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1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

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SENATE BILL NO. 478

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to Alaska tourism promotion and
7 development; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. FINDINGS. The legislature finds that a cooperative effort
10 between the state and private industry to support and expand the visitor
11 industry of Alaska, and to foster expansion of the market for Alaska as a
12 destination throughout the nation and the world, is in the public interest
13 and is a valid public purpose. The legislature further finds that such a
14 cooperative effort would inure to the benefit of the visitor industry in
15 Alaska, and that some of the costs of maintaining such an effort should be
16 borne by the industry.

17 * Sec. 2. PURPOSES. The purposes of this Act are to

18 (1) encourage the expansion and growth of the Alaska visi-
19 tor industry for the benefit of the Alaska economy;

20 (2) promote cooperation between the state and private
21 sector in the planning and execution of a generic visitor marketing
22 campaign in the public interest;

23 (3) promote the development of visitor industry facilities,
24 both in the private sector and through the use of state resources, as
25 appropriate;

26 (4) provide a mechanism to promote new markets by encourag-
27 ing the development of pilot projects to test new marketing oppor-
28 tunities; and

29 (5) promote cooperation in the visitor industry by

1 encouraging membership in a trade association that practices nondis-
2 criminatory promotion and development of all aspects of the Alaska
3 visitor industry.

4 * Sec. 3. AS 39.25.110 is amended by adding a new paragraph to read:

5 (25) the executive director and other staff of the Alaska
6 Tourism Marketing Council.

7 * Sec. 4. AS 39.50.200(b) is amended by adding a new paragraph to read:

8 (49) Alaska Tourism Marketing Council (AS 44.33.700).

9 * Sec. 5. AS 44.33.120 is amended to read:

10 Sec. 44.33.120. ALASKA DIVISION OF TOURISM. (a) There is
11 created in the Department of Commerce and Economic Development the
12 Alaska division of tourism.

13 (b) The Alaska division of tourism shall

14 (1) cooperate with the tourism marketing council and orga-
15 nizations in the private sector for the promotion and development of
16 tourism and conventions into and within Alaska;

17 (2) coordinate with municipal, state, and federal agencies
18 for the development and promotion of tourism resources and conventions
19 in Alaska;

20 (3) administer any program of the state in which the state
21 provides matching money for municipalities or nonprofit organizations
22 to undertake the promotion and development of visitor travel to and in
23 the state; and

24 (4) review and approve the procurement documents and proce-
25 dures of the tourism marketing council to assure compliance with
26 applicable statutes and regulations.

27 (c) The Alaska division of tourism may

28 (1) promote and develop the Alaska tourist and convention
29 industry by publicizing state attractions through such means as

1 display advertising in magazines and newspapers, advertising on radio
2 and television or other advertising media, publishing pamphlets,
3 brochures and other graphic and pictorial materials, or by aiding and
4 assisting representatives of the media, to insure greater coverage of
5 Alaska's visitor attractions;

6 (2) [(4)] participate in travel shows;

7 (3) [(5)] increase the awareness of the citizens of the
8 state at the statewide, regional and community level of the economic
9 importance of the tourist industry;

10 (4) [(6)] assist potential investors in creating new tour-
11 ist facilities;

12 [(7) ADMINISTER ANY PROGRAM OF THE STATE IN WHICH THE STATE
13 PROVIDES MATCHING FUNDS FOR POLITICAL SUBDIVISIONS OR NONPROFIT ORGA-
14 NIZATIONS THAT UNDERTAKE THE PROMOTION AND DEVELOPMENT OF TOURISM;]

15 (5) [(8)] administer visitor information centers [WHICH
16 PARTICIPATE IN STATE FUNDS];

17 (6) conduct research to evaluate the effectiveness of the
18 tourism marketing council's marketing programs;

19 (7) analyze the effect on the Alaska visitor industry of
20 state land and resource development projects;

21 (8) organize, administer, and evaluate demonstration pro-
22 jects for the promotion of the Alaska visitor industry and the develop-
23 ment of new tourism destination markets, and

24 (9) administer grants under AS 44.33.135.

25 (d) [(c)] The commissioner of administration shall separately
26 account for money that derives from the sale of advertising space,
27 pamphlets, brochures, and other graphic and pictorial materials under
28 this section and AS 44.33.020(28) and that the division of tourism
29 deposits in the general fund. The annual estimated balance in the

1 account may be used by the legislature to make appropriations to the
2 Department of Commerce and Economic Development to cover related costs
3 of the division of tourism.

4 * Sec. 6. AS 44.33 is amended by adding a new section to read:

5 Sec. 44.33.135. GRANTS FOR PROMOTION OR DEVELOPMENT OF VISITOR
6 TRAVEL. (a) A municipality, a nonprofit corporation formed under
7 AS 10.20, or a bona fide nonprofit civic, fraternal, or service orga-
8 nization is eligible to receive, as a grant, matching money from the
9 state for up to 50 percent of the costs of a program or project that
10 the director of tourism determines is likely to promote or develop
11 visitor travel, including the promotion of conventions; the con-
12 struction, improvement, or operation of visitor destination facilities
13 and tourist attractions; and the development and preservation of at-
14 tractions of historical, contemporary, or cultural interest.

15 (b) The Department of Commerce and Economic Development shall
16 adopt regulations to carry out the provisions of this section.

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

18 ARTICLE 10. ALASKA TOURISM MARKETING COUNCIL.

19 Sec. 44.33.700. ALASKA TOURISM MARKETING COUNCIL ESTABLISHED.
20 There is established the Alaska Tourism Marketing Council. The coun-
21 cil is a public corporation of the state. It is an instrumentality of
22 the state in the Department of Commerce and Economic Development, but
23 has a legal existence independent of and separate from the state.
24 Exercise by the council of the powers conferred by AS 44.33.700 --
25 44.33.780 is an essential governmental function of the state.

26 Sec. 44.33.710. MANAGEMENT OF COUNCIL. (a) Unless the depart-
27 ment contracts with a qualified trade association under (b) of this
28 section, the governing body of the council is a board of directors
29 consisting of the director of the division of tourism, the com-

1 commissioner of commerce and economic development, and the commissioner
2 of another principal executive department designated by the governor.

3 (b) The department shall, unless the commissioner of commerce
4 and economic development determines that it would not be in the best
5 interests of the state, contract with a single qualified trade asso-
6 ciation to jointly manage the council, if the trade association agrees
7 that, before the end of each fiscal year that the contract covers, the
8 association will contribute at least 15 percent of the total operating
9 expenses of the council for that fiscal year. The term of a contract
10 under this subsection may exceed one year.

11 (c) If the department contracts with a qualified trade asso-
12 ciation under (b) of this section, the governing body of the council
13 is a board of directors consisting of 21 members and subject to the
14 following provisions:

15 (1) a board member must be substantially involved in a
16 visitor industry business, have academic training in a field such as
17 marketing, be an officer or a senior staff member of a local govern-
18 ment or nonprofit enterprise established to promote the visitor indus-
19 try, or have previous business or government experience that would
20 materially enhance the member's ability to contribute to the planning,
21 execution, or evaluation of a visitor industry promotional marketing
22 campaign;

23 (2) the contract must provide that the trade association
24 may select up to 10 board members;

25 (3) the director of the division of tourism is a board
26 member;

27 (4) all board members other than those identified in (2)
28 and (3) of this subsection must be appointed by, and serve at the
29 pleasure of, the governor;

1 (5) eleven members of the board constitute a quorum for the
2 transaction of business and the exercise of the powers and duties of
3 the board; board members may not participate, or vote, by proxy;

4 (6) the director of the division of tourism, or the direc-
5 tor's designee, shall serve as chairperson of the board; the director
6 may waive the right to chair the board and may delegate to it the
7 selection of the chairperson from among the members appointed by the
8 governor;

9 (7) the chairperson is a nonvoting member of the board,
10 except that in the case of a tie on any vote of the board, the chair-
11 person may then vote;

12 (8) the board shall meet at least four times a year; meet-
13 ings of the board occur at the call of the chairperson, or upon the
14 written request of seven members of the board;

15 (9) the board shall annually elect other necessary officers
16 from among its members;

17 (10) the members of the board appointed by the governor
18 serve staggered three-year terms, subject to continuation of the
19 contract, and may be reappointed;

20 (11) a person appointed or selected to fill a vacancy on
21 the board holds office for the balance of the term for which that
22 person's predecessor on the board was appointed or selected;

23 (12) a vacancy on the board occurring other than by ex-
24 piration of term must be filled in the same manner as the original
25 appointment or selection; and

26 (13) board members receive no salary for serving in that
27 position, but are entitled to per diem and travel expenses authorized
28 by law for other state boards and commissions under AS 39.20.180,
29 except that they are entitled to expenses for travel only for the

1 percentage of total travel that occurs within the state; the contract
2 must provide that the trade association will reimburse the council for
3 per diem and travel expenses paid to those board members selected by
4 the trade association; reimbursement under this paragraph is not part
5 of the association's required contribution under (b) of this section.

6 Sec. 44.33.720. EMPLOYEES. The board of directors of the coun-
7 cil may employ and determine the salary of the staff of the council,
8 which may include an executive director. If there is no executive
9 director, the staff of the council is supervised by the chairman of
10 the board. All employees of the council are in the exempt service
11 under AS 39.25.

12 Sec. 44.33.730. POWERS OF THE BOARD. In carrying out the duties
13 of the council, the board may

- 14 (1) adopt, alter, and use a corporate seal;
- 15 (2) prescribe, adopt, amend, and repeal bylaws;
- 16 (3) sue and be sued in the name of the council;
- 17 (4) enter into any agreements necessary to perform its
18 functions;
- 19 (5) cooperate with a public or private board, organization,
20 or agency engaged in work or activities similar to the work or activ-
21 ities of the council, including entering into contracts for joint
22 programs of tourism advertising and marketing;
- 23 (6) receive contributions of money from persons;
- 24 (7) establish offices in the state and otherwise incur ex-
25 penses incidental to the performance of its duties;
- 26 (8) appear on behalf of the council before boards, com-
27 missions, departments, or other agencies of municipal, state, or fed-
28 eral government;
- 29 (9) acquire, hold, lease, sell, or otherwise dispose of

1 property, as necessary to the operations of the council;

2 (10) appoint committees comprised of board and non-board
3 members; the chairperson of such a committee must be a board member;

4 (11) prepare and implement plans for the promotion of
5 tourism to and inside the state;

6 (12) sell, at fair market value, tourism advertising space
7 in publications and promotional materials developed by the council;
8 and

9 (13) provide space in publications and promotional materials
10 developed by the council to a qualified trade association that has
11 contracted with the department under AS 44.33.710(b), if the trade
12 association pays its pro rata share of production costs for the publi-
13 cation or promotional material; payment under this paragraph is not
14 part of the association's required contribution under AS 44.33.710(b).

15 Sec. 44.33.740. DUTIES OF THE COUNCIL. (a) The council shall

16 (1) conduct a tourism marketing program designed to accom-
17 plish the purposes of this chapter;

18 (2) prepare and implement plans for the promotion of Alaska
19 tourism, including research necessary to evaluate the effectiveness of
20 the council's marketing program;

21 (3) submit an annual report to the governor and the legis-
22 lature describing the activities of the council;

23 (4) make available to all interested persons, including
24 tourism businesses, a quarterly report of the council's actions and
25 activities; and

26 (5) annually submit a proposed operating budget to the
27 director of the division of tourism, to be used by the Department of
28 Commerce and Economic Development to prepare and submit the operating
29 budget of the council under AS 44.33.750.

1 (b) In performing its functions under this chapter, the council
2 may not favor any particular tourism business entity or other person.

3 Sec. 44.33.750. EXECUTIVE BUDGET ACT. The operating budget of
4 the council must be prepared and submitted in accordance with the
5 Executive Budget Act (AS 37.07).

6 Sec. 44.33.760. ACCOUNTING AND DISPOSITION OF RECEIPTS. (a)
7 The tourism marketing council account is established as a separate
8 account in the general fund.

9 (b) The commissioner of administration shall, in the tourism
10 marketing council account, separately account for fees and other
11 receipts collected by the council under AS 44.33.710(c)(13) and
12 44.33.730(12) and (13), and the contributions paid by a trade asso-
13 ciation under AS 44.33.710(b), that are deposited in the general fund.
14 The annual estimated balance in the account may be used by the legis-
15 lature to make appropriations to the council to finance its op-
16 erations.

17 Sec. 44.33.780. DEFINITIONS. In AS 44.33.700 -- 44.33.780,

18 (1) "board" means the board of directors of the Alaska
19 Tourism Marketing Council;

20 (2) "council" means the Alaska Tourism Marketing Council;

21 (3) "department" means the Department of Commerce and Econ-
22 omic Development; and

23 (4) "qualified trade association" means a private, nonprof-
24 it organization whose primary purpose is the promotion of tourism to
25 and within the state and which has a statewide membership comprised of
26 representatives of all major sectors of the visitor industry, includ-
27 ing without limitation hotels, airlines, cruise lines, wholesale and
28 retail travel agencies, visitor attractions, and convention and visi-
29 tors bureaus.

1 * Sec. 8. AS 44.33.130, 44.33.140, 44.33.145, 44.33.150, 44.33.160,
2 44.33.170, and 44.33.180 are repealed.

3 * Sec. 9. If the Department of Commerce and Economic Development con-
4 tracts with a qualified trade association under AS 44.33.710(b), enacted in
5 sec. 7 of this Act, initial appointments by the governor to the board of
6 directors of the Alaska Tourism Marketing Council under AS 44.33.710(c)(4),
7 enacted in sec. 7 of this Act, must be made for the following terms:

8 (1) four members shall serve for one year;

9 (2) three members shall serve for two years; and

10 (3) three members shall serve for three years.

11 * Sec. 10. This Act takes effect July 1, 1988.