor shall appoint the members of the  
31 Alaska Promotion and Marketing Board, established by AS 44.33.975, enacted by sec. 2 of

1 this Act, within one month following the effective date of this section.

2 (b) Notwithstanding AS 44.33.975, enacted by sec. 2 of this Act, the governor shall  
3 appoint the first three members of the Alaska Promotion and Marketing Board, established by  
4 AS 44.33.975, enacted by sec. 2 of this Act, to staggered terms as follows:

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

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

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

8 \* **Sec. 6.** This Act takes effect January 1, 2012.