

# Fiscal Note

State of Alaska  
2018 Legislative Session

|                     |               |
|---------------------|---------------|
| Bill Version:       | CSSB 110(L&C) |
| Fiscal Note Number: | 1             |
| (S) Publish Date:   | 4/2/2018      |

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

### Fund Source (Operating Only)

|                    |            |            |            |            |            |            |            |            |
|--------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 1005 GF/Prgm (DGF) | 3.6        |            |            |            |            |            |            |            |
| <b>Total</b>       | <b>3.6</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

### Positions

|           |  |  |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |  |  |

### Change in Revenues

|                    |            |            |            |            |            |            |            |            |
|--------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 1005 GF/Prgm (DGF) | 3.6        |            |            |            |            |            |            |            |
| <b>Total</b>       | <b>3.6</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

**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           | Phone: | (907)465-2625 |
| Division:    | Division of Economic Development           | Date:  | 02/23/2018    |
| Approved By: | Catherine Reardon, Director                | Date:  | 2/23/2018     |
| Agency:      | Division of Administrative Services, DCCED |        |               |

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

## 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)